



## Women Empowerment through the Conduit of Microfinancing: Some Grassroot Level Reflections

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### ABSTRACT

Microfinance is considered as an important instrument to women empowerment. The key feature of microfinance has been the targeting of women on the grounds that compared to men, they perform better as clients of microfinance institutions and that their participation in an economic activity has more desirable development outcomes. The main objective of this paper is to assess the level of women empowerment attributable to microfinance. The study has been analyzed in before and after microfinance loan setting. Towards the said objective several aspects have covered in this study in terms of self image, knowledge and awareness levels, group cohesiveness, accessibility to resources, ability to make decisions, ability to network with similar organizations and participation in other democratic organizations. After microfinance loan setting the study found significantly positive impact on women empowerment. Hence, it is suggested to evolve strategies to convert enhanced women empowerment as a critical input for women economic development.

**Keywords : Microfinance, Women Empowerment, Economic Development and Entrepreneurs**

### Introduction

Microfinance refers to small savings, credit and insurance services extended to socially and economically disadvantaged segments of the society. In the Indian context, microfinance customers are small and marginal farmers, rural artisans and economically weaker sections. Microfinance institutions (MFIs) are those which provide ways and means for the provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas to enable them to raise their income levels and improve living standards. Micro credit is the extension of small loans to entrepreneurs to poor to qualify for traditional bank loans. It is assumed that it is an effective and popular measure in the ongoing struggle against poverty, enabling those without access to lending institutions to borrow at affordable interest rates and start small business. It is also an equally important instrument of economic development of women and their empowerment. Microfinance has got a significant amount of bearing not only on the economic aspects but also social aspects.

### OBJECTIVE OF THE PAPER

1. To assess the level of women empowerment attributable to micro finance.

### METHODOLOGY

Keeping in view the objectives 600 borrowers from MFIs were surveyed from three districts namely Khammam, East Godavari and Chittoor. These three districts were selected on the basis of the volume of MFIs business in their respective regions. The sample respondents selected mostly by adhering to the principles of stratified random sampling. The criteria for stratification are social status and nature of activity. 3-point Likert scale is used to quantify women empowerment namely 1=Low, 2=Moderate and 3=High. The concept of women empowerment is measured in terms of Self image, Knowledge and awareness levels, Group cohesiveness levels, Accessibility to resources levels, Ability to make decisions levels, Ability to network with similar organizations levels, and Participation levels in other democratic organizations.

### FINDINGS OF THE STUDY

1. It is observed that self image was low for 57 percent of the respondents in before MFIs loan setting and the same is low only for 12 percent in after MFIs loan setting indicating positive impact of MFIs loan programs on the beneficiaries. The level of self image is high for 14 percent of the respondents in before MFIs loan setting and the same is high for 62 percent in after MFIs loan setting which endorses the positive role of MFIs loan programs towards women empowerment. (Refer table-1)

**Table-1: Self-Image in Before and After MFI loan setting**

Sl. No	Self Image in Before MFI loan Setting			Self Image in After MFI loan Setting		
	Level	Number of beneficiaries of MFIs loan	Percent	Level	Number of beneficiaries of MFIs loan	Percent
1	Low	342	57.0	Low	72	12.0
2	Moderate	174	29.0	Moderate	156	26.0
3	High	84	14.0	High	372	62.0
	Total	600	100.0	Total	600	100.0

Source: Primary Data

2. It is observed that knowledge and awareness levels was low for 50 percent of the respondents in before MFIs loan setting and the same is low only for 17 percent in after MFIs loan setting indicating positive impact of MFIs loan programs on the beneficiaries. The level of knowledge and awareness levels is high for 17 percent of the respondents in before MFIs loan setting and the same is high for 34 percent in after MFIs loan setting which endorses the positive role of MFIs loan programs towards women empowerment. (Refer table-2)

**Table-2: Knowledge and awareness levels in Before and After MFI loan setting**

Sl. No	Knowledge and awareness level in Before MFI loan setting			Knowledge and awareness levels in After MFI loan setting		
	Level	Number of beneficiaries of MFIs loan	Percent	Level	Number of beneficiaries of MFIs loan	Percent
1	Low	300	50.0	Low	102	17.0
2	Moderate	198	33.0	Moderate	294	49.0
3	High	102	17.0	High	204	34.0
	Total	600	100.0	Total	600	100.0

Source: Primary Data

3. It is observed that group cohesiveness levels was low for 55 percent of the respondents in before MFIs loan setting and the same is low only for 12.8 percent in after MFIs loan setting indicating positive impact of MFIs loan programs on the beneficiaries. The level of group cohesiveness is high for 16 percent of the respondents in before MFIs loan setting and the same is high for 24.2 percent in after MFIs loan setting which endorses the positive role of MFIs loan programs towards women empowerment. (Refer table-3)

**Table-3: Group Cohesiveness levels in Before and After MFI loan setting**

Sl. No	Group Cohesiveness levels in Before MFI loan Setting			Group cohesiveness levels in After MFI loan setting		
	Level	Number of beneficiaries of MFIs loan	Percent	Level	Number of beneficiaries of MFIs loan	Percent
1	Low	330	55.0	Low	77	12.8
2	Moderate	174	29.0	Moderate	378	63.0
3	High	96	16.0	High	145	24.2
	Total	600	100.0	Total	600	100.0

Source: Primary Data

4. It is observed that accessibility to resource levels was low for 67 percent of the respondents in before MFIs loan setting and the same is low only for 14 percent in after MFIs loan setting indicating positive impact of MFIs loan programs on the beneficiaries. The level of accessibility to resources is high for 11 percent of the respondents in before MFIs loan setting and the same is high for 29 percent in after MFIs loan setting which endorses the positive role of MFIs loan programs towards women empowerment. (Refer table-4)

**Table-4: Accessibility to resources levels in Before and After MFI loan setting**

Sl. No	Accessibility to resources level in Before MFI loan Setting			Accessibility to resources levels in After MFI loan setting		
	Level	Number of beneficiaries of MFIs loan	Percent	Level	Number of beneficiaries of MFIs loan	Percent
1	Low	402	67.0	Low	84	14.0
2	Moderate	132	22.0	Moderate	342	57.0
3	High	66	11.0	High	174	29.0
	Total	600	100.0	Total	600	100.0

Source: Primary Data

5. It is observed that ability to make decisions was low for 57 percent of the respondents in before MFIs loan setting and the same is low only for 17 percent in after MFIs loan setting indicating positive impact of MFIs loan programs on the

beneficiaries. The level of ability to make decisions is high for 14 percent of the respondents in before MFIs loan setting and the same is high for 34 percent in after MFIs loan setting which endorses the positive role of MFIs loan programs towards women empowerment. (Refer table-5)

**Table-5: Ability to make decisions levels in Before and After MFI loan setting**

Sl. No	Ability to make decisions level in Before MFI loan Setting			Ability to make decisions levels in After MFI loan setting		
	Level	Number of beneficiaries of MFIs loan	Percent	Level	Number of beneficiaries of MFIs loan	Percent
1	Low	342	57.0	Low	102	17.0
2	Moderate	174	29.0	Moderate	294	49.0
3	High	84	14.0	High	204	34.0
	Total	600	100.0	Total	600	100.0

Source: Primary Data

6. It is observed that ability to network with similar organizations was low for 54 percent of the respondents in before MFIs loan setting and the same is low only for 62 percent in after MFIs loan setting indicating positive impact of MFIs loan programs on the beneficiaries. The level of ability to network with similar organizations is high for 16 percent of the respondents in before MFIs loan setting and the same is high for 12 percent in after MFIs loan setting which endorses the positive role of MFIs loan programs towards women empowerment. (Refer table-6)

**Table-6: Ability to network with similar organizations levels in Before and After MFI loan setting**

Sl. No	Ability to network with similar organizations in Before MFI loan Setting			Ability to network with similar organizations in After MFI loan setting		
	Level	Number of beneficiaries of MFIs loan	Percent	Level	Number of beneficiaries of MFIs loan	Percent
1	Low	324	54.0	Low	372	62.0
2	Moderate	180	30.0	Moderate	156	26.0
3	High	96	16.0	High	72	12.0
	Total	600	100.0	Total	600	100.0

Source: Primary Data

7. It is observed that participation in other democratic organizations was low for 55.7 percent of the respondents in before MFIs loan setting and the same is low only for 56.8 percent in after MFIs loan setting indicating positive impact of MFIs loan programs on the beneficiaries. The level of participation in other democratic organizations is high for 16 percent of the respondents in before MFIs loan setting and the same is high for 14 percent in after MFIs loan setting which endorses the positive role of MFIs loan programs towards women empowerment. (Refer table-7)

**Table-7: Participation levels in other democratic organizations in Before and After MFI loan setting**

Sl. No	Participation levels in other democratic organizations in Before MFI loan Setting			Participation levels in other democratic organizations in After MFI loan setting		
	Level	Number of beneficiaries of MFIs loan	Percent	Level	Number of beneficiaries of MFIs loan	Percent
1	Low	334	55.7	Low	341	56.8
2	Moderate	170	28.3	Moderate	175	29.2

3	High	96	16.0	High	84	14.0
	Total	600	100.0	Total	600	100.0

Source: Primary Data

### Conclusion

Thus, it is concluded that after MFIs' loan setting women empowerment has got significantly positive impact in relation to that of before MFIs loan setting in terms of self image, knowledge and awareness levels, group cohesiveness, accessibility to resources, ability to make decisions, ability to network with similar organizations and participation in other democratic organizations and this holds good for majority of the entrepreneurs. Hence, it is suggested to evolve strategies to convert enhanced women empowerment as a critical input for women economic development.

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