

Role of Microfinance in Women Empowerment of Rural areas: A Study of Bihar

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Abstract

Microfinance is a provision of financial services which is provided to poor people or unemployed or groups especially for women to enable them to increase their income levels and also to improve the living standard. Microfinance plays a vital role in reducing the poverty and creating job opportunities in rural areas. Women empowerment means to give power of decision making to women to do something in her life. There are mainly four types of empowerment which is required to empower the women; these are social empowerment, political empowerment, education empowerment, and economic and financial empowerment. It is very difficult to measure the empowerment of women but on the basis of experience, knowledge and behaviour of women, measurement can be done. The study posses the two objectives:

1. To identify the role of microfinance in the women empowerment of rural areas of Bihar.
2. To understand the different policies, programmes and schemes for the women empowerment.

The study concluded that microfinance is playing a crucial role in empowering women in terms of social and psychological employment but not much in terms of economic empowerment. After analysing the different programmes and schemes introduced by government, it was found that there are so many programmes and schemes, which is helping to rural poor women and marginalized section of the society to come out from poverty.

Keywords: Micro Finance, Women Empowerment, Self-Reliance, Self-Help Groups, Rural Employment.

Introduction

In the modern time, Micro Finance plays very critical role in the development of rural economy. Hoever this scheme is not limited to the rural development but also played a significant role in upliftment of rural women from abrupt poverty. Now Micro Finance is in the driving seat of development of rural economy. Microfinance refers to financial services which is provided to poor people or unemployed or low-income individuals or groups especially for women to become self dependent. However microfinance is defined as the provision of financial services to low-income people for enabling them to raise their income levels and improve the standard of living. It is expected from microfinance to play a very vital role in removing the poverty and creating opportunity for employment. Initially, microfinance had a very few definition, the provision of financial services to poor entrepreneurs and small businesses lacking access to formal banking and related services. But today the definition of microfinance has changed. Today microfinance includes not only credit but also includes savings, insurance, payment services, fund transfer etc. the main aim of microfinance is to serve the poor people to come out of poverty and also to strengthen the women financially. The term empowerment is used by different person in different sense. In simple word empowerment means to make one powerful. But in broad sense empowerment refers to a person acquiring the power to think and act freely. There are five types of empowerment which is required to empower the women; these are social empowerment, political empowerment, education empowerment, economic and financial empowerment and psychological empowerment. Women empowerment is not a recent origin. Women empowerment is a process by which women gain greater control over materials and intellectual resources



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which will assist them to increase their self-reliance and enhance them to assert their independent right, are challenge to ideology of patriarchy and the gender-based discrimination against women. Empowering women does not mean to give them power to dominant men. Women empowerment is a multidimensional process which travels from many phases. It is not an easy task to measure how much women are empowered. However different studies have been made to measure the women empowerment. But on the basis of experience, knowledge, custom, tradition and behaviour of women; the measurement of women empowerment can be done. There are mainly two criteria i.e. qualitative and quantitative indicators of empowerment which measure the power of women empowerment. Qualitative indicators include- increase in self-esteem in Individual, time allotment for family and work, work load related to job, protest to social changes like child marriage, dowry, discrimination against widows etc. Quantitative indicators include- women participation in development related programmes of the society, accessibility of women related to mobilization of resources such as government schemes and all, accessibility to higher education, participation of women in the economic activities etc. Therefore, on the basis of above aspect it can be said that microfinance is an important tool for the empowerment of women especially rural women.

Review of literature based on Models of Microfinance

BMJ Open: first published as 10.1136/bmjopen-2018-023658 on 28 January 2019, "Is microfinance associated with changes in women's well-being and children's nutrition? A systematic review and meta-analysis, Wanjiku Gichuru, Shalini Ojha, Sherie Smith, Alan Robert Smyth, Lisa Szatkowski." This study focused on the role of microfinance in women-empowerment, nutritional security and use of contraceptives. To explore the impact of microfinance on contraceptive use, female empowerment and children's nutrition in South Asia, Sub-Saharan Africa and Latin America and the Caribbean. Nature of the microfinance interventions evaluated in this paper.

Handbook of Research on Microfinancial Impacts on Women Empowerment, Poverty, and Inequality, Reflections on Microfinance: Poverty Nexus From India – An Empirical Inquest

Sovik Mukherjee (Shri Shikshayatan College, India) and Ramesh Chandra Das (Vidyasagar University, India), 2019. This paper deals with microfinance coupled with the issue of poverty reduction, the first concern is to handle the twin objectives of poverty alleviation and achievement of financial self-sufficiency, which are often at loggerheads.

Greenwood and Joyanovic (1990), study disclosed that there are two vital issues in economic development theories in a solitary model: Association between economic development and disparity and connection between money related structures and economic growth. Then again economic advancement likewise furnishes intends to financial growth with

ROSCAS. Puhazhendi and Satyasai (2002), study observed noteworthy upgrades in the savings of SHG individuals amid post SHG circumstances. The programme additionally enhances the getting pattern of SHG member units regarding strengthening credit extending and acknowledges developing for SHG bank linkage model.

Aim and Objective of this paper

This paper aimed to understand the role of micro finance in the upliftment of women in rural development. We will also try to analyse the empowerment of women with micro credit. We will study the availability of credit in rural areas.

Fundamental concept of Microfinance

The microfinance activity is the result of NABARD's work that started in 1992 through a pilot project for promoting women empowerment through 500 SHGs . Microfinance programmes are important institutional devices for providing small credit to the rural poor in order to empower women . To sum up microfinance is normally associated with (a) very small loans (b) no collateral (c) the formation of borrower groups (d) borrowers from among the urban and rural poor women (e) loans for income generation through market based self employment and (f) privatisation . Thus micro-finance raised the poor in all livelihood purposes .

Women Empowerment

Women empowerment refers to an increase in the strength of the women such as spiritual , political , social , economical . Thus women empowerment occurs in real sense when women achieve increased income and all livelihood purposes . The main aim is to examine the impact of women empowerment through education , promoting gender equality , employment , health services and agricultural work through governmental and non-governmental functions . Thus empowerment of women is a major social phenomenon which requires an understanding of its multi-dimensional influence including our family status .

Different Stages Of Women Empowerment

There are mainly five types of empowerment which is required to empower the women. These are followings:

Social Empowerment

From a sociological point of view social empowerment can be defined as equal status, equal opportunity and equal freedom given to women to develop herself socially.

Educational Empowerment

Empowerment not possible without education of women in today's world. The problem of gender inequality can be only solved by educating a girl child . Educating a woman means we are educating a whole family. So emphasis on educating women is mandatory for the reformation of their status in society

Economic Empowerment

Major source of income of a person comes either from salary or from daily wages of the poor people of rural India. So creating employment opportunity is very essential for women empowerment in the rural areas. So that they become economically independent. Economic self-independency brings

more self-confidence from inside and make women progressive. Economical empowerment can be defined as a process where a woman has full control over the utilization of its financial resources and exactly knows where to invest its financial resources and make more money from their earning .

Political Empowerment

Participation of women in the political activities can be considered as a good signal for the upliftment of the society. The participation of women in the political activity will make them politically empowered because, they will have the decision making power in their hand which can be utilized for the betterment of needy class. Political empowerment will make the women to work more independently and do their job more eloquently. Political empowerment give rights and power to prepare policies for the betterment of society and for the betterment of the women as well, which is a essentially required for their all round upliftment in the society .

Steps towards Women Empowerment in Bihar Mukhyamantri Naarishakti Yojana

For the empowerment purpose of Society in Bihar Mukhyamantri Narishakti Yojana is in implementation since 2008 through mobilisation of women force in state. Under the guidance of Social Welfare, Government of Bihar WDC is making coordination effort at all 38 districts of state with the support of Civil Society Organisation ; Community based cooperatives , Non Government Organisation and District Administration. These schemes mainly address the empowerment need of women on the field of Economic, Social and Cultural.

Economic Empowerment

1. 34260 Self Help Groups have been formed and nurtured in 27 districts under which 4.30 lakh women of poor family are being benefitted. Total 165 Blocks, 1520 Panchayats and 10000 villages have been covered under this program.
2. Total Rs 389.67 lakh has been deposited by the SHG members through small savings
3. Initial Capitalisation Fund has been designed for direct approaches towards financial and technical resources. Till date 5017 SHGs linked with 60 federations got Rs575.29 lakhs. SHGs are using the corpus for food security, livelihood and skill development , improved equipments , opportunity for better jobs and awareness to social services relating to health and education
4. Capacity building on the aspect of service sector is in progress at all 9 comissionary Headquarters and Nalanda & Vaishali districts. Professional agencies having expertise on computer, Beautician, House keeping and sales management hired and assigned to conduct training programme for total 2246 women and adolescent girls of poor family
5. 2597 farmers on System of Rice intensification & 72 farmers were benefitted through True Potato seed technique for which services were provided by the federation, out of which the federations have earned revenue of Rs 14729. Under dairy intervention , benefit of artificial insemination process has been extended to 534 beneficiaries

and 354 SHG members have been registered under community based retail enterprises (CBRE)

6. With the revival of the handloom trade in the Bihar Sharif block of Nalanda District , local weavers community has been motivated for sustainable livelihood. The "Bawam Butii" art of handicraft has been revived
7. Mahadalit women of Maner block In Patna district have started a spice unit as a business enterprise. In its initial stage this enterprise tapped the local market and made its identity

Social Empowerment

1. To institutionalise a state support system for the women suffering of violence and socio-psycho distress effort has been made to establish Women Helpline and Short Stay Homes has been established in each district headquarters under the leadership of district administration presently 34 WHL out of 38 are functional and rest are in process of making functional , upto june 2011 11,016 cases has been registered at WHL out of them 8,035 has been disposed off and 2,641 cases are under process of counselling .
2. Intensive training and capacity building program is going on to develop the capacity of protection officers cum project managers of helpline under service providers of the act .
3. Aiming towards finfing safe coastal accommodation to working women living out of their homes , the working women hostel scheme envisages provision safe and affordable accommodation of working women and women being trained for employment and girl students studying .
4. Recently a massive campaign has been initiated through the folk media at all 538 blocks of state with objective of mass sensitisation on protecting women against Domestic violence act 2005 .
5. Tele films are being developed featuring women achievers.

Conclusion

Though the concept of Women Empowerment, the Micro-finance is not very old but it has the potential to achieve multidimensional purpose in our country as well as Bihar. The Micro-Finance of Mohammad Yunus has shown very good result in Bangladesh. After analysing the different programmes and schemes introduced by government, it is found that there are so many programmes and schemes which is helping to rural poor women and marginalized section of the society to come out from poverty. Apart from this, the government or Different NGOs should focus on education of women as well as to organize various training programmes for the women. But still the support is needed to remove poverty and strengthen the hands of women. The study concluded that microfinance is playing a very important role in empowering women in empowering women in terms of all respect of development .

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