



ORIGINAL RESEARCH PAPER

Management

“MICROFINANCE SERVICES AND RURAL EMPOWERMENT: AN IN-DEPTH STUDY”

KEY WORDS: Financial Freedom, Microfinance, NGOs, Women Empowerment

Mr. Bhagvan M. Karnavat

Research Scholar, Management, Hemchandracharya North Gujarat University, Patan-Gujarat

Dr. Ashwin G. Modi*

Research Supervisor Associate Professor Hem. North Gujarat University, Patan-Gujarat *Corresponding Author

ABSTRACT

This study basically attempts to analyze the impact of microfinance services in empowering the rural women. The study is also meant to obtain insights regarding factors empowering rural women through microfinance services and which factors influences. The research works carried into rural Patan with structured questionnaire by following a non-probabilistic convenience sampling technique. The limitation of the study relates to the population of rural women only used for the study, which limits the generalizability of the findings. The findings of the study are likely to be important to microfinance institutions, govt., and NGOs in designing policy to empower rural women socially and economically. This study makes the valuable contribution by providing a base to the microfinance institutions for strengthening and expanding their support to rural poor women.

INTRODUCTION

Woman has been suppressed under custom and law for which man was responsible and in the shaping of which she had no hand. Woman has as much right to shape her own destiny as man has to shape his. It is up to men to see that they enable them to realize their full status and play their part as equal of men. - Mahatma Gandhi

In India, a developing country, women are still dominated by male in household matter which shows their very weak position in the society. The discrimination of women by the society results into more poverty, lower standard of livings as well as economic growth. To eliminate such evils from the society, empowering women through microfinance is deemed to be one of the rays of hope. Microfinance is the provision of financial services to low-income clients who traditionally lack access to banking and related services. It focuses on alleviating poverty by providing financial services to poor women to take up income generating activities. Microfinance, a development tool to alleviate poverty in Asian, African, and South American countries, gives quick and tangible results to the poor people, especially women. Micro-credit to the poor often works on the assumption that availability of finance will enable them to come out of the vicious circle of poverty.

Today various peoples faced various levels of problem in day- to -day life, like nutrition related diseases, low lifestyle; they are unable to start any small level business. Therefore, financial help for the poor through government and NGO is essential. Women constitute around half of the total world population. So is in India also. Therefore, they are regarded as the better half of the society. In traditional societies, they were confined to the four walls of houses performing household activities. Now –a- day in modern societies, they have come out of the four walls to participate in all sorts of activities. The global evidence buttress that women have been performing exceedingly well in different spheres of activities like academics, politics, administration, social work and so on. In this process not only urban educated women but also rural women participate. Therefore, women development and entrepreneurship are must for rural women.

REVIEW OF LITERATURE

Gaiha & Nandhi (2007) analyzed that whether access to microfinance has given women greater autonomy in household decisions relating to allocation of resources, savings and investments and found that neither participation nor duration of membership of a Self-help Groups (SHGs) has a significant effect on female autonomy.

Page and Czuba (1999) define empowerment as a multi-dimensional social process that helps people gain control over their own lives, a process that fosters power in people for use in their own lives, their communities and in their society, by acting on issues they define as important.

Puhazhendhi and Satya Sai (2001), in their research study, found that SHGs have been instrumental in economic and social empowerment of the rural poor. This provided the incentive to take successive loans. Microfinance to rural women has given a great opportunity to the rural poor in India to attain reasonable economic, social, and cultural empowerment, leading to better living standard and quality of life for participating households.

According to the UN 1994 International Conference on Population and Development, women empowerment has five components that include women's sense of self-worth; their right to have and to determine choices; their right to have access to opportunities and resources; their right to have the power to control their own lives, both and within outside the home; and their ability to influence the direction of social change to create a more just social and economic order, nationally and internationally.

WHAT IS WOMEN EMPOWERMENT?

Women's empowerment is the process of empowering women. Empowerment can be defined in many ways, however, when talking about women's empowerment, empowerment means accepting and including people who are on the outside of the decision-making process into it. It's so important for women self-esteem and for societies. Empowering women is to give women the right. Women can have equal right to participate in education, society, economy and politically. Women can involve in society as they are glad to choose their religious, language, work, and other activities. Women's empowerment can be defined to promoting women's sense of self-worth, their ability to determine their own choices, and their right to influence social change for themselves and others. ... In Western countries, female empowerment is often associated with specific phases of the women's rights movement in history. Based on the assumptions that women differ from men in their social positions and that those differences consist of asymmetric, unequal power relations between the genders, “women's empowerment” refers to the process of increasing women's access to control over the strategic life choices that affect them and access to equal their position up to certain level.

RESEARCH OBJECTIVES

The provincial discrepancy in the distribution of agricultural credit was analyzed under the following categories.

- To examine the micro finance and socio-economic development of rural women in the rural patan area
- To analyze the impact of microfinance services on rural women empowerment in patan area.

RESEARCH HYPOTHESIS

H0: There is no significance difference between Respondents status and usage of Microfinance into Rural Areas.

H1: There is a significance difference between Respondents status and usage of Microfinance into Rural Areas.

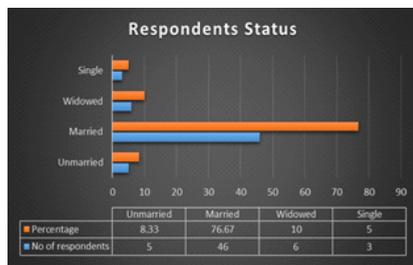
METHODOLOGY

This study is based on primary as well as secondary data. Interview schedule is used to collect primary data from the respondents and secondary data is gathered from leading journals, newspapers, related government office documents, standard books, published articles and various websites.

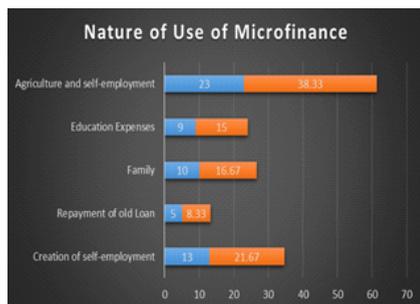
Limitation of the present study

This study is based on convenience sampling and that sense suffers from the limitation of that sampling method. The study is a micro level therefore findings not possible for applied in macro level however all possible efforts have been taken to ensure the correctness of the data used in the present research work. The study relates to the population of rural women only used for the study, and sample size are 60 only which limits the generalizability of the findings.

DATA ANALYSIS AND INTERPRETATION



This Chart represents that the respondent's status. 76.67% respondents are married one, 8.33% respondents are unmarried while 10% respondents are widow, and 5% respondents belongs to Single. It indicates that major female respondents are married one into this research study.



This Chart represents that the usage of Microfinance. 38.33% respondents are using Microfinance for Agricultural and self-employment, 21.67% respondents are using for creation of self-employment purpose while 16.67% respondents are using this microfinance for family. It indicates that major female respondents are using this microfinance for agriculture self-employment purpose into this research study.

Testing of Hypothesis

ANOVA
Respondent Status

	Sum of	df	Mean	F	Sig.
Between Groups	7.367	4	1.842	6.837	.000
Within Groups	14.816	55	.269		
Total	22.183	59			

Above ANOVA table interpret that the P- Value (0.000) is less than the significance value (0.05). Therefore, H0 is rejected. It means Respondents status and usage of Microfinance into Rural Areas is significant

FINDINGS

- Micro-finance is maximum used by the respondents for agriculture related allied activities and self-employment.
- Micro-finance maximum used by woman's especially rural woman.
- Micro level credit available through various persons and organization but most of the members prefer micro credit facilities.
- Micro level finance improves rural woman's financial freedom and empowerment.
- Majority of female respondents are married one.

CONCLUSION

Micro finance has been successful certain extent in developing certain rural areas. It has not only provided entrepreneurial opportunities to the people but also has undertaken many activities for the development of rural areas. This study analyzes that impact of microfinance services on rural women. Rural woman gets social and economic conditions increased through micro finance activities. The results of this study microfinance have improved their economic condition and enhanced their ability to contribute to their family's decision making and improve their social status, increase their earning, and contribute their family expenses. Finally, I believe that microfinance is a great system to generate income among low-income communities and to promote self-worth and empowerment among women in developing nations.

REFERENCES

1. Anand Singh Kablana, et.al 2011 "Micro Finance through Self Help Group in India: An analytical study", Economic Affairs Vol.56.No.1 March pp 67-73.
2. Aruna, M. (2011). "The role of microfinance in Women Empowerment: A study on the SHG Bank Linkage Program in Hyderabad". The Indian Journal of Commerce and Management Studies. Vol.II, Issue - 4, May, pp. 77-95.
3. Puhazhendhi V. and Satya Sai K.J.S. (2001), „Economic and Social Empowerment of Rural Poor through Self Help Groups , Indian Journal of Agricultural Economics, 56 (3) July-Sept, 450-451.
4. Gaiha, R., & Nandhi, M. A., (2007). "Microfinance, Self-Help Groups, and Empowerment in Maharashtra." ASARC Working Papers 2007-15, Australian National University, South Asia Research Centre, Canberra.
5. Kabeer, N. (2001), Reflections on the Measurement of Women's Empowerment., In Discussing Women's Empowerment - Theory and Practice, Ida Studies No.3, Novum Grafiska AB: Stockholm.