



MICROFINANCE AND WOMEN EMPOWERMENT

Sorathiya Jayesh
Dhirajlal*

*Corresponding Author

Dr. Santanu Kumar
Das

ABSTRACT

A billion women, or 40% of the global female population, don't have access to a bank account. Many of these women have simple dreams about a better life – to get books for their children or provide clean water and nutritious food for their families. Yet, they don't have the means to earn income, receive capital or create businesses to invest in their modest goals. FINCA is changing this. FINCA empowers women through increasing their access to microfinance services. Since 1985, over 4 million low-income women have improved their lives with the help of FINCA's financial services. Our formula to empower these women is simple: with your support, we give a small loan to a hardworking woman to start or expand her small business. She uses the profits from her business to fulfill one of her modest dreams. As her business succeeds and she pays the loan back to FINCA, those funds go back to work to making another woman's dream come true. The story of Noor Zia, a mother of six in Afghanistan, is like the story of so many of our clients throughout Latin America, Eurasia, Africa, the Middle East and South Asia. With a large family to support and no job, Noor decided to invest her limited savings to purchase cosmetics to start a beauty salon at home but struggled to make ends meet. Here are 4 ways microfinance empowered Noor and millions of other women.

KEYWORDS : Microfinance, economy development, sustainable, women empowerment

INTRODUCTION

Introduction and motivation Around 1.4 billion people globally live on less than one dollar per day facing poverty, social, financial exclusion while recent food crisis has thrown millions into extreme

1. Creates Entrepreneurship

When women get access to financial services, many are able to invest in their talents by starting or expanding their own businesses. They are able to purchase equipment or buy supplies in bulk, helping to increase their profits every month. Noor invested her first FINCA loan of \$100 in her business by expanding the inventory of her home-based salon. After paying off her initial loan, Noor's business and income steadily grew over the years. She received additional FINCA loans to open her first salon in the market.

2. Helps the Family

Many women use the profits to invest in their families' needs. In fact, with access to FINCA's financial services, 72% of our female clients are able to become primary breadwinners for their families, putting food on the table, enabling their children to attend school and providing a safe home for their families.

With the profits from her growing business, Noor purchased a sewing machine for her husband, who worked as a tailor. She also paid for the tuition fees of her children. Her eldest daughter recently graduated from school and her youngest daughter started her education, thanks to Noor's income.

3. Generates Employment

With access to financial services, FINCA's clients provide goods and services to their communities and build assets for their own families. They also generate jobs for others in their communities, many that pay living wages.

Eventually, Noor hired her first employee and helped to train an additional 70 beauticians.

4. Empowerment

Microfinance – and the financial independence it can create – empowers women. As their businesses grow, many women gain self-confidence and take pride in their small businesses.

They become full of ideas and have the power to make choices for themselves and their families. They gain a voice among their peers and become advocates for other women in their communities.

Women empowerment



Empowerment is an ability on women to make strategic life choices which were somehow in some point had been denied to be provided in their life (Sevefjord & Olsson, 2000). It is a process for women to increase self-reliance, independent right to make choices, and to control available resources which will assist in challenging their own subordination. It is very used in present context in developing countries in various ways. One of them is in the Millennium Development Goals (MDGs) by UN as 'Gender equality and women's empowerment' in form of the third goal (Kabeer, 2003). According to her, "the empowerment of poor women must clearly be part of an agenda that addresses the empowerment of the poor in general. At the same time, however, poor women are generally subordinate to poor men. The reduction of poverty thus has to take account of gender inequalities among the poor, including inequalities of power." For Oxfam, empowerment is about challenging domination and inequality. It states, 'Empowerment is a challenge to face domination in the society that exists in millions of people's life which are inequitable, or in ways which deny their human rights (Oxfam, 1995).

Important India explains Women Empowerment as an environment for women where they can make decisions for themselves for personal benefits and for the society by increasing and improving social, economic, political and legal strength by making them confident enough to claim their rights and get their voices heard (India, 2015). When discussing the term empowerment a general distinction between relative and absolute wellbeing need to be indicated

or explained. According to Hashemi et al (1996), there exist several indicators of empowerment for women involved in microfinance mobility, economic security, social freedom, major household, decision-making, and freedom from male domination, political and legal awareness. Absolute; indicated by outcomes that measure education, health and nutrition, labour force participation. Relative: process in which the position of a woman makes decisions and controlling resources within the households is compared by the men's position. Through meetings, discussions of partnered family issues through continuous meeting of group members and credit staff (Hashemi et al, 1997, Kibas, 2001). Economic empowerment results in women's ability to influence or make decision, increased self-confidence, better status and role in household etc. Micro finance is necessary to overcome exploitation, create confidence for economic self-reliance of the rural poor, particularly among rural women who are mostly invisible in the social structure.

REFERENCE

1. <https://finca.org/blogs/4-ways-microfinance-empowers-women/>
2. Al-Shami, S. S. A., Majid, I. B. A., Hamid, M. S. R. B., & Rashid, N. A. (2016). Conceptual framework: The role of Malaysian microfinance on the wellbeing of users' services from the perspective of (AIM) and (TEKUN). *World Applied Sciences Journal*, 30, 382–394. Google Scholar
3. Amin, S., & Pebley, A. R. (1994). Gender inequality within households: The impact of a women's development program in 36 Bangladeshi villages. *The Bangladesh Development Studies*, 22(2–3), 121–154. Google Scholar
4. Asim, S. (2008). *Evaluating the impact of microcredit on women's empowerment in Pakistan*. Retrieved 5, 2017, from <http://www.microfinancegateway.org/p/site/m/template.rc/1.9.40843/>.
5. Basargekar, P. (2010). Measuring effectiveness of social capital in microfinance: A case study of urban microfinance program in India. *International Journal of Social Enquiry*, 3(2), 25–43. Google Scholar
6. Bhattacharya, M., Bedi, A. S., & Chhachhi, A. (2009). *Marital violence and women's employment and property status: Evidence from North Indian villages*. Discussion Paper No. 4361, Institute for the Study of Labour, Bonn, Germany. Google Scholar
7. Bhaumik, S. K., & Bera, S. (2015). Impact of micro-credit program on women's empowerment: An evaluation using the propensity score matching method. *Journal of Land and Rural Studies*, 3(2), 219–236. Google Scholar