

## A STUDY ON EMPOWERMENT OF WOMEN THROUGH MICROFINANCE WITH SPECIAL REFERENCE TO ERANAD TALUK

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### **Abstract**

Women are an essential part of every economy. All round advancement and harmonious growth of a nation can be achieved only when women are considered as equal partners in progress with men. The status of women in India has been subject to many great changes over the past few millenniums from a largely unknown status in ancient times to the promotion of equal rights. Of all these aspects of women development, economic empowerment is of utmost importance to uphold development of a society. Microfinance is a vital means for attaining women empowerment. Empowerment of women is a pre-requisite to harness women labour in the main stream of economic development. Empowerment of women is a holistic conception. It is multi-dimensional in its nature and covers economic, political, legal, social/cultural, personal and family aspects. Of all these aspects of women development, economic empowerment is of utmost importance to uphold development of a society. Microfinance is a vital means for attaining women empowerment.

**Keywords: Women, Empowerment, Micro-finance**

### **Introduction**

In Indian society the status of women underwent changes during different stages of development women had a better position in ancient times than in medieval and modern times women occupied the same position as men in the early Vedic society. She was treated with great respect for her famine virtues. They were reached a very high standard of learning and culture and made an all-round progress.

Women who have acquired better knowledge, skill and experiences and who are conscious or are sensitized of their rights and duties are considered to have been empowered to a great extent. They can built-up the capacity to become economically self-reliant and self-sufficient, have the ability to make better decisions in their family, improve their familiar and societal status and enjoy a better standard of living and thereby contributing substantially in building of the nation in short as well as long run.

Empowerment of women is a pre-requisite to harness women labour in the main stream of economic development. Empowerment of women is a holistic conception. It is multi-dimensional in its nature and covers economic, political, legal, social/cultural, personal and family aspects. Of all these aspects of women development, economic empowerment is of utmost importance to uphold development of a society. Microfinance is a vital means for attaining women empowerment.

### **Significance of the Study**

Empowerment of women is considered as one of the most important responsibilities of every government. Till recently very little attention was given to empowerment issues or ways in which both empowerment and sustainability aims could be accommodated. Women's access to savings and credit gives them greater economic role in decision-making through their decisions regarding savings and credit. In addition to the influence of Self Help Group in raising incomes and encouraging poor households to become economically sound, it also serves as an entry point for comprehensive community and human development. The study would contribute significantly in understanding the importance of women empowerment through microfinance in Eranad Taluk, Malappuram district. It also helps us in locating the strengths, weaknesses, opportunities and threats of microfinance in empowering women.

### **Statement of the Problem**

Participation of women in economic activities is necessary not only from the survival of family but essential from the objective of raising the status of women in large segment of society. The low status of women in large segment of the society cannot be raised without opening up opportunities of independent employment and income for them. There has been prominent scope for self-employment in all sectors of Indian economy-rural, semi-urban and urban area. Kerala is the only state in India, where women outnumber men. Women are playing an important role in social development. Many schemes have been chalked out to empower women in our

country and the concept of SHGs is one such. How Microfinance has empowered women in a country and whether it is economic, social, personal, family is the research problem.

### **Objectives of the Study**

1. To assess micro finance service accessibility among women.
2. To evaluate the level of Personal Empowerment of women through microfinance.
3. To measure the level of Social Empowerment of women through microfinance.
4. To examine the level of Economic Empowerment of women through microfinance.
5. To identify problems that women face in accessing micro finance services.

### **Research Methodology**

The study is both analytical and descriptive in nature based on primary and secondary data. The SHG members of Eranad Taluk, Malappuram district form the population of the study. Purposive random sampling method was used for selecting sample from the target population for this survey. A sample size of 30 SHG members has been taken into consideration and the data required for the study is collected by using structured questionnaire. The statistical tools used for data analysis were percentage analysis and weighted ranking.

### **Literature Review**

**Lakshmi Kanthamma (2016)** in the study “Microfinance to Scheduled Caste Women through Self Help Groups in Ananthapuramu District” reveals that it is recognised that economic empowerment of downtrodden women gains top priority, particularly in backward and drought –prone rural areas. In this study, an attempt has been made to present a relevant picture on the impact of microfinance on SHGs of Scheduled caste in the backward and drought – prone district of Ananthapuramu in Andhra Pradesh.

**Laha and Kuri (2014)** conducted a study on how micro finance outreach programme contributes to women empowerment across countries with special emphasis on states in India. In their study, they considered 3 such dimensions like economic, financial and social empowerment to construct women empowerment index (IWE) and also construct microfinance outreach (IMO). This study uses the ordered prohibit model to estimate the relationship between micro finance accessibility and women empowerment by introducing 4 women empowerment attributes which may also influence the estimation as control variables: age, education marital status and occupation.

**Kenneth Kalyani and Seena P.C. (2012)** observed that economic development of women leads to better living status in the family, educational, Nutritional, and the health needs of the children were well satisfied. Economic independence through Kudumbashree improved the social participation of its members and the Kudumbashree NHG movement is supporting for social empowerment of poor women.

**Sharma. R. (2007)** in the study, “Micro-finance and Women Empowerment” examined that empowerment is an indicator to build broadly in eight criteria’s, i.e. mobility, economic security, ability to make small and large purchases, involvement in major household decisions, relative freedom from domination by the family, political and legal awareness, participation in public protests and political campaigns. The study concluded that the micro-finance industry promotes the dual objectives of sustainability of services and outreach to the women and poor when deciding to fund specific MFI donors and other social investors in the sector consider both objectives, but their relative importance varies among funders.

**Naila Kabir (2005)** in her study on Micro Finance has assessed the impact of micro finance on women’s empowerment. The findings suggest that there is need for caution in talking about the impact of micro finance in general. Micro finance offers an important and effective means to achieving change on a number of different fronts, economic, social and political. The success of micro finance organizations in build up the organizational capacity of poor women provides the basis for their social mobilization that may other development interventions have not been able to achieve.

## Data Analysis and Interpretation

### a) Products of Micro Finance Aailed

**Table 1: Products of Micro Finance Aailed**

<b>Products</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Micro credit	10	33.3
Micro savings	13	43.3
Micro insurance	5	16.7
Micro finance training	2	6.7
<b>Total</b>	<b>30</b>	<b>100</b>

Source: Primary data

The table indicates that most of the respondents (43.3%) availed micro savings. 33.3% availed micro credit and 16.7% availed micro insurance. Few of them availed micro finance training.

### b) Economic Empowerment

**Table 2: Economic Empowerment**

Aspects	Strongly Agree		Agree		Neither Agree nor Disagree		Disagree		Strongly Disagree		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Increase in income	8	26.7	11	36.6	7	23.3	3	10	1	3.4	<b>30</b>	<b>100</b>
Access to credit	5	16.7	12	40	8	26.6	5	16.7	0	0	<b>30</b>	<b>100</b>
Confidence to face problems	14	46.6	9	30	3	10	3	10	1	3.4	<b>30</b>	<b>100</b>

Source: Primary data

From the table it can be inferred that 36.6% of respondents agree that their income increased through the use of micro finance. 40% of the respondents agree that they can access to credit facilities. The table makes obvious that majority of respondents (46.6%) strongly agree that availability of micro finance increases confidence to face problems.

### c) Social Empowerment

**Table 3: Social Empowerment**

Aspects	Strongly Agree		Agree		Neither Agree nor Disagree		Disagree		Strongly Disagree		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Attend public meetings	6	20	12	40	5	16.6	4	13.4	3	10	<b>30</b>	<b>100</b>
Increase social status	6	20	15	50	6	20	3	10	0	0	<b>30</b>	<b>100</b>

Involvement in community development activities	6	20	12	40	8	26.6	4	13.4	0	0	<b>30</b>	<b>100</b>
Mingling with others	12	40	12	40	3	10	2	6.7	1	3.3	<b>30</b>	<b>100</b>
Increase social involvement	12	40	12	40	5	16.6	1	3.4	0	0	<b>30</b>	<b>100</b>

Source: Primary data

The table implies that large numbers (40%) of respondents agree that they now attend public meetings. Majority of the respondents (50%) agrees that social status of women increased a lot. It can also be interpreted that most of the respondents (40%) opined that they were actively involved in community development activities. Availability of micro finance helps women to start their own business. A self-sufficient woman can mingle freely with others. That's why 80% women shows agreeableness with the statement 'increases mingling'. Social involvement of women was increased a lot because 40% respondents strongly agree and another 40% agrees with the given statement.

#### d) Personal Empowerment

**Table 4: Personal Empowerment**

Aspects	Strongly Agree		Agree		Neither Agree nor Disagree		Disagree		Strongly Disagree		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Take positive attitude	16	53.4	9	30	2	6.6	1	3.4	2	6.6	<b>30</b>	<b>100</b>
Discover new possibilities and options	10	33.3	7	23.3	6	20	6	20	1	3.4	<b>30</b>	<b>100</b>
Improves managerial and communication skills	14	46.6	5	16.7	8	26.6	2	6.7	1	3.4	<b>30</b>	<b>100</b>

Source: Primary data

The above table shows that more than half of the respondents (53.4%) are strongly agree that they take positive attitude towards themselves. 33.3% of the respondents are strongly agreed that they discover new possibilities and options. The respondents' managerial and communication skills are increased a lot.

**e) Problems Faced while Accessing Micro Finance**

**Table 5: Problems Faced while Accessing Micro Finance**

<b>Problem</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Collateral required for loan	8	26.6
Service application procedures	12	40
Lack of business education	6	20
High interest Rate on loans	4	13.4
<b>Total</b>	<b>30</b>	<b>100</b>

Source: Primary data

The table implies that the main problem faced by the respondents is difficult service application procedures (40%). 26.6% opined that collateral security needed for loan creates problems while raising funds. Some respondents (20%) face difficulties because of lack of business education. High interest rate on loans also becomes a burden for women entrepreneurs.

**Findings**

- Micro finance availability ensures social empowerment of women
- Large number of respondents have the opinion that micro-finance encourages their economic, social, personal empowerment.
- Pertaining to economic empowerment, majority of respondents (46.6%) strongly agree that availability of micro finance increases women's confidence to face problems.
- Availability of micro finance helps women to start their own business.
- Pertaining to personal empowerment, majority of the respondents have strongly agreed that micro finance influences on improving self-respect, good exposure, discovering new possibilities and options.
- Main problems faced by the respondents are difficult service application procedures and collateral security needed for obtaining loan.

## Suggestions

1. Measures must be taken to motivate prospective members within the age group of 20-30 years to join SHGs and they may be encouraged to take up business enterprises which will promote rural entrepreneurship.
2. Simplify service application procedures
3. Need for much level of subsidy and interest free loan.
4. SHG members should act as a facilitator in implementation of various social empowerment schemes introduced by central and state government.

## Conclusion

Microfinance is a very effective tool for the uplift of the poor, in general and empowerment of women in particular. Advancing microfinance to the rural women through Self Help Groups on reasonable terms and conditions make it possible for the rural poor as well as rural women to attain economic independence, social status and organizational skills which results in helping the women and the poor function actively in the overall development of the society/nation. Main problems faced by the respondents are difficult service application procedures and collateral security needed for obtaining loan. So it's important to simplify service application procedures. Women empowerment requires an ultimate change in the development scheme not only at the micro level but also at the macro level to challenge gender subordination at the micro-level.

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