



## An Empirical Study on Women's Economic Empowerment Through Microfinance

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### ABSTRACT

*Micro finance programmes are currently being promoted as a key strategy for simultaneously addressing both poverty alleviation and women's empowerment. Before 1990s, credit schemes for women were almost negligible. There were certain misconception about the poor people that they need loan at subsidized rates of interest on soft terms, they lack skills, capacity to save, credit worthiness and therefore are not bankable. Nevertheless, the experiences of several and SHGs reveal that rural poor are actually efficient managers of credit and finance. Especially this study is focus on SHG women's improved performance in basic status through the micro finance. It's helpful to Society; Government and society wellbeing associations will understand which know the level of the growing domain of women's status through Micro finance.*

**Keywords : Empowerment; Micro finance; Self Help Group**

### Introduction

Empowerment of women is a holistic concept. It is multi-dimensional in its approach and covers economical, personal, social/cultural, familial, psychological and political aspects. All these facets of women development economic empowerment are utmost significance in order to achieve a lasting and sustainable development of society. Provision of microfinance is an important means for attaining women empowerment.

Although women's access to financial services has increased substantially in the past decades, their ability to benefit from this access is often still limited by the disadvantages they experience because of their gender. International aid donors, governments, scholars, and other development experts have paid much attention to microfinance as a strategy capable of reaching women and involving them in the development process.

### Microfinance and Women Empowerment

Microfinance is the extension of small loans to entrepreneurs too poor to qualify for traditional bank loans. It can also be described as provision of small-scale financial services to clients who are economically active in various urban and rural areas.

The Scheme of Micro-financing through SHGs (Self Help Groups) create empowerment promoting conditions for women to move from positions of marginalisation within household decision making process and exclusion within community, to one of greater centrality, inclusion of voice.

The Social processes of Micro financing programmes strengthens women's self esteem and self worth, instil a greater sense of awareness of social and political issues leading to increased mobility and reduced traditional seclusion of women. Most importantly micro-finance programmes enable women to contribute to the household economy, increasing their intra-household bargaining power.

### Literature Review

Mayoux, et.al (2001) Empowerment is also related to the process of internal change and to the capacity and right to make

decisions. It consists of change, choice and power. It is a process of change by which individuals or groups with little or no power gain the ability to make choices that affect their lives. The structures of power (i.e. who has it, what its sources are, and how it is exercised) directly affect the choices that women are able to make in their lives.

Malhotra, et.al (2002) view of women's empowerment argues that it needs to occur in multiple dimensions: economic, socio-cultural, familial/ interpersonal, legal, political and psychological. These dimensions cover a broad range of factors, and thus women may be empowered within one of these sub domains. For instance, the socio cultural dimension covers a range of empowerment sub domains, such as marriage systems, norms regarding women's physical mobility, non-familial social support systems and networks available to women.

Kabeer (2001) empowerment is about the ability to make strategic life choices, and constitutes three dimensions: resources (defined broadly to include not only access, but also future claims to material, human and social resources); agency (including processes of decision-making and less-measurable manifestations of agency such as negotiation, deception and manipulation); and achievements (well-being outcomes).

### Purpose

The purpose of the study is to examine the impact of Women's Economic Empowerment through Self Help group before and after availing Microfinance

### Research Methodology and Data Collection

The respondents for this study included 200 SHGs Women residing in rural communities at the Cuddalore district, in Tamilnadu South India. Rural communities were defined as rural and surrounding rural areas, so we are applying multi-stage sampling method, and stratified the respondent in SHGs. Respondents were to give rating of Economic empowerment variable in a Likert type 5-point scale like Strongly Agree to Strongly Disagree. The questionnaires were pre tested on set of 50 respondents to assess validity and reliability of the questionnaires.

**Table:1- Correlation and Paired – t Test of Women's Economic Empowerment through Before and After Microfinance**

Economic Variables	Correlation Between Before & After Micro Finance	Paired –t Test Between Before & After Micro Finance	Paired –t Test Significance Level
	Correlation- r-Value	Paired – t value	5% - $\alpha$ Significance
Income Generation	0.085	33.87	No Significance
Contribution to House Hold Income	0.008	32.91	No Significance
Participation in House Hold Financial Decisions	0.336	41.54	No Significance
Improvement in Standard of Living	0.215	41.12	No Significance
Change in Social Status	0.239	41.33	No Significance
Awareness about Social Issues	0.459	42.16	No Significance
Involvement in social issues at locality	0.352	38.11	No Significance
Improvement in Basic House Hold facilities	-0.078	35.63	No Significance
Ability to solve family related problems	0.237	39.67	No Significance
Self Confidence	0.035	32.10	No Significance
Attainment of Knowledge and Skills	0.121	32.49	No Significance
Improvement in literacy level	0.242	38.50	No Significance
Ability to tackle family problems	0.164	33.57	No Significance

The above table Show that the Paired t-test and Correlation between women's economic empowerment through impact of before and after micro finance. The economic empowerments are the following state like 1) Income Generation, 2) Contribution to House Hold Income, 3) Participation in House Hold Financial Decisions, 4) Improvement in Standard of Living, 5) Change in Social Status, 6) Awareness about Social Issues, 7) Involvement in social issues at locality, 8) Improvement in Basic House Hold facilities, 9) Ability to solve family related problems, 10) Self Confidence, 11) Attainment of Knowledge and Skills, 12) Improvement in literacy level and 13) Ability to tackle family problems. In general the Correlation result in the above said economic empowerment variables are no higher relation between before and after micro finance impact, in particularly 'Improvement in Basic House Hold facilities' is higher negative Correlation. The resulted that women's Economic Empowerment drastically positive differ after and before micro finance impact.

Paired t-test employed women's economic empowerment through impact of before and after micro finance, the above

said empowerment variables no one's are significance at 5% -  $\alpha$  level. So resulted that the highly significance difference in empowerment levels before and after micro finance impact.

### Conclusion:

Microfinance has the potential to have a powerful impact on women's empowerment. Empowerment is a complex process of change that is experienced by all individuals somewhat differently. Strengthening women's financial base and economic contribution to their families and communities plays a role in empowering them. In some cases, access to credit may be the only input needed to start women on the road to empowerment.

In specific there is a better improvement in contribution to household income, participation in house hold financial decisions, improvement in standard of living, decision making on family budgeting and purchase of house hold items, change in social status, involvement in social issues, family relationship, ability to solve family related problems, self-confidence, knowledge and skills, and interest to develop leadership qualities.

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