

Women Empowerment through Micro Finance: A Boon for Development

Prof. Shriya B. Sarjekar

Assistant Professor

Department of Management Studies

K.D.K. College of Engineering, Nagpur, India

Abstract— Under the trickledown theory in the planning method it had been expected that women will equally benefit along facet men. This has been belied with the aid of actual development. Economic empowerment results in womens ability to steer or make decision, increased self-confidence, higher reputation and function in family etc. Micro finance is essential to conquer exploitation, create self belief for economic self-reliance of the rural poor, mainly among rural women who are typically invisible within the social organisation. This paper puts forward how micro finance has received tremendous reputation as a technique for financial empowerment of girls. This paper seeks to appear at the impact of Micro finance in regards to poverty relief and socioeconomic empowerment of rural women. An attempt is additionally made to indicate the approaches to extend women empowerment.

Keywords: Women Empowerment, Micro finance, Feminism

I. INTRODUCTION

This paper puts forward how micro finance has received enormous popularity as a technique for monetary empowerment of girls. This paper seeks to have a look at the effect of Micro finance as regards to poverty alleviation and socioeconomic empowerment of rural girls. An effort is additionally made to suggest the ways to extend women empowerment. Empowerment implies enlargement of assets and skills of people to steer control and hold accountable organization that influences their lives (World Bank Resource Book). Empowerment is the method of permitting or authorizing an individual to think, behave, take action and manage add an autonomous manner. It is the country of emotions of self-empowered to take manage of ones own destiny. It includes each controls over resources (Physical, Human, Intellectual and Financial) and over ideology (Belief, values and attitudes) (Batliwala, 1994). Empowerment are often regarded as how of making a social environment in the course of which you can actually take selections and make preference either for my part or collectively for social transformation. It strength innate ability with the aid of manner of acquiring knowledge energy and knowledge. Empowerment may want to even be a multi-dimensional technique that helps people benefit manage over their very own lives communities and in their society, through performing on issues that they define as vital. Empowerment occurs within sociological psychological monetary spheres and at numerous levels, like person, organization and network and demanding situations our assumptions about set up order, asymmetrical strength relationship and social dynamics. Empowering girls places the highlight on schooling and employment which are a critical detail to sustainable development.

II. EMPOWERMENT: FOCUS ON POOR WOMEN

In India, the trickle down results of macroeconomic regulations have didn't solve the trouble of gender inequality. Women had been the vulnerable phase of society and constitute a substantial phase of the poverty-struck population. Women face gender particular boundaries to get right of entry to training health, employment etc. Micro finance offers with ladies beneath the poverty line. Micro loans are to be had totally and entirely to this target group of girls. There are several purpose for this: Among the poor , the negative women are maximum disadvantaged they're characterized by using lack of training and get right of entry to of resources, both of that's required to help them paintings their manner out of poverty and for upward financial and social mobility. The problem is extra acute for women in countries like India, regardless of the truth that womens labour makes a vital contribution to the economy. This is due to the low social status and lack of get admission to to key resources. Evidence indicates that groups of girls are better clients than men, the better managers of resources. If loans are routed through girls benefits of loans are spread wider a number of the household.

III. CONCEPT AND FEATURES OF MICRO FINANCE

The term micro finance is of new origin and is normally used in addressing troubles associated with poverty alleviation, financial help to micro entrepreneurs, gender development etc. There is, however, no statutory definition of micro finance. The taskforce on supportitative coverage and Regulatory Framework for Microfinance has described microfinance as Provision of thrift, credit score and other economic products and services of very small quantities to the terrible in rural, semi-city or city regions for permitting them to raise their profits levels and improve dwelling standards. The time period Micro literally way small. But the project pressure has not defined any quantity. However as per Micro Credit Special Cell of the Reserve Bank Of India , the borrowal quantities upto the restrict of Rs.25000/- will be considered as micro credit products and this quantity will be gradually increased as much as Rs.40000/- over a time frame which more or less equals to \$500 a popular for South Asia as per global perceptions. The time period micro finance now and again is used interchangeably with the term micro credit. However whilst micro credit refers to purveyance of loans in small quantities, the term microfinance features a broader meaning covering in its ambit other economic services like saving, coverage etc. As well. The mantra Microfinance is banking thru organizations. The vital capabilities of the approach are to provide economic offerings via the corporations of individuals, fashioned both in joint liability or co-obligation mode. The different dimensions of the microfinance technique are: - Savings/Thrift precedes credit

score - Credit is related with savings/thrift - Absence of subsidies -Group plays an important role in credit appraisal, tracking and recovery.

IV. WOMENS EMPOWERMENT AND MICRO FINANCE: DIFFERENT PARADIGMS

Concern with womens access to credit score and assumptions about contributions to womens empowerment are not new. From the early Seventies womens actions in some of international locations became increasingly more interested in the degree to which women were able to access poverty-focused credit score programmes and credit cooperatives. In India organizations like Self- Employed Womens Association (SEWA) among others with origins and affiliations inside the Indian labour and womens movements identified credit as a chief constraint of their paintings with informal sector girls workers. The problem of womens access to credit score turned into given unique emphasis at the first International Womens Conference in Mexico in 1975 as a part of the emerging consciousness of the importance of womens productive role each for country wide economies, and for womens rights. This led to the setting up of the Womens World Banking network and production of manuals for ladies's credit provision. Other womens businesses world-huge set up credit and savings additives each as a manner of increasing womens earning and bringing ladies together to cope with wider gender problems. From the mid-Nineteen Eighties there was a mushrooming of donor, authorities and NGO-sponsored credit programmes in the wake of the 1985 Nairobi womens conference (Mayoux, 1995a). The Nineteen Eighties and Nineteen Nineties also saw development and rapid growth of huge minimalist poverty-focused micro-finance establishments and networks like Grameen Bank, ACCION and Finca among others. In these companies and others evidence of significantly better woman repayment rates caused increasing emphasis on targeting women as an efficiency approach to growth credit score recovery. A variety of donors also saw lady-centered financially-sustainable micro-finance as a way of marrying inner needs for improved efficiency because of declining budgets with needs of the more and more vocal gender lobbies. The trend become in addition reinforced by using the Micro Credit Summit Campaign starting in 1997 which had achieving and empowering ladies as its 2d key goal after poverty reduction (RESULTS 1997). Micro-finance for ladies has recently been seen as a key approach in meeting no longer best Millennium Goal 3 on gender equality, but additionally poverty Reduction, Health, HIV/AIDS and different goals.

V. FEMINIST EMPOWERMENT PARADIGM

The feminist empowerment paradigm did no longer originate as a Northern imposition, but is firmly rooted inside the improvement of a number of the earliest micro-finance programmes within the South, along with SEWA in India. It currently underlies the gender policies of the many NGOs and therefore the perspectives of variety of the consultants and researchers watching gender impact of micro-finance programmes (e.G. Chen 1996, Johnson, 1997). Here the underlying concerns are gender equality and womens human rights. Womens empowerment is visible as an imperative and

inseparable a part of a wider method of social transformation. The essential target group is poor ladies and girls capable of imparting alternative girl function models for alternate. Increasing attention has also been paid to men's function in difficult gender inequality. Micro-finance is promoted as an entry point within the context of a wider approach for womens financial and socio-political empowerment which makes a speciality of gender attention and feminist organization. As developed by means of Chen in her proposals for a sub sector technique to micro credit score, based totally partially on SEWA's method and promoted through UNIFEM, microfinance need to be: Based on participatory principles to accumulate incremental knowledge of industries and enable ladies to develop their strategies for exchange (Chen, 1996). Economic empowerment is but defined in greater than individualist terms to consist of troubles such as belongings rights, changes intra-household members of the family and transformation of the macro-financial context. Many firms go similarly than interventions at the industry level to consist of gender-specific strategies for social and political empowerment. Some programmes have advanced very powerful manner for integrating gender consciousness into programmes and for organizing men and women to undertaking and change gender discrimination. Some additionally have legal rights support for ladies and interact in gender advocacy. These interventions to increase social and political empowerment are seen as essential stipulations for monetary empowerment.

VI. POVERTY REDUCTION PARADIGM

The poverty relief paradigm underlies many NGO integrated poverty-centered community development programmes. Poverty alleviation right here is defined in broader phrases than market earning to embody increasing capacities and choices and reducing the vulnerability of bad people. The main recognition of programmes as a whole is on developing sustainable livelihoods, community improvement and social provider provision like literacy, healthcare and infrastructure improvement. There is no longer best a problem with attaining the terrible, but also the poorest. Policy debates have focused specially at the importance of small savings and loan provision for consumption also as production, group formation and therefore the possible justification for a few degree of subsidy for programmes operating with precise client organizations. Some programmes have developed powerful methodologies for poverty concentrated on and working in far flung areas. Such strategies have recently emerge as a focus of interest from some donors and also the Microcredit Summit Campaign. Although time period 'empowerment' is frequently used in wellknown phrases, frequently synonymous with a multi-dimensional definition of poverty comfort, the time period ' women's empowerment ' is regularly considered best prevented as being too controversial and political. The assumption is that growing womens get entry to to micro-finance will allow ladies to make a extra contribution to family income and this, together with different interventions to growth household well-being, will translate into improved wellbeing for women and enable girls to bring about wider modifications in gender inequality.

VII. FINANCIAL SUSTAINABILITY PARADIGM

The financial self-sustainability paradigm (also known as the financial systems technique or sustainability technique) underlies the fashions of microfinance promoted for the reason that mid-1990s by means of maximum donor corporations and the Best Practice guidelines promoted in guides through USAID, World Bank, UNDP and CGAP. The final intention is large programmes which might be profitable and fully self-helping in opposition with different private sector banking institutions and able to raise price range from international monetary markets instead than counting on price range from development organizations. The most important target organization, despite claims to reach the poorest, is the bankable poor: small entrepreneurs and farmers. This emphasis on financial sustainability is seen as necessary to create institutions which reach full-size numbers of negative people inside the context of declining resource budgets and competition to welfare and redistribution in macro-economic coverage. Policy discussions have focused in particular on placing of hobby fees to cover prices, separation of micro-finance from other interventions to allow separate accounting and programme enlargement to growth outreach and economies of scale, discount of transaction prices and approaches of using companies to decrease costs of transport. Recent recommendations for CGAP funding and nice practice awareness on production of a monetary sustainability index which charts progress of programmes in covering expenses from earning. Within this paradigm gender lobbies have been able to argue for targeting women on the grounds of high female compensation charges and the need to stimulate womens financial interest as a hitherto underutilized resource for monetary growth. They have had some success in making sure that concerns of girl focused on are included into situations of micro-finance delivery and programme evaluation. Alongside this recognition on lady concentrated on, the time period empowerment' is frequently utilized in promotional literature. Definitions of empowerment are in individualist terms with the remaining aim being the enlargement of individual choice or capability for Self-reliance. It is assumed that growing womens get right of entry to to micro-finance offerings will in itself lead to person monetary empowerment through enabling women's selections about savings and credit score use, enabling girls to set up micro-enterprise, increasing incomes under their control. It is then assumed that this accelerated financial empowerment will result in increased health of girls and additionally to social and political empowerment. These paradigms do now not correspond systematically to any one organisational model of micro-finance. Micro-finance companies with the same organisational shape eg village bank, Grameen version or cooperative version can also have very one-of-a-kind gender guidelines and/or emphases and strategies for poverty relief. The three paradigms represent extraordinary discourses every with its own notably consistent inner good judgment in relating goals to rules, based on extraordinary underlying understandings of development. They are not most effective special, but frequently visible as incompatible discourses in uneasy tension and with usually contested tiers of dominance. In many programmes and donor agencies there is large

disagreement, lack of verbal exchange and/or personal animosity and promoted by way of one of a kind stakeholders within firms among staff worried in micro-finance (usually firm followers of monetary self-sustainability), staff worried with human development (usually with more sympathy for the poverty comfort paradigm and emphasising participation and incorporated development) gender lobbies (usually incorporating at least some elements of the feminist empowerment paradigm). What is of concern in contemporary debates is the way in which the usage of reputedly similar terminology of empowerment, participation and sustainability conceals radical variations in policy priorities. Although womens empowerment may be a stated intention within the rhetoric of reliable gender coverage and software promotion, in practice it turns into subsumed in and marginalised by way of issues of financial sustainability and/or poverty comfort.

VIII. MICRO FINANCE INSTRUMENT FOR WOMENS EMPOWERMENT

Micro Finance is emerging as a powerful instrument for poverty remedy inside the new economy. In India, micro finance scene is dominated by way of Self Help Groups (SHGs) Bank Linkage Programme, aimed at presenting a cost effective mechanism for supplying economic services to the unreached terrible. Based on the philosophy of peer strain and group financial savings as collateral substitute, the SHG programme has been successful in no longer only in assembly peculiar needs of the rural bad, however additionally in strengthening collective self-help capacities of the bad at the nearby level, leading to their empowerment. Micro Finance for the bad and girls has received substantial recognition as a method for poverty discount and for economic empowerment. Increasingly inside the last 5 years, there is wondering of whether micro credit is simplest approach to financial empowerment of poorest and, amongst them, girls in particular. Development practitioners in India and growing countries regularly argue that the exaggerated focus on micro finance as a solution for the poor has led to forget by using the state and public establishments in addressing employment and livelihood wishes of the bad. Credit for empowerment is ready organizing humans, particularly around credit and constructing capacities to manipulate cash. The focus is on getting the poor to mobilize their own finances, constructing their capacities and empowering them to leverage external credit. Perception girls is that studying to control cash and rotate finances builds womens capacities and self belief to interfere in neighborhood governance past the limited dreams of making sure access to credit. Further, it combines the desires of economic sustainability with that of creating community owned establishments. Before 1990s, credit score schemes for rural ladies were nearly negligible. The concept of womens credit changed into born at the insistence through ladies oriented research that highlighted the discrimination and warfare of women in having the get right of entry to of credit score. However, there's a perceptible hole in financing genuine credit desires of the negative especially girls inside the rural sector. There are certain misconception approximately the terrible humans that they want loan at subsidized charge of interest on soft terms, they lack

education, skill, capability to save, credit score worthiness and therefore aren't bankable. Nevertheless, the enjoy of several SHGs reveals that rural poor are without a doubt green managers of credit and finance. Availability of well timed and adequate credit is vital for them to adopt any financial activity as a substitute than credit subsidy. The Government measures have attempted to help the poor by imposing distinct poverty alleviation programmes however with little success. Since most of them are target based concerning lengthy procedures for loan disbursement, high transaction costs, and shortage of supervision and monitoring. Since the credit score requirements of the rural poor can't be adopted on task lending app roach as it's far inside the case of organized sector, there emerged the want for an informal credit supply thru SHGs. The rural poor with the help from NGOs have confirmed their capacity for self help to secure economic and economic strength. Various case studies show that there may be a nice correlation between credit availability and womens empowerment.

IX. PROBLEM AND CHALLENGES

Surveys have shown that many factors make contributions to make it more Difficult for women empowerment thru micro businesses.

These elements are:

- 1) Lack of know-how of the market and capacity profitability, thus Making the choice of business difficult.
- 2) Inadequate book-keeping.
- 3) Employment of too many family which increases social stress to share benefits.
- 4) Setting fees arbitrarily.
- 5) Lack of capital.
- 6) High hobby rates and inflation accounting is by no means undertaken.
- 7) Credit guidelines that may gradually destroy their enterprise.

X. REMEDIES FOR THE WOMEN EMPOWERMENT

A. Challenging Economic Empowerment

However impact on incomes is extensively variable. Studies which remember earnings tiers find that for almost all of borrowers earnings will increase are small, and in a few instances negative. All the evidence shows that most ladies spend money on current sports which can be low income and insecure and/or in their husbands activities. In many programmes and contexts it is best in a minority of cases that girls can expand lucrative activities of their personal through credit and financial savings alone. It is obvious that womens selections about pastime and their potential to increase incomes are significantly constrained by gender inequalities in get right of entry to to other assets for investment, obligation for family subsistence expenditure, lack of time because of unpaid domestic paintings and low tiers of mobility, constraints on sexuality and sexual violence which restrict get admission to to markets in lots of cultures. These gender constraints are further to marketplace constraints on expansion of the informal zone and resource and ability constraints on the ability of poor guys as properly as girls to

move up from survival sports to expanding businesses. There are signs, specifically in some urban markets like Harare and Lusaka that the rapid expansion of micro-finance programmes may be contributing to market saturation in girl activities and therefore declining profits.

B. Challenging Well Being and Intra Household Relation

There have certainly been girls whose status in the family has stepped forward, especially wherein they have end up a hit entrepreneurs. Even in which earnings affects had been small, or men have used the loan, the reality that micro-finance programmes have thought girls well worth focused on and girls convey an asset into the family might also supply some ladies greater negotiating power. Savings provide girls with a method of building up an asset base. Women themselves also regularly price the opportunity to be visible to be making a more contribution to household well-being giving them more self-belief and experience of self-really worth. However womens contribution to expanded earnings going into households does not ensure that ladies necessarily gain or that there's any task to gender inequalities inside the family. Womens expenditure patterns may also replicate in preference to counter gender inequalities and hold to disadvantage girls. Without substitute care for small youngsters, the aged and disabled, and provision of services to reduce domestic paintings many programmes stated adverse consequences of womens outdoor paintings on kids and the aged. Daughters in particular can be withdrawn from college to help their mothers. Although in a few contexts ladies may be searching for to growth their have an effect on within joint decision-making processes in place of independent manipulate over income (Kabeer 1998), neither of those outcomes can be assumed. Womens perceptions of price and self-worth are not always translated into actual well-being advantages or trade in gender relations inside the family (Sen 1990, Kandiyoti 1999). Worryingly, in response to womens extended (but nonetheless low) incomes evidence indicates that men can be withdrawing extra of their personal contribution for their own luxurious expenditure. Men are often very passionate about womens credit programmes, and other earnings era out programmes, for that reason because their wives now not nag them for money (Mayoux 1999). Small will increase in get entry to to income and affect may additionally therefore be at the price of heavier paintings loads, improved stress and womens health. Although in lots of instances womens improved contribution to family nicely-being has improved domestic relations, in other instances it intensifies tensions.



C. Challenging Social and Political Empowerment

There have been high quality adjustments in household and community perceptions of women's productive role, as well as adjustments at the character level. In societies like Sudan and Bangladesh in which women's position has been very circumscribed and ladies formerly had little possibility to meet ladies outside their immediate circle of relatives there have now and again been large changes. It is in all likelihood that changes at the character, household and network levels are interlinked and that men or women who gain recognition in their households then act as position models for others mainly to a wider system of alternate in community perceptions and male willingness to accept alternate (Lakshman, 1996). Micro-finance has also been strategically utilized by a couple of NGOs as an entry point for wider social and political mobilisation of women around gender issues. For instance SEWA in India, CODEC in Bangladesh and CIPCRE in Cameroon, imply the capability of micro-finance to form a foundation for corporation in opposition to other problems like home violence, male alcohol abuse and dowry. However there's no important hyperlink among women's character monetary empowerment and/or participation in micro-finance organizations and social and political empowerment. These changes aren't an automatic effect of microfinance consistent with se. As noted above, women's expanded productive function has also frequently had its costs. There is no vital link among women's man or woman economic empowerment and/or participation in micro-finance businesses and social and political empowerment. These modifications are not an automatic effect of microfinance in line with se. As stated above, women's increased productive role has additionally often had its costs²¹. In maximum programmes there's little try to hyperlink micro-finance with wider social and political activity. In the absence of unique measures to inspire this there is little proof of any sizeable contribution of micro-finance. Micro-finance businesses may additionally put intense lines on women's current networks if compensation becomes a problem (Noponen 1990; Rahman 1999). There is proof to the contrary that micro-finance and income-earning may additionally take ladies faraway from other social and political activities. The evidence consequently suggests that contributions of micro-finance in keeping with se to women's empowerment cannot be assumed and cutting-edge complacency on this regard is misplaced. In many cases contextual constraints at all ranges have prevented girls from having access to programmes, increasing or controlling earning or hard subordination. Where girls are not able to significantly growth earning below their control or negotiate adjustments in intra-family and network gender inequalities, ladies can also become dependent on loans to hold in very low-paid occupations with heavier workloads and enjoying little benefit. For some girls micro-finance has been definitely disempowering, as indicated by using a number of the cases proven above which are some distance from remoted examples: Credit (i.e. Debt) can also lead to excessive impoverishment, abandonment and put critical strains on networks with other girls. Pressure to save may also mean girls forgoing their own necessary consumption. The contribution of micro-finance alone appears to be most

restricted for the poorest and maximum disadvantaged ladies. All the proof shows the poorest girls are the maximum possibly to be explicitly excluded by programmes and also peer agencies in which repayment is the top consideration and/or in which the primary emphasis of programmes is on current micro-entrepreneurs. It additionally shows that even wherein they get right of entry to credit they're particularly liable to falling in addition to debt.

XI. CONCLUSION

Thus it are frequently concluded from the above look at that microfinance is playing an essential function within the social, psychological also as financial empowerment of ladies in India. Microfinance mortgage availability and its efficient utilization found to be having a profound position and impact on girls empowerment. The empirical findings of the examine suggests that microfinance functions a profound have an impact on the economic status, finding out power, expertise and self-worthiness of women members of self-help organization linkage application in Ghaziabad. A conclusion that emerges from this account is that micro finance can make a contribution to solving the problems of insufficient housing and urban services as an integral part of poverty alleviation programmes. The assignment lies in finding the level of flexibility in the credit score instrument that would make it suit the multiple credit necessities of the low earnings borrower without imposing unbearably high price of tracking its quit use upon the lenders. A promising solution is to deliver multipurpose lone or composite credit for income generation, housing improvement and intake support. Consumption mortgage is located to be especially crucial all through the gestation between taking off a replacement economic pastime and deriving positive earnings.

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