THINK INDIA JOURNAL

ISSN:0971-1260

Vol-22-Issue-10-November-2019

Impact of Micro Finance on Women Entrepreneurship

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Abstract

IN country such as India, women play a curial role in managing the family in different situations and providing satisfaction with the limited resources to each and every member of the family. Women have greater priority in economic development, but certain barriers such as family constraints, depression, social injustice, unemployment and low income have generated hurdles in their effective performance of that position. This research is an attempt to understand the impact of microfinance on women entrepreneurship. A cross-sectional study on women in selected Telangana state sites will be performed through a standardized questionnaire from the women's population affiliated with self-help groups (SHGs). The main aim of this research is to understand the effectiveness of microfinance in empowering the women with their ability to establish their units and have a stable life. The primary data is collected with an in-depth interview through the standardized questionnaire to required answers from women entrepreneurs and secondary data from microfinance institutions. Respondents as chosen random and has a women criterion being married and having at least one child with family leadership. Research is made through exploratory. The project's major finding reveals microfinance's effectiveness as enhancing women's ability to empower the Journey of Entrepreneurship.

Keywords: Microfinance, Self Help Groups,

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Introduction

It was 1848 AD when India got its first woman educator in the form of "Savitribai Phule". This year marks the rise of women's empowerment in India as Savitribai Phule busted the social norm that a woman cannot be educated. The impact of this movement was so profound those 100 years later, India, as a nation accepted the leadership of a woman and Indira Gandhi, was sworn as the first female prime minister of India. It is said that sky is the limit, but the term "women's empowerment" broke that thought and Kalpana Chawla became the first Indian woman to travel in space. All these activities are the fruits of women's empowerment.

Women's empowerment as a concept was introduced at the UN's Third World Conference on Women in Nairobi in 1985, which defined it as a redistribution of social and economic powers and control of resources in favor of women. The United Nations Development Fund for Women (UNDFW) includes the following factors in its definition of women's empowerment.

a. Acquiring knowledge and understanding of gender relations and the way in which these relations may be changed.
b. Developing a sense of self-worth, a belief in one's ability to secure desired changes and the right to control one's life.

The major women violence was made as a headline in the 21st century and given preference to the women by celebrating every year as a Women’s day. From the year 1909 women led the many aspects like marches, strikes and other protests. In the country like New York observed the special reference to the women’s and created a day for women in the 1909 yr.
Some of the countries in Europe followed and made an international women’s day in the year 1911. From there women have got right to vote and hold the public office, sex discrimination in the work place for the employment. In 1914, the uprising in Saint Petersburg launched the February Revolution. Russian women went on strike demanding the conclusion of the First World War and the cessation of food shortages. October Revolution and the formation of the Soviet Union preceded the strike and an official day in communist and socialist countries was observed by then. International Women’s Day was first celebrated in the west after 1977, when the UN general assembly invited member states to declare 8th march as UN day for Women’s rights and world peace.

Need of the study

The current rural credit system in India has failed to meet society's poorer sections' aspirations and growth. This is well demonstrated by many empirical evidence. Furthermore, when it comes to meeting the needs of the weaker sections of society, especially women, the banking system has also failed to deliver.

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Objectives of the study

1. To study about the micro finance
2. To study about the women empowerment through the micro finance
3. To know the beneficiary of the micro finance in the selected area
4. To understand about the difficulties of getting finance from micro finance

Research Methodology

The data is collected from the primary source and secondary source

Primary source: The data is collected from the SHG (Self Help Group) members of selected area through the structured questionnaire.

Secondary source: the data is collected from the secondary source like text books, websites, articles, etc

Tool: structured Questionnaire
Research Design: Exploratory research
Sample size: 50
Target Group: Married Female
Population: 300 (Women)
Sampling design: Random sampling

Limitations of the study

1. The major limitations of these article in data collection
2. Response of the data may be accurate or may not be
3. Analysis of these data is restricted to this selected area not for all the areas
4. Sample size of this article is very less, by these total micro finance cannot be judged

Literature Review

In the ancient period, the history of women's empowerment is quite complicated because on the one hand it allowed women to choose their life partner on their own and on the other hand they were forced to perform Sati according to social norms. In ancient times, the first social network for women was established, and it was known as the "Bhikkuni Sangh." The "Enlightened Buddha" created it.

The history of women's empowerment in the ancient age is quite confusing because on one side it encouraged women to choose their life partner on their own and on the other side, they were forced to perform Sati as per social norms. The first ever social network for women was created in ancient age, and it was known as the "Bhikkuni Sangh". It was created by the "Enlightened Buddha". As per Buddha, through the systematic practice of his teachings (Dhamma), women too can achieve nirvana. This was a step that was unprecedented

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This soon spread throughout this network of equality and justice and had a huge impact on humanity. Yet soon after the death of Buddha, the Bhikkuni Sangh lost their unity and society marginalized this group of women. Looking at these circumstances, an ancient sage,' Manu' created a law book and called it' Manusmriti' (Laws of Manu), an ancient philosopher, produced a law book and named it "Manusmriti" (Manusmriti laws). He introduced laws in this ancient text that not only mocked but also reduced women to the lowest level. "Pita Rakshati", says one of his laws. This means that since a woman cannot live independently, she must be held in the care of her father as a child, her husband as a wife and her son as a widow.

He says "Yes to Kanya" in an other text. What does it mean, in case a women tears her vagina's hymen? Should she immediately shave her head or cutoff two fingers and ride on a donkey? Women in ancient India have faced such a pathetic and brutal situation. In ancient age, because of domination, women have not understood for many centuries what liberty, emancipation, and Independence is about. The stigma of the exploitation of women has crippled the growth of India. It also influenced other parts of the world. Women's problems are in crisis in India. The life of women in India and around the world has been severely affected by illiteracy and globalization. Since women are half the world's population they should have equal opportunities to develop as individuals as a group.

Women's condition has began to heal after various new revolutions and social reforms in the modern era and women are now being redefined by their strengths, skills and abilities

Today, the woman is a pilot, a doctor, an engineer, a politician, an artist, an author, a leader, a president, and much more. We have celebrities including Oprah Winfrey, Mother Teresa, J K Rowling, Benazir Bhutto, Malala Yosufzai, and Phoolan Devi. In addition, women are entering the science and technology industry. There is simply no area of operation where women are unacceptable or incompetent

The empowerment of women has now become a global agenda. The constitution of the United Nations dramatically projected discrimination against women as a universal warning issue. This indicates the kind of interest shown by the international community with respect to the rights of women in general and in particular their right to equality with men. The declaration provides that without exception, all rights and fundamental freedoms are equally available to both men and women. Therefore, in securing women's rights, the universal declaration of human rights (UDHR) has played a very important role. In its preamble, fundamental obligations and instructions, the ideals of gender equality, equal rights are enshrined in the Indian constitution. Not only does the constitution give women rights, it also empowered the state to take a constructive attitude towards women. Our rules, growth policies, projects, and programs aimed at promoting women in different spheres within the context of a democratic political community.

Women's equality has been identified in recent years as the central issue in deciding a woman's status. India upheld various international conventions and instruments of human

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rights committed to ensuring equal rights for a woman. The 1993 Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) was one of the key issues.

The national commission for women was established in the year 1990 by the parliamentary act to safeguard the women's rights. The International Conference on Population and Development (ICPD) in Cairo focused on women's empowerment, and UNDP developed a gender empowerment measure (GEM) that focuses on three variables representing women's participation in society

- Political power
- Decision making
- Education and Health

The 1995 UNDP report stated that "if human development is not brought in, it will be threatened". In 2001, India's government declared the year of women's empowerment (Swashakti). In 2001, the national women empowerment policy was passed. The aim of this policy was to ensure that women enjoys all human rights and fundamental freedoms on an equal to the men in all areas like Political, economic, social, cultural and civil. The strengthening of legal systems aimed at removing all forms of discrimination against women, equal access to health care for women, quality education at all grades, career and vocational training while eliminating discrimination against women and girls and all forms of violence against them. The government of India's programs for disadvantaged and broken communities and women in difficult circumstances are

- .Janani Suraksha Yojana (JSY)
- Prime Minister Ujjwala Yojana (PMUY)
- Sarva Shiksha Abhiyan (SSA)
- Prime Minister Matritva Sahyog Yojana (PMMVY)
- Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)
- Indira Awaas Yojana

"I assess a community's development by the degree of progress women have made"–this important statement was made by Dr. B. R. Ambedkar, Chairman of the Drafting Committee on the Constitution. He was the only politician in history to resign from his post just because the parliament did not accept as a major part his' Hindu Code Bill' consisting of women's issues and their solutions.

Even after our country's rapid growth since independence, India is ranked 136th in the Human Development Index out of 187 countries. Gender inequality and caste discrimination remain major issues that hinder the empowerment of women. These are the main challenges we need to address. Both men and women are part of society; they both have the right to a good life by respecting each other.

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Micro Finance

Microfinance, also known as microcredit, is a financial service that provides loans, deposits and insurance for entrepreneurs and small business owners who have no access to conventional capital sources, such as banks or lenders. Micro financing's goal is to provide money for individuals to invest in themselves or their business.

"Microfinance is focused on meeting the financial needs of financially underserved populations," Tarsava Said. "These are people who usually lack credit or capital to secure a loan and are unlikely to get traditional bank approval". Typically, these consumers are looking for loans with a small denomination to finance the purchase of specific equipment, or capital to start up a small enterprise.

History of microfinance

Microfinance is not a new concept in India. In the context of self-help, people have traditionally saved and borrowed small loans from individuals and groups to start business or farming ventures. Financial services exclude the bulk of the disadvantaged. Microfinance is a program to support rural poor people in the villages to pay their debt and maintain their social and economic status. Micro-finance is an important tool to improve poor people's living standards. In India the amount provided by the microfinance organisations to the individuals are not enough. The report discusses several ideas for more active microfinance. There is a very high potential for rising microfinance institutions in India. It is expected that the microfinance market will grow rapidly, supported by Indian government initiatives to achieve greater financial inclusion, and growth in the unorganized but priority sector of the country. Microfinance has increasingly developed into a global movement dedicated to providing poor and near-poor households with access to a variety of financial services.

Organisations providing these services, known as microfinance institutions (MFIs), that function as formal micro banks, non-bank financial institutions, non-governmental organisations, or financial institutions based in the community.

Including small business loans to savings accounts, money transfers, insurance, and consumer loans, these businesses offer a range of financial services. Big cross-section will benefit from increasing this sector at its fastest pace. The report forecasts the new agenda for the future based on growth and evolution linked to micro finance. In terms of value added to the Indian financial sector, the microfinance industry is very low. This looks at India's past, which has one of the world's largest microfinance industries. Over a billion needy people around the worlds still have no access to formal financial services. About 200 millions of people are living in India. Microfinance, offering a wide range of financial services to poor people, has proved to be a very successful way to provide tremendously valuable services on a sustainable basis to poor people. Access to financial services has helped many families across the developing world. It is incontestable that it is important to create a sustained microfinance program that is efficient and effective for the growth of the economy. The Indian government

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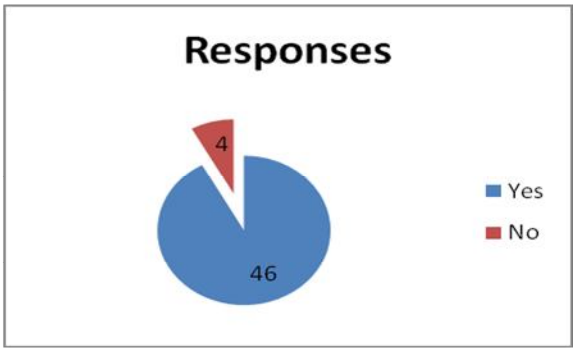
must find a way to raise awareness about how microfinance can benefit closely from loans and monitoring to ensure that loans and grants are disbursed to entrepreneurs

Data analysis

Do you have awareness of micro finance in your area?

a. Yes b. No

Particulars	Responses	Percentage
Yes	46	92
No	4	8
Total	50	100

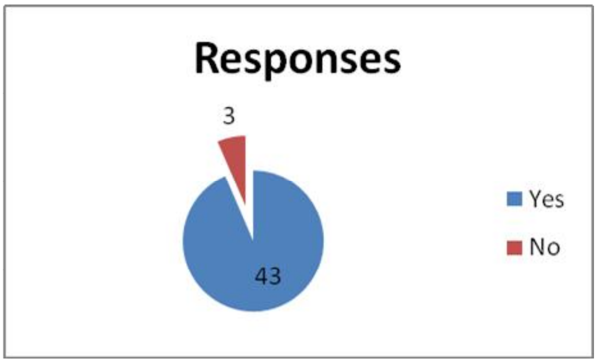


Inference: From the above table and graph we can state that 92% of the response knows about the micro finance, and still there are 8% people who still don't know about the micro finance

Did you get funding from any micro finance in your area

a. Yes b. No

Particulars	Responses	Percentage
Yes	43	93.48
No	3	6.52
Total	46	100



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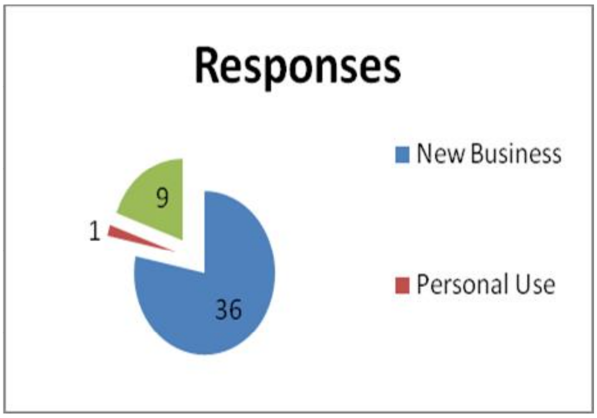
Inference : From the above table and graph we can state the 93.48% of the femlaes got funding from Micro finance Institute, 6.52% of the females dint got the funding from the Micro Finance Institute

Micro finance Institute provides finance for

a. New Business b. Personal use

b. Business Expansion

Particulars	Responses	Percentage
New Business	36	78.26
Personal Use	1	2.17
Existing Business Expansion	9	19.57
Total	46	100



Inference: From the above table and graph we can state that Micro finance Institute provides finance for, 78.26% says for New Business, 2.17 says Personal use, 19.57% says Existing Business Expansion

What is the use of finance for you to get funded from Micro Finance Institutes?

a. Personal Use b. Business

c. Forcely given by the SHG

d. No Use

Particulars	Responses	Percentage
Personal Use	1	2.17
Business	38	82.61
Forcely given by the SHG	5	10.87
No Use	2	4.35
Total	46	100

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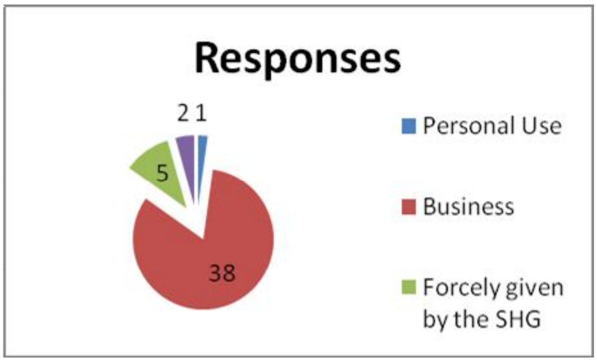
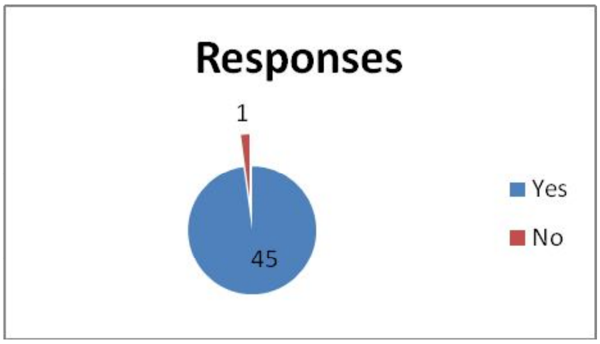


Inference; **F**rom the above table and graph we can state that the use of Micro Finance Institutes funding for an individual's, 2.17% says personal use, 82.61% says Business, 10.87% says forcely given by SHG, 4.35% says No use.

Did SHG got benefit from Micro Finance Institutes

a. Yes b. No

Particulars	Responses	Percentage
Yes	45	97.83
No	1	2.17
Total	46	100



Inference: From the above table and graph we can state the 97.83% of the femlaes says SHG got Benefits from Micro Finance, 2.17% of the females says SHG got Benefits from Micro Finance

If Yes, In What way

a. To become Entrepreneurs
b. To pay the debts of personal use
c. To purchase the Household items
d. To do function in the house

Particulars	Responses	Percentage
To become Entrepreneurs	36	80.00
To pay the debts	6	13.33

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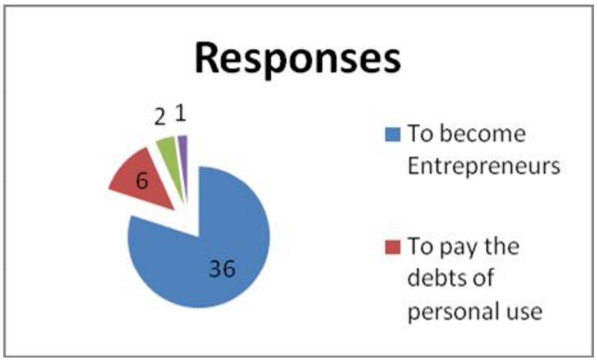
of personal use		
To purchase the Household items	2	4.44
To do function in the house	1	2.22
Total	45	100



Inference: From the above table and graph we can state that SHG got benefit from Micro finance Institute for 80.00% says to become Entrepreneurs, 13.33% says to pay debts of personal use, 4.44% says to purchase the household items, 2.22% says to do function at home

Findings

- 92% of the response knows about the micro finance, and still there are 8% people who still doesn't know about the micro finance
- From the above table and graph we can state the 93.48% of the femlaes got funding from Micro finance Institute, 6.52% of the females dint got the funding from the Micro Finance Institute
- Micro finance Institute provides finance for, 78.26% says for New Business, 2.17 says Personal use, 19.57% says Existing Business Expansion
- The use of Micro Finance Institutes funding for an individual's, 2.17% says personal use, 82.61% says Business, 10.87% says forcely given by SHG, 4.35% says No use.
- The 97.83% of the femlaes says SHG got Benefits from Micro Finance, 2.17% of the females says SHG got Benefits from Micro Finance
- SHG got benefit from Micro finance Institute for 80.00% says to become Entrepreneurs, 13.33% says to pay debts of personal use, 4.44% says to purchase the household items, 2.22% says to do function at home

Conclusion

Credit access increased small business investment, but only increased the profits of pre-existing businesses that were most profitable. Behaviour of the households is not clear to start a business with the microcredit provided by the microfinance institutions because of the lack of knowledge about the business and the microcredit provided by the microfinance institutions aim was not even reached it into proper direction. From this analysis we can state that from the micro finance lending options the people who borrow the money using for their

ISSN:0971-1260

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personal uses and not implementing their idea into the entrepreneurial journey, those people who are implementing got success in their business units and got benefitted from the micro credit and schemes provided by the government.

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Annexure

Questionnaire

1. Do you have awareness of micro finance in your area
   b. Yes b. No
2. Did you get funding from any micro finance in your area
   a. Yes b. No
3. Micro finance Institute provides finance for
   a. Business b. Personal use
4. What is the use of finance for you to get funded from Micro Finance Institutes
   a. Personal Use b. Business
   c. Forcely given by the SHG
   d. No Use
5. Did SHG got benefits from Micro Finance Institutes
   a. Yes b. No
6. If Yes, In What way
   a. To become Entrepreneurs
   b. To pay the debts of personal use
   c. To purchase the Household items
   d. To do function in the house