

“MICROFINANCE AND WOMEN EMPOWERMENT AN EMPIRICAL STUDY WITH SPECIAL REFERENCE TO GUJARAT”

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ABSTRACT: *Women's empowerment is a process that increases their control over intellectual and material resources while simultaneously opposing patriarchal ideals and social biases against women on the basis of gender. Empowerment is the process of increasing one's freedom of action and decision in order to take charge of one's life. Women's empowerment increases once microfinance has been implemented. Microfinance refers to financial services offered to those with lower socioeconomic situations or to those without access to more traditional financial services are known as microfinance.*

In the past, women have suffered the most from social exclusion and prejudice. Microfinance has grown in popularity and is now widely acknowledged as a powerful tool for empowering women. Women are particularly interested in getting microloans from commercial banks, NGOs, and other organizations. More than 50% of women take loans for personal reasons and for their children's studies, due to hospitals, and to buy household items. microfinance helps improve their social life and increased their income level.

KEYWORDS: *-Microfinance, Woman Empowerment.*

INTRODUCTION

Microfinance is the term used to describe the provision of financial services to low-income people or groups. The majority of microfinance organizations concentrate on providing credit in the shape of modest working capital loans, sometimes known as microloans or microcredit. While regulated microfinance banks offer savings accounts, many also offer insurance and money transfers. In order to encourage self-sufficiency, microfinance strives to increase the accessibility to financial services for underserved populations, particularly women and the rural poor.

In India, it is clear that women are starting businesses and contributing to the economy. Over time, notably in the 1990s, the number of women entrepreneurs increased. Microfinance initiatives have a great deal of potential to support the economic, social, and political empowerment of women. A series of interconnected and mutually reinforcing "virtuous spirals" of empowerment can be started or strengthened by having access to savings and credit. The twin problems of poverty and unemployment, which continue to constitute a serious danger to the polity and economy of both rich and developing countries, have given rise to a new strategy: microfinance development. Today, numerous government and non-government organizations are engaged in microfinance development projects.

One of the most crucial issues in emerging nations is the empowerment of women. Despite the fact that women are an essential element of society, their standing and involvement in economic and decision-making processes is quite low. Microfinance significantly influences women's decision-making via supporting economic activities.

The microfinance intervention is one of these initiatives. The goal of a microfinance institution is to give credit to the underprivileged who do not have access to commercial banks. In general, this institution draws funding from western donors, non-governmental organizations, or commercial banks, who frequently lend to microfinance institutions at interest rates below the market.

1.1. Micro Finance: -

Microfinance is the term used to describe the provision of financial services to low-income people or groups. The majority of microfinance organizations concentrate on providing credit in the shape of modest working capital loans, sometimes known as microloans or microcredit. While regulated microfinance banks offer savings accounts, many also offer insurance and money transfers. In order to encourage self-sufficiency, microfinance strives to increase the accessibility to financial services for underserved populations, particularly women and the rural poor.

1.1.1. Microfinance In INDIA: -

The first company to promote microfinance in India was the Gujarat-based Self-Employed Women's Association (SEWA), which established SEWA Bank in 1974. Since then, this bank has provided funding to anyone wishing to grow their own business in rural areas. A successful programme is the Columbate Poverty Eradication Mission, which was launched in the state of Kerala in 1998. This female-led community organization of Neighborhood Groups (NHGs) brings together women from rural and urban areas to fight for their rights and support their empowerment. Two causes may be responsible for the microfinance industry's expanding involvement in India. It starts by taking care of the low-income population's financial needs. Second, policymakers view the industry as a crucial tool for promoting financial inclusion.

1.1.2. Microfinance working model: -

A. Self Help Group (SHG): - The SHG is a savings-oriented group. They fix periodic meets, open an account with a microfinance company and save regularly in the fund, and when any group member needs funds, he gets that from the collective savings. These groups are generally non-profit self-sustaining organizations. The group itself takes care of the responsibility of debt recovery. Self-help groups get money on credit from the bank like NABARD and SIDBI once they become stable and present a track record of regular repayments of their borrowers.

B. Joint Liability Group (JLG): - The JLG is for income generation, activity-oriented groups. Joint Liability Group concept for microfinance was started by NABARD. JLG is a group of 4-10 small farmers, rural entrepreneurs, people of the same village/locality having the same socioeconomic background. The JLG is formed with the purpose of availing loan from a microfinance company without any collateral.

Microfinance companies can finance a JLG in two ways: -

- Financing to the group directly.
- Financing to the individual in the groups.

1.1.3. Recent Development & Growth of Microfinance: -

The government has been able to align its aim of financial inclusion with microfinance, enabling low-income populations to invest in their businesses. In 2022, the RBI increased the income threshold for households receiving microloans from 50,000 to 3 lakh. They also required lenders to use pricing strategies that have been approved by the board while removing the cap on interest rates for these loans. Over 64 million Indians have benefited from microfinance programs, increasing chances for low-income households. The government and RBI have started outreach efforts. Through private limited corporations and microfinance organizations, they want to finance them (MFIs). There is a lot of room for expansion for microfinance organizations in India. India offers the following varieties of microfinance products:

Micro loans: - It allows individuals to borrow small sums of money without providing any collateral.

Micro savings:- These savings accounts are available for entrepreneurs to operate with no mini. Balance.

Micro Insurance: - They offer insurance coverage to borrowers of microloans for a comparatively low premium.

1.2. Woman Empowerment: -

Women's empowerment can be defined in a number of ways, such as by respecting women's opinions or making an attempt to find them, as well as by improving women's status through training, education, and other means of raising awareness of issues that affect women. It has a clear connection to empowering women, which is a fundamental human right and is also essential to creating a world that is more peaceful and affluent. The five pillars of women's empowerment are: their sense of self-worth; their right to make and exercise choices; their access to opportunities and resources; their right to have the authority to manage their own lives, both inside and outside the home; and their capacity to direct social change toward the development of a more just social and economic order, both domestically and globally.

In this context, key tools for empowering women and girls to assert their rights include education, training, awareness-raising, boosting self-confidence, expanding choices, increasing access to and control over resources, and taking action to transform the structures and institutions that support and perpetuate gender discrimination and inequality.

We all believe that strong, empowered, and contented girls and women can effect change. Women and girls have more chances to fight for their rights and for society when they are empowered. They can improve their social status and pass it on to future generations.

In India, a number of various factors, including the geographical context (urban/rural), social position (caste and class), educational level, and age factor, all play a significant role in determining how empowered women are. There are initiatives to empower women at the state, local (panchayat), and federal levels. However, women face discrimination

in the majority of industries, including politics, economic involvement, health and medical care, and education. This shows that there are significant gaps between strategic developments and actual implementation at the local level.

1.3. Women Empowerment in The Context of Microfinance: -

Microfinance is the provision of financial services to low-income clients who, historically, have had restricted access to banking and related services, such as consumers and self-employed people. A form of banking called microcredit, also referred to as microfinance, provides credit, savings, and other essential financial services to millions of people who are too poor to be served by traditional banks, typically as a result of a lack of collateral. A substantial portion of microloan users are women. Women have historically found it difficult to engage in economic activity, especially in developing countries. Microfinance provides women with the resources they need to launch their own enterprises and take an active role in the economy. It increases their status, gives them more self-assurance, and motivates them to take an active role in society.

Women have historically experienced the worst social exclusion and discrimination. In recent years, microfinance has gained popularity and become recognized as a potent instrument for empowering women, especially in rural areas. In addition to the official and semi-formal sectors of finance, such as commercial banks, NGOs, and others, women are particularly interested in receiving microloans from these institutions. Studies from all across the world have indicated that one positive effect of microfinance is an increase in women's self-esteem.

Most microfinance programmers target women with the intention of empowering them. Different fundamental motives for pursuing women's empowerment exist. Some contend that because they are among the most vulnerable and impoverished people, assisting women should be a top concern. According to a more feminist perspective, having wider access to financial services opens up opportunities for greater empowerment. These organizations openly view microfinance as a weapon in the struggle for women's equality and self-reliance. Keeping with the goal of financial viability, more and more microfinance organizations favor women members since they consider them to be better and more dependable borrowers.

LITERATURE REVIEW

Women empowerment is the process by which women gain greater control over material and intellectual resources, and challenge the ideology of patriarchy and the gender-based discrimination against women in the society. Empowerment refers broadly to the expansion of freedom of choice and action to shape one's life. Empowerment include self-strength, control, self-power, self-reliance, own choice, life of dignity in accordance with one's values, capacity to fight for one's rights, independence, own decision - making, being free, awakening, capability, etc. Microfinance and micro-credit practices have become a popular means of local development.

According to the DWCRA (Development of Women and Children in Rural Areas) development model, self-help organizations have a tendency to empower women. There have been discoveries of accomplishments like active decision-making and spatial mobility. Self-help groups (SHGs) first began to form in the nation, primarily as a result of initiatives by non-governmental organizations (NGOs). One of the first organizations in India to introduce the idea of SHGs was the Mysore Resettlement and Development Agency (MYRADA).

According to Dr. Shuchi Loomba; In India, the emergence of liberalization and globalization in early 1990's aggravated the problem of women workers in unorganized sectors from bad to worse as most of the women who were engaged in various self-employment activities have lost their livelihood. In India, Microfinance scene is dominated by Self Help Group (SHGs) as an effective mechanism for providing financial services to the "Unreached Poor", and also in strengthening their collective self-help capacities leading to their empowerment. Although no 'magic bullet', they are potentially a very significant contribution to gender equality and women's empowerment. Through their contribution to women's ability to earn an income, these programs have potential to initiate a series of 'virtuous spirals' of economic empowerment, and wider social and political empowerment.

OBJECTIVE OF STUDY

- To learn about women empowerment
- To learn about micro finance.
- To study the depth woman empowerment in the context of microfinance.
- How microfinance helps to women empowerment.

TYPE OF RESEARCH DESIGN

Descriptive research design: In a descriptive design, a researcher is solely interested in describing the situation or case under their research study. It is a theory-based design method which is created by gathering, analyzing, and presenting

collected data. This allows a researcher to provide insights into the why and how of research. Descriptive design helps others better understand the need for the research. If the problem statement is not clear, you can conduct exploratory research.

Data Collection: -

Primary: - structured questionnaires designed specifically for the purpose.

A primary data source is something that originates from first-hand knowledge of the person referenced in the data or from a first-hand witness.

Research Instrument: -

Questionnaire:- A questionnaire is a research instrument consisting of a series of question and other prompts for the purpose of gathering information from respondents. Although they are often designed for statistical analysis of the responses.

Research Plan: -

- Data Source Primary Data
- Research Design Descriptive Research
- Research Approach Survey
- Research Instrument Questionnaire
- Method Of Contact Personal
- Sample Size 162
- Sampling Method Convenience Sampling method

DATA ANALYSIS

Age: -

Descriptive Statistics

	N	Minimum	Maximum	Mean
Age	162	18.00	50.00	23.3210
Valid N (listwise)	162			

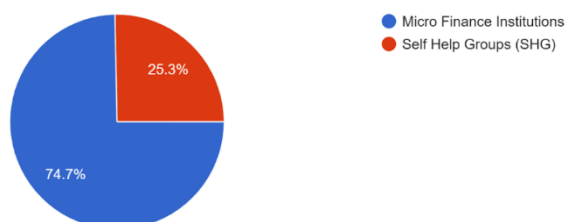
The demographic characteristics of the women are the control variable. Age of women plays important role in the study. Age between 20-30 were the most active in microfinance.

Total Number of Sample n		162
Demographic variables	Character	Frequency
Education	10 th	2
	12 th	6
	Graduation	40
	Post-Graduation	113
	PhD	1
Occupation	Salaried	74
	Business	48
	Others	40
Income (PA in Rs.)	Less than 1 Lakh	79
	1,00001 - 1,50,000	13
	1,50,001 - 2,00,000	16
	2,00,001 - 2,50,000	10
	above 2,50,000	44
Marital Status	Single	142
	Married	20
Type of family	Joint	101
	Nuclear	61

By table we can interpret that total number of responses is 162. Frequency of the Different Demographic variables are different. Education category in 4 categories, Education is the main factor for empowering women. Most of the respondent of the questionnaires were PG holders 113, then there were 2 responses by the 10th Standard; 6 by the 12th

standard; 40 by the graduation and 1 response is from PhD. In Occupation there is 3 categories, 74 responses by the salaried, 48 responses by the business, and 40 responses are others (students, farmer, etc.); income per annum in 5 categories, in these categories 79 responses by the less than 1 lakh income level, 13 responses by 100001-150000, 16 responses by 150001-200000, 10 responses by 200001-250000 And 44 responses by above 250000 income; 142 responses by single marital status and left 20 responses by married marital status; types of family in 2 category, in joint family 101 responses and 61 responses by the nuclear family.

From which mode you avail loans?
162 responses



The sample responded. (121 avail loan from respondent)

size of the responder 162 Among 162 respondent 74.7% respondent) of the respondent MFIs and 25.3% (41 avail loan from SHGs.

Purpose for loan was taken

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Personal	113	53.3	53.3	53.3
Education	62	29.2	29.2	82.5
Marriage	14	6.6	6.6	89.2
Medical	15	7.1	7.1	96.2
Others	8	3.8	3.8	100.0
Total	212	100.0	100.0	

The purpose for which the respondent took loan was Personal, Education, Marriage, Medical and Others. Some of them took loan for more than one purpose so the total frequency of the purpose of the loan is 212. The number of respondents took personal loan was 113 (53.3%), Education 62 (29.2%), Marriage 14 (6.6%), Medical 15 (7.1%), and Others 8(3.8%).

Why prefer loan from this source

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Low interest rate	80	49.4	49.4	49.4
Easy procedure	57	35.2	35.2	84.6
Less Formalities	24	14.8	14.8	99.4
Others	1	.6	.6	100.0
Total	162	100.0	100.0	

Respondents prefer taking loan from MFIs and SHGs because of Low interest rate, Easy Procedure and Less Formalities. Out of 162 respondent, 80 (49.4%) of them prefer taking loan because of low interest rates, 57 (35.2%) for easy procedure and 24 (14.8%) for less formalities and 1 (.6%) for other reason.

feel about concept of women Empowerment

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Along with domestic work, women have also become financially independent through their hard work.	95	39.7	39.7	39.7
It increased the importance of women in the society.	56	23.4	23.4	63.2
A woman's lifestyle is well organized	39	16.3	16.3	79.5

Increase the status of women through education, awareness, literacy and training	48	20.1	20.1	99.6
Others	1	.4	.4	100.0
Total	239	100.0	100.0	

By table we can interpret that 95(39.7%) responded that women have become financially independent, 56(23.4%) responded that women were given priority in the society, 39 (16.3%) responded in women organized lifestyle, 48(20.1%) responded in increasing the status of women and 1(0.4%) responded in others. Here the total frequency of respondent is 239 because respondent was allowed to mark in more than one answer.

Micro Finance is helping for Women Empowerment

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	155	95.7	95.7	95.7
Valid No	7	4.3	4.3	100.0
Total	162	100.0	100.0	

Most of the respondents agreed that micro finance has helped in empowering women. Out of 162 respondents 155 (95.7%) of them responded yes and 7 (4.3%) of them responded no.

Descriptive Statistics

	N	Minimum	Maximum	Mean
Microfinance has aided in poverty reduction	162	1.00	5.00	2.9691
Microfinance has contributed in improvement of social status	162	1.00	5.00	3.1358
Microfinance has contributed in improvement of consumption level	162	1.00	5.00	3.2716
Microfinance has contributed in improvement of income level	162	1.00	5.00	3.2901
Microfinance has enhanced awareness of social issues	162	1.00	5.00	3.3272
Microfinance has increased exposure to the outside world	162	1.00	5.00	3.2346
Valid N (listwise)	162			

By table we can interpret that the descriptive statistics data and mean of impact on the respondents availing microfinance.

- Microfinance has aided in poverty reduction the mean is 2.97 it means its natural.
- Microfinance has contributed in improvement of social status the mean is 3.14 it means itagree.
- Microfinance has contributed in improvement of consumption level the mean is 3.27 it means itagree.
- Microfinance has contributed in improvement of income level the mean is 3.29 it means it agree.
- Microfinance has enhanced awareness of social issues the mean is 3.33 it means itagree.
- Microfinance has increased exposure to the outside worldthe mean is 3.23 it means it agree.

Microfinance has improved social life

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	145	89.5	89.5	89.5
Valid No	17	10.5	10.5	100.0
Total	162	100.0	100.0	

The most of the women are agree with microfinance has aided to improve social life. 89.50% women are agreed and 10.50% women are not agreed.

Recommend to other women to be part of SHG - Self Help Group

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	144	88.9	88.9	88.9
Valid No	18	11.1	11.1	100.0

Descriptive Statistics

	N	Minimum	Maximum	Mean
Sense of self Confidence	162	1.00	5.00	2.9691
Sense of self-worth	162	1.00	5.00	3.1543
Power to control their own lives, both within and outside the home	162	1.00	5.00	3.3086
Ability to influence the direction of social change	162	1.00	5.00	3.3827
Belief that, we are on earth for some purpose	162	1.00	5.00	3.3765
Ability to challenge rules and norms	162	1.00	5.00	3.4012
Valid N (listwise)	162			

The most of women are agreed to recommend to other women to be a part of SHG- self- help group. 88.90% women are recommended and 11.10% are not recommend.

By table we can interpret that the descriptive statistics data and mean the perception towards features of women empowerment, owing to usage of Micro Finance.

- Sense of self Confidence the mean is 2.97 it means its natural.
- Sense of self-worth the mean is 3.15 it means it agree.
- Power to control their own lives, both within and outside the home the mean is 3.31 it means it agree.
- Ability to influence the direction of social change the mean is 3.38 it means it agree.
- Belief that, we are on earth for some purpose the mean is 3.38 it means it agree.
- Ability to challenge rules and norms the mean is 3.40 it means it agree.

FINDINGS

As our study itself says that it's about women empowerment so there was no man involved in the researched questionnaires.

- As per the data analysis we find to that micro finance has help in women empowerment. Out of 162 respondents 155 (95.7%) of them responded yes and 7 (4.3%) of them responded no.
- As per the data analysis we find these descriptive statistics of encouraging other women to feel empowered by usage of microfinance has found the mean 3.4877. it means the people is agree and they also encouraging to others women for the usage of microfinance.; microfinance has improved the women's social life the response is 88.9% is agree with this statement.
- As per the data analysis we find these descriptive statistics of recommend other women to be a part of self- help group (SHG) has found the 88.90% women is agreed.
- We have found that respondent avail loan from MFIs (121) and SHGs (41); the purpose of taking loan was personal (113), Education (62), Marriage (14), medical (15) and the rest took for other purposes, some of the respondent took loan for two to three different reasons so the frequency (212) has become more than actual respondent number (162). we have also found that out of 162 respondent 140 were aware of the interest rate charged on their loan and 22 of them were unaware; and 72 of them were satisfied with the interest rate, 51 of them were not satisfied and 39 of them were either okay with it or not.
- As per the data analysis we find these descriptive statistics 49.4% of respondents low interest rates; 35.2% respondents because of easy process; 14.8% respondents due to less formalities and 0.6% due to other reasons; For these reasons women prefer taking loan from MFIs and SHGs.
- How much loan amount credit limit, amount Rs. 10000-20000 to get credit 33.3% (54), Rs. 20000-40000 22.8% (37), Rs. 40000-100000 22.8% (37), and 21% (34) between Rs. Take credit loan above 100000.; For how long they take their loan, less than 6 months 29.6%(48), more than 6 months - equal to 12 months 32.7%(53), more than 12 months- equal to 18 months 21%(34), and more than 18 months 16.7%(16) take loan for such period.

CONCLUSION

As per the data we can say that women empowerment has increased with the help of microfinance.; The awareness of the consequences of non-repayment of the loan is the 82.70% women are aware about it with the help of microfinance. There are many purposes for taking a loan from microfinance. But when microfinance has come into financial services, people have become aware, people have started to know about women empowerment. With the help of microfinance women have increased their importance of the society. Microfinance has been proved to be an

important tool in the development process empowering the women educationally, socio-economically. Impact of Microfinance is appreciable in bringing confidence, courage, skill development and empowerment among women.

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