

Empowerment of Rural Women through Sustainable Microfinance: An Empirical Evidence from Sardhana Block of Meerut District



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Abstract

Empowerment of women mentions to raising the metaphysical, political, communal, academic, gender or financial potency of particulars and groups of women. Empowerment of women in India is hardly reliant on huge distinct constant that comprise geographical location (urban/rural) academic status, communal status (caste and class) and age. Women's empowerment is an important procedure of brighten of financial, communal, and political status of women; the customary under advantages ones, in the society. It is the procedure of protecting them against all configurations of brutality. Over the years numerous efforts have been done by many government and non-government organizations to encourage women empowerment. One such effort is the microfinance program has noteworthy potential for contributing to women's socio-economic empowerment. Microfinance is emerging as a powerful instrument for poverty alleviation in the new economy.

The present study makes an attempt to evaluate the effectiveness of microfinance in income generating activities of rural women and its impact on their empowerment in Sardhana Block with special reference to Jwalagarh village in Meerut District. Primary and secondary sources of data have been used in conducting the study. The information was supplemented by the respondents through Observation, Interview and schedule methods for primary data collection. Secondary data have been collected from various books, journals, academic institutions such as universities, colleges and research institutions etc. This study shows many changes in the status of rural women like, increased self- confidence, decision making, awareness of health and nutrition and own assets. The results have also been shown that microfinance is positively related with social empowerment of women and economic empowerment to some extent.

Keywords: Empowerment, Sustainable, Microfinance, Constitutional provisions, Self-esteem

Introduction

"I measure the progress of a community by the degree of progress which women have achieved."

-Dr. B. R. Ambedkar

Women are the integral parts of the society. Their empowerment is very important for the growth and development of a country. Empowering women is a vital tool for alleviating poverty. Empowered women contribute to the health and productivity of whole families and communities and to improved prospects for the next generation. Women have been the most underprivileged and discriminated strata of the society not only in India but the world over. In the recent times, microfinance has been emerging as a powerful instrument for empowering women particularly, the rural women. Rural women play a significant role in the domestic and socio-economic life of the society and therefore, national development is not possible without developing the segment of the society. According India's constitution, women are legal citizens of the country and have equal right with men (Indian Parliament). Because of lack of acceptance from the male dominant society, Indian women suffer immensely. The most of the microcredit institutions and agencies all over the world focuses on women in developing countries. Observations and experience shows that women are a small credit risk, repaying their loans and tend more often to benefit the

whole society. In another aspect it is also viewed as a method giving the women more status in a socio-economic way and changing the current conservative relationship between gender and class.

Sanyal, P. (2009) focused on in her study by using primary data through field survey in West Bengal and found that how microfinance programs with their explicit economic purpose, in some cases dramatically increase women's potential for collective action through their variety of unintended beneficial social consequences. Madhu Sudan, G. (2012) has talked about in detail the impact of SHG's Bank Linkage program on the socio-economic conditions of SHG's members household through the secondary data in rural Southern Region. He found that the SHG's Bank Linkage programs has significantly improved the rural poor's access to formal finance services and had a positive impact on the socio-economic conditions of SHG's household. Sharma, Subash (2008) examined the role of microfinance for rural women's empowerment through case study method in Bihar and found that the microfinance has proved a boon for the empowerment of rural poor women. They are getting freedom from the exploitation by the feudal lord, on the other, self confidence and mobility has increased with the help of NGO. Sarumathi, S. & Mohan, K. (2011) focused on that in the rural area SHGs are performing well. They observed that impact of microfinance is noteworthy in bringing self-confidence, skill development and empowerment. The members of SHGs feel free to move with their group members. It leads them to participate in various social welfare activities with good co-operation.

All the above and many other social science researchers who have studied several issues of women empowerment in which many studies of women empowerment discussed different aspects of women empowerment. After some literature review, it had been found that the most of the studies on women empowerment had been carried out in various part of India but there are fewer studies in western Uttar Pradesh, related to microfinance. So, the current study is an attempt to see the empowerment of rural women through sustainable microfinance in rural area of Sardhana Block in Meerut District (U.P.).

Conceptual Framework

In the last fifty years, the conception of empowerment of women has been experience a conversion from benefit aligned perspective to integrity perspective. It has been under as the procedure by which the helpless obtain substantial jurisdiction over the conditions their existence. Microfinance has emerged as a powerful tool for women empowerment in the new economy. In India, microfinance distribution is mainly dominated by the self help groups (SHGs) – Bank Linkage Program. It aims at providing a cost effective mechanism for providing financial services to the poor section of the society. According India's constitution, women are legal citizens of the country and have equal rights with men (Indian Parliament). Indian women suffer immensely. Most Indian women are uneducated. Although the country's constitution says women have

equal status to men, women are powerless and are mistreated inside and outside the home. In such an environment microfinance emerged all over the world as an innovative scheme of lending to the poor people, especially women. Microfinance programs have significant potential for contributing to women's economic, social and political empowerment.

Meaning and Definition of Microfinance

The term microfinance is defined as the provision of savings, deposits, loans, payment services, money transfer and insurance services to the very poor and low income households. Microfinance is the provision of thrift and other financial services and products of very small amount for enabling them to raise their income levels and improve their living standard and women empowerment. Microfinance is not just about giving microcredit to the poor rather it is an economic development tool whose objective is to assist poor to work their way out of poverty it comes covers a wide range of services like credit, savings, insurance remittance and also non-financial services like training and counseling etc. microfinance programs for women are increasingly seen by development agencies as an effective poverty alleviation intervention with a positive impact on economic growth and a number of social development indicators. High repayment rates are interpreted to mean that women are using loans productively and controlling credit. Microfinance has recent times come to be recognized and accepted as one of the new development paradigms for alleviating poverty through social and economic empowerment of the poor, with focus on empowering women. Concept of SHGs is the most exciting discovery in the context of microfinance. The Indian microfinance scene is dominated by SHGs and their linkage with banks.

K. K. Tripathy (2006), "microfinance has defined as the extension of small loans to be given in multiple doses based on the absorption capacity of the needy beneficiaries, who are too poor to qualify for formal bank loans, as they have no assets to offer as collateral security against loans."

NABARD (2002) has defined microfinance as "provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban and urban provided to customers to meet their financial needs; with only qualification that (1) transactions value is small and (2) customers are poor."

Features of Microfinance

Compared to conventional lending, micro finance has its own different features. Finance from the micro finance schemes are generally in little amounts and have relatively smaller refund reuses. Swaminathan (2007) explored that the micro finance is usually linked with: (a) very small credit (b) no collateral (c) the generation of rustler groups (d) rustlers from among the rural and urban poor (e) finance for income formation through market-located self-enrollment, and (f) denationalization, usually through the procedure of NGO jurisdiction over payment and resolution of the expressions and circumstances fond of to each finance. There are the main features of micro credit:

Approach to Credit to the Poor

The only dissimilarity between micro-credit and the formal banking system is that the latter has been regulated to rich urban buyers, while the market for micro-credit services abides mainly of needy rural people who need finance in order to accompany their small business. The main target community of micro credit projects abides of a small part of those who require the finance. This target community is normally at below a line of complete poverty as resolute by national assessments. In additionally, micro credit highlights lending to needy women who are excessively constituted by deprived communities in approaching traditional financial services from formal financial organizations.

Essential Economical Facilities

The micro credit contributes essential economical facilities like small credits, assets and assurance to those people who are bypassed by the ceremonial economical organizations. They have no retrieve to budgetary facilities through official commercial institutions such as banks, non-bank commercial organizations, and commercial collaborative, depository and commercial firms. The facilities of commercial services can guide to profit creation, reimbursement of advance, savings, and building of credits, etc.

No Security

Micro-credit includes credits without security. Security is every time a mandatory need in conventional lending as a method of keep down non-payment possibility expected by bankers. This type of security need becomes stiffer if rustlers are financially needy. Nevertheless, the needy generally do not possess profitable credits which can be used as proper security when put in an application for credits from conventional commercial organizations, and, as an outcome, needy people are historically contemplated non credit expediential and excluded from the conventional financial standing markets. Micro-credit is an original plan that challenges the conventional loaning knowledge of 'no security means no financial standing'. It considers the needy as credit dignitary as the wealthy, and gives security free credits to the needy to grow enterprising exercises.

Group Micro-Finance

Micro finance credits are normally proceeding to particulars those are parts of groups. The self help group is, in fact, sighted as ranking in the position of security (Hashemi and Morshed, 1997). The existence of a group has been called a configuration of "communal security" on the credits, which lessens the value of concealing and observing rustlers, and provider timely reimbursements for money lenders (Anderson and Nina, 2000; Besley and Coate, 1995; Johnson and Rogaly 1997). Nevertheless, every one particular rustler presumes authority for the credit reimbursement of his or her group, which signifies all members of group are together responsible. As an outcome, the proposition of joint responsibilities generates an inducement procedures by which particular rustlers are rest orated to choose acceptable parts of group and to impose

reimbursement in case a member of group declines to attain his or her commitment. The emergence of groups has the dual benefit of keep down business values and making better reimbursement (NABARD, 2000).

Growth of Micro Businesses

The main aims of micro-credit facilities are to generate self-occupation favorable circumstances, through the growth of micro endeavor for the needy people. The uncomplicated access to financial standing assists the needy women to begin a small scale industry located on the accessible local expedient and give small earnings to the families. The extension of small scale industry more extensive occupation amenities in the rural region and grows business expertise, economical literacy and controlling authority.

Origin of Microfinance

The concept of micro credit was originated by Noble laureate (2006) and Medal of Freedom' award (2009) winner Prof Muhammad Yunus of Bangladesh. The history of micro credit movement dates back to 1976 when Mohammed Yunus had initiated the Grameen Bank experiment at the outskirts of Chittagong University, Bangladesh. He is recognized as the father of Micro credit (Mahajan, 2005). The year 2005 was declared as "International year for micro credit". The Norwegian Nobel Committee awarded the Nobel Peace Prize for 2006, divided into two equal parts, to Professor Muhammad Yunus and Grameen Bank for their efforts to create economic and social development. The success of a number of institutions, particularly the well-publicized achievements of the Grameen Bank of Bangladesh, Bank Rakyat in Indonesia and BancoSol in Bolivia, have shown that there are different more commercially oriented ways to help the poor. In case of India, the first official interest in informal group lending took shape during 1986-87 on initiative of the National Bank for Agriculture and Rural Development (NABARD). As a part of this broad mandate, NABARD initiated certain research projects on Self-Help Groups (SHGs) as a channel for delivery of microfinance in the late 1980s (Satish, 2005). Amongst these the Mysore Resettlement and Development Agency (MYRADA) sponsored action research project on "Savings and credit management of SHGs" was partially funded by NABARD in 1986-87. During 1988-89, in collaboration with some of the member institutions of the Asia-Pacific Rural and Agricultural Credit Association (APRACA), NABARD undertook a survey of 43 NGOs in 11 states in India to study the functioning of micro finance SHGs and their collaboration possibilities with the formal banking system. Both these research projects threw up encouraging possibilities and NABARD initiated a pilot project called the SHG bank linkage project. However, by then micro financing through 'non-formal' financial organizations had already started on a cooperative principle in 1974 in Gujarat. Self Employed Women's Association (SEWA) was established for providing banking services to the poor women employed in the unorganized sector in Ahmadabad. It has been providing financial services to the poor and self-

employed working as hawkers, vendors, domestic servants, etc. The provision of credit to 'bottom of the pyramid', i.e. women, poor, rural and deprived section of the society through SHGs was considered as win win models, which became more sustainable. The model not only ensures employment opportunities but also helps in reducing poverty, besides focusing on empowerment of women.

Gaps in Commercial Structure and Require for Micro-Credit

According to the research of World Bank, India is central home to just about one third poor of the World. The whole time many central administration and state administration. Poverty eradication schemes are presently energetic in India. Micro-credit plays a vital benefactor to financial incorporation. In the past few decenniums it has helped out outstandingly in abolishing poverty. Investigation present that people who have taken micro-credit have been able to increment their earnings and henceforth the living pattern and empowerment of women.

About fifty percent of the Indian population quite does not have emergency funds and they are disadvantaged of all banking facilities. Poor people also need commercial facilities to fulfill their requirements like expenditure building of credits and preservation against endanger. Micro-credit organizations give out as an addition to banks and in little impression a superior one too. These organizations not only offer micro credit facilities like separate advise exercises and assist to begin own trade and the most significantly in a suitable way. The rustler accepts all these facilities at her/his door at any cost and the prime interest rates debited by these organizations are higher than commercial bank and vary extensively from 10 to 30 percent. Few assert that the prime interest rates debited by some organizations are very excessive even others perceive that bearing in mind the value of capital and the cost sustained in giving the service the ceiling interest rate are legitimized.

Concept of Empowerment

Empowerment is a process of change by which individuals or groups gain power and ability to take control over their lives; it involves access to resources resulting in to increased participation in decision making and bargaining power, increased control over benefits, resources and own life, increased self- confidence, self- esteem, self- respect and increased well being. Empowerment in its simplest form means the manifestation of redistribution of power that challenges patriarchal ideology and the male dominance. It is a process that enables women to gain access to and control of material as well as information resources.

Bandura (1986), "Empowerment is the process through which individuals gain efficacy defined as the degree to which an individual perceives that he or she controls his or her environment."

Pillai, J. K. (1995), "Women empowerment is an active, multidimensional process which enables women to realize their full identity and powers in all spheres of life. Power is neither a commodity to be

transacted nor can it be given away as alms. Power has to be acquired, and once acquired it needs to be exercised, sustained and preserved."

Kabeer, N. (2001), "Empowerment is defined as the process by which women take control and ownership of their lives through expansion of their choices. Thus it is the process of acquiring the ability to make strategic life choices in a context where this ability has previously been denied. The core elements of empowerment have been defined as agency (the ability to define one's goals and act upon them), awareness of gendered power structures, self-esteem and self-confidence."

Micro-Credit and Empowerment of Women

Chandan Medatwal (2013) has talked about in detail the empowerment indicates growth of savings and abilities of people to affect domination and detain liable organization that influences their existence. Empowerment is a multi-faceted social operation that assists people obtains jurisdiction over their own existence, sections and in their society, by acting on matters that they explain as principal. Micro-credit the contemporary fuzz word in the developmental part explores with the difficulties of group evolution. 'Micro-credit' is explained as commercial facilities for needy and low earning customers provided as by distinct kinds of facilities suppliers. In reality the word is frequently used more a more carefully to mention to credits and other facilities from suppliers that recognize themselves as 'micro-credit organizations'. The archive of micro-credit can be finds back as long to the mid of the 1800s when the logician Lysander Spooner was writing over the profits from little financial standing to producers and agronomist as a way obtaining the people out of poverty.

The recent use of the utterance micro-credits has origin in the 1970s. When institutions, such as Grameen Bank of Bangladesh with the micro-credit colonist Muhammad Yunus, were beginning and forming the current industry of micro-credit. Micro-credit openly works through community systems like the Grameen Bank of Bangladesh, unity groups of the Latin America and SHGs of India. Self help groups the most ordinary micro-credit organizations in India are small scale discretionary alliances of needy people from the same socio-economic backdrop who come with each other for the aim of clarifying their ordinary difficulties through Self Help and reciprocal help National Agriculture Bank for Rural Development (NABARD, 2000). Malathi S. and Vijayarani K. (2012) examined the relationship between microfinance and women empowerment in rural areas of Cuddalore district of Tamilnadu in India. Chi-square and t-test were performed to analyze the data using 100 sample sizes. It was found that microfinance help women in gaining empowerment. Empowerment is judged on the basis of economic position before and after joining the SHG program and education respectively.

Objective of the Study

The present study is based upon the field experiences and analyzed the empowerment of rural women through sustainable microfinance in rural area.

Area of The Study

In the light of foregoing, the present study was taken to examine the empowerment of rural women through the sustainable microfinance in Sardhana Block with special reference to Jwalagarh village in Meerut district of Uttar Pradesh. Sardhana Block is situated about 27 km from Meerut city. Jwalagarh village has total population 1604 male are 830 and female are 774.

Methodology

Present study is mainly empirical in nature and based on both primary and secondary data. This study makes an attempt to evaluate the effectiveness of sustainable microfinance in income generating activities of rural women and its impact on their empowerment in Jwalagarh village. Primary data have been enumerated from a field survey in the study region. Primary data have been collected through the observation, personal interview method and schedule from the 100 respondents. Respondents have been selected from the Five WSHGs through the purposive sampling. These SHGs were identified covering a wide spectrum of aspects. Secondary data have been collected from various books, articles, working papers, NGO reports, journals, academic institutions such as universities, colleges etc. Research institutions and various departments of government and non government have been consulted for collection of secondary data and literature.

Findings of the Study

The purpose of the present exploration was to find out the empowerment of rural women through the sustainable microfinance in rural area. For fulfilling this purpose the data analyzed through appropriate statistical technique revealed the following results:

S. No.	Impact of microfinance	No. of respondents	Percent
1.	Decision making capacities increased	10	10%
2.	Improved health & nutrition condition	18	18%
3.	Improved self & collective confidence	12	12%
4.	Acquiring self-esteem		11%
5.	Ability to prevent violence	07	7%
6.	Political & legal awareness	08	8%
7.	Access to education & employment	14	14%
8.	Participation in public protests	06	6%
9.	Assets income & their own time	05	5%
10.	Increased business skills	09	9%
	Total	100	100%

The above table shows that 10 respondents (10%) out of 100 respondents decision making capacities has been increased, 18 respondents (18%) out of 100 respondents improved health and nutrition condition, 12 respondents (12%) out of 100 respondents increased self and collective confidence,

11 respondents (11%) out of 100 respondents acquiring self-esteem, 07 respondents (7%) out of 100 respondents increased ability to prevent violence, 8 respondents (8%) out of 100 respondents political and legal awareness has been increased, 14 respondents (14%) out of 100 respondents access to education and employment, 6 respondents (6%) out of 100 respondents participation in public protests has been increased also, 5 respondents (5%) out of 100 respondents assets income and their own time, 9 respondents (9%) out of 100 increased business skills.

Thus the largest segments of the respondents (18%) improved health and nutrition condition.

Conclusion

It can be founded from this study that the micro-credit schemes are presently being upgraded. Income of poor women is growing through micro-credit, levels and jurisdiction over earnings, majoring to prominent levels of financial independence. Access to market networks, demand and supply is giving broad knowledge of the world, access to details and feasibilities for growth of other communal and governmental capacities. Micro-credit performs notable part in the financial empowerment of poor women. Through the services of credits to needy women, especially to the poor, uneducated and who are not free to attain the security demands put down by other loaning organizations, micro-finance authorizes them to be self-independent. Microfinance enhancing perceptions of women's contribution to household income and family welfare, increasing women's participation in household decisions about expenditure and other issues and leading to greater expenditure on women's welfare. The analysis of primary data shows that microfinance program has a significant impact on women empowerment as it increased the income level and reduced poverty level of the participants. The role of microfinance is appreciable in increase the income saving, bringing confidence, courage, skill development and empowerment. Participation in microfinance has enabled majority of the respondents in generating income opportunities for self and contributing to the increased income to the households. On the other hand women education level has emerged as the importance predictor for all dimensions of empowerment.

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