

Microfinance and Women Empowerment in India

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ABSTRACT

In a developing country like India, microfinance can prove to be an effective tool in serving the upliftment of economically backward regions. A huge amount of India's population is still under poverty and are deprived from basic financial facilities especially women. The two main means of microfinance in the country are Self help groups (SHGs) and Microfinance Institutions (MFIs).

Keywords: Microfinance, women empowerment, Microfinance institutions, SHGs.

INTRODUCTION:

Globally, microfinance has been a key stimulator for evaluation of poverty especially in emerging economies. Micro finance, as we all know, aims at strengthening small income earners financially and enhancing their standards of living. This research aims at pointing out how microfinance can bring changes into the overall condition of women in India by making them more self-reliant. Microfinance has influenced the social status of women and has proved to be an emerging indicator across the country.

REVIEW OF LITERATURE:

(Rahman, Khanam and Nghiem, 2017) have examined the effects of microfinance on women's empowerment in rural Bangladesh using primary data. Household survey has been conducted in four districts of Bangladesh. The results indicate a positive effect of microcredit on women empowerment.

(Mohapatra and Sahoo, 2016) had conducted to find the influence of microcredit in two separate agro-ecological settings in India. It was conducted using primary survey data to study on individuals, households and various factors that affect participation in SHG bank linkage program in Odisha.

According to (Sharma, 2012) the research aims at using "design thinking" and "innovations" as a means for bringing positive impact in the society. The research study focuses on exploratory method of research study and finding answers to various problems such as eradicating poverty, supplying proper education facilities and providing upgraded basic health services.

(Chatterjee, Dutta and Upadhyay, 2018) told that women will always remain the drivers of economic development. Self-help groups can help in developing small business entrepreneurs. By providing microcredit, SHGs can actually help women entrepreneurs start their businesses and can help in political and economic empowerment.

A paper published by (Mathur Agarwal, 2017) focuses on self-help groups and how they help women realize the disempowerment in the economy. From the bottom of the pillar, shgs help raise women to the top by providing them strength to overcome poverty.

(Maurya and Chandra, 2017) studied the needs and challenges of the informal enterprises in india is of utmost importance as women entrepreneurs are mostly in the informal sector to help them balance work-life due to flexibility of time. Recent years have empowerment of women yet there are gender differences in all aspects. Women owned businesses are more undercapitalized than those of men and hence this article states that we need to reduce the differences.

According to (Arora and Singh, 2018) the study was conducted using primary data and secondary resources and were taken in order to support the research study. It was mainly done to bring out as to how women now have become leaders themselves with the help of micro credit and shgs. These successful women entrepreneurs are inspiring number of rural people, specifically women, to come out and start creating wonders. It also focuses on the perks of using microfinance and how the credit flows through the people in need.

(C. Thiyanayaki, 2014) conducted a study which was done in the Kancheepuram district using questionnaire survey method, which is a primary method of research. The results were depicted based on the answers of 200 people and the main purpose of this research was to find out the earnings of a woman on a regular basis. Human development report of UNDP found that 70% of the population earning less than \$1 a day are women and women do not retain any part of their earnings unlike men.

(Ritesh Patel, Mital Patel and Nikung Patel, 2018) aimed at the changes brought in the society after the implementation of microcredit. The target was 384 women living in Mehsana and Mavsari district. To draw results about the changes, paired t-test was opted on the basis of political, social and economic aspects. It was done to explore the changes in a woman's life before and after joining a shg. The results showed that women who have been a member for more than a year has shown an increase on the ground of empowerment. The study revealed that if microfinance is used properly then it could create a vast difference in bringing about changes in the lives of rural women population.

RESEARCH OBJECTIVES:

- 1) To analyse the impact of microfinance on women empowerment.
- 2) To study the role of self help groups in making women self reliant.
- 3) To study the signs and indications of women empowerment.

RESEARCH METHODOLOGY:

Area of Study: Across India

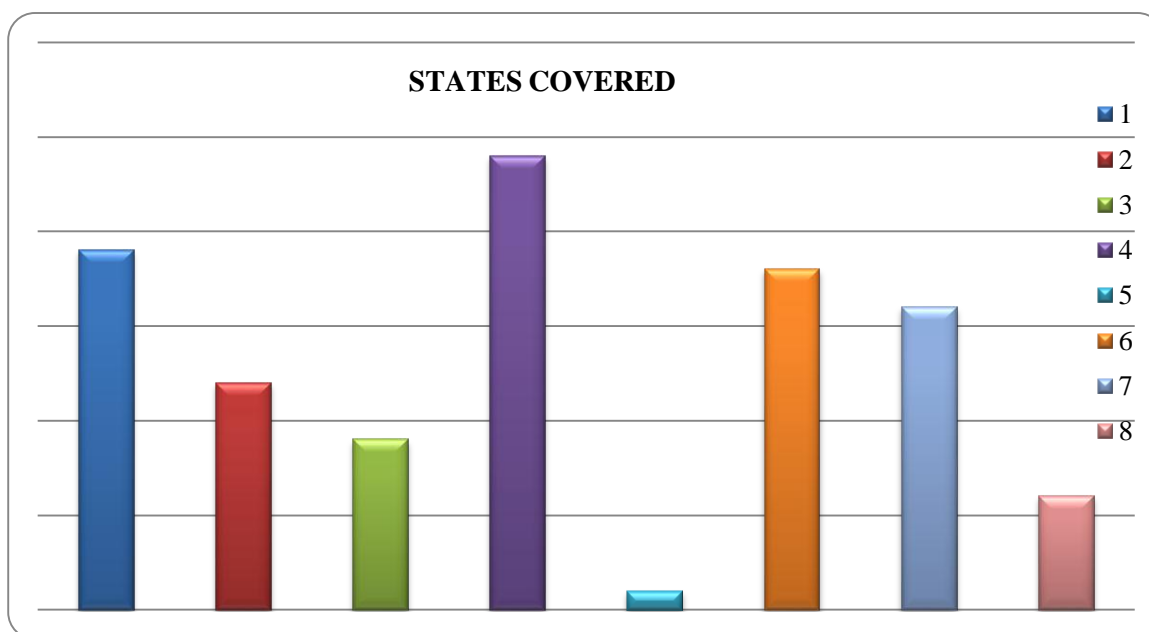
This is a descriptive research paper based on secondary data collected through the relevant websites.

List of Top MFIs with Loan Amounts

S.No	Microfinance Institutions	Loan Types And Amount (In Rupees)
1	Bharat Financial Inclusion	2000-200000
2	Spandana Spoorthy	Lar- 5000000 Shree Loan- 52000 Abhilasha- 65000 Phoenix- 52000 Gold Loans- 5000000 Interim Loans- 18000
3	Grameen Koota Financial Pvt Ltd	Emergency Loan- 1000 Family Loan- 1000-5000 Home Loans- 5000-50000 Income Generation- 60000 Savaari Loan- 60000 Udyog- 125000 Suvidha- 15% Of Udyog Vikas- 500000

S.No	Microfinance Institutions	Loan Types And Amount (In Rupees)
4	Bandhan Bank	Suchana- 1000-5000 Surishti- 16000-50000 Samriddhi- 51000-500000 Suraksha- 1000-10000 Fisheries- 10000-100000
5	Grama Vidiyal	General Loan- 25000 Milk Purpose Loan- 3000-5000 Business Purpose- 50000
6	Share Microfinance Ltd	General Purpose 12000-25000
7	Bhartiya Samruddhi Finance Ltd	General Term Loan- 15000-50000
8	Cashpor Microcredit	52 Weeks Loan- 2000-15000 26 Fortnights- 2000-15000

Areas Covered by the MFIs



ANALYSIS AND FINDINGS:

The MFIs have grown significantly and have drastically improved the economy of the country. Bandhan Bank has the largest geographical spread with its operations across 24 states and union territories and under developed states of North East. The states covered by the MFIs are mostly Andhra Pradesh, Tamil Nadu, Karnataka and Telangana. Various types of loans are provided by MFIs, most commonly for the general needs of the low income earners. These loans are provided with no collateral.

CONCLUSION:

Microfinance have helped low income earners gain financial support. In a country like India where larger part of the population belongs to the poorer section, Microfinance institutions have had a potential growth rate in providing employment and uplifting the economy. It has played a major role in helping women gain financial independence and start their own business. Microfinance institutions had reached 79 million of the poorest women in the world.

LIMITATIONS:

These Institutions have reached to a large number of people, but not to the poorest of the poor. The problem of multiple lending is prominent, and it needs clearer guidelines and more research. There are High Non performing assets in the sector of Microfinance which causes a major problem. Also, there are no specific indicators of women empowerment in the country.

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