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Microfinance: A Path Towards Women Empowerment

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Abstract

Microfinance development has emerged as major strategy to overcometwo issues of unemployment and poverty that continue to pose a major threat to the economy of the both developed and developing countries. With the combination of economic freedom and entrepreneurial support of companies, micro finance can give birth to broadly share economic growth through entrepreneurial capitalism across developing countries. Number of Government as well as Non-Government organizations are involved in micro-financing. With the help of micro finance the emergence of women entrepreneurs and their contribution to the Indian economy is quite remarkable. Because women can use micro finance as a tool to accomplish their goal of becoming entrepreneurs. In addition to providing direct support to millions of women it also develops entrepreneurial education, thereby seeding widespread entrepreneurial culture. Micro finance has also played an important role in supporting women's economic contribution to the household and towards community thereby empowering them. It is about gaining control over the means to make a living. Women is no more depended on her men counterpart for her survival thereby micro finance has lifted her from the suffering of poverty and vulnerability. It is about the reality to see women achieving economic political empowerment within their homes, their villages, and their nation. The primary emphasis on women's empowerment is focused on achieving financial sustainability by added skepticism around the value of adopting empowerment approaches in microfinance institutions. It is visible here that if the women entrepreneur can make significant contribution towards development and strengthening of society , microfinance program and services must focus on developing explicit gender strategies to address the needs of women. The paper here examines on the impact of micro finance in creating a path way for the women empowerment in different areas to get empowerment benefits.

Key Words: Micro Financing Institutions, Micro Finances, Non-Government Organizations

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Introduction

In general microfinance is understood as a means towards providing very poor families with limited loans to help them involve in productive activities or grow their small businesses. Like any common man many poor people need and use financial services all the time. The poor people save and borrow, invest towards the repairs and improvements of their house dwellings and towards meeting occasional and domestic expenses such as food and school fees. However, there are some 700 million low income entrepreneurs in the world and about 10% have access to financial services. Undeniably, the financial services available to the poor often have serious margins in terms of cost, risk and convenience. Over a period, microfinance has encompassed broader range of services (credit, savings, insurance, etc.) as the industry has come to realize that the poor people generally wouldn't have that easy access to traditional formal financial institutions require a variety of financial products.

Women and Micro Finance

Women especially mothers, must divide their time between in their work "Productive Role" & family "reproductive role", and balancing all the demand. Time is valuable for these women, as their livelihood depends largely upon their ability to fulfil the multiple demands of the household and the market place. For women, especially for the poor women ownership of micro enterprise has emerged as economical strategy. But for various reasons less access of these factors in case of women than men. A special backing for women in both financial and non-financial facilitiesare necessary because investing in women offers the most effective means to improve health, nutrition, hygiene, and education standards of families and whole society.

Generally, women need access to small loan to meet day-to-day requirement, innovative forms of collateral, frequent repayment schedules more appropriate to the cash flows of their enterprises. To make profit in small business women face so many problem because of the following reason. This is a small example of importance of women's work in society. It doesn't illustrate the real extent of women's contribution, especially in developing nations, not only to the labor force, but also their role as a significant source of income to the family. Results of various research shows that investing in women proves to be the most effective

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means to improve health, nutrition, hygiene, and education standards for families and for the whole society. Thus, a special support to women in both financial and non-financial services is necessary.

- Problems faced by women to make successful profitable business
- Lack of knowledge of the market
- Ideas about profit potentiality
- Employment of too many relatives which increases social pressure to share profits
- Lack of Capital
- High Interest Rates
- Credit policies adopted by women

Loans Schemes available to women

In order to strengthen the infrastructure of full-fledgedwomen empowerment, different type of loan are given for various categories of women. The main purpose of these loan scheme is to make women an important part of economic layout of the family as well as society.

For self-employed women

As per the schemes of National Minorities Development Corporation (NMDFC), National Backward Classes, Finance & Development Corporation(NBCFDC) and National Scheduled Caste Finance & Development Corporations loans can be availed for starting or extending a venture by women entrepreneurs.

Types of loans

NMDFC (National Minorities Development Corporation) loan up to Rs 1Lakh

CDP-MC (Cluster Development- Minorities Clusters) loans for intensive development

NBC-FDC (National Backward Classes, Finance & Development Corporation) loans up to Rs. 1 lakh

NSFDC (National Scheduled Caste Finance & Development Corporations) loans for opening a venture upto rupees 1 lakh

ShilpiSamridhiYojana- loan up to 50,000/-

Mahila Samridhi Yojana-SC-Loans for small business activity upto 30,000/-

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Micro-Credit Finance- Loans for scheduled caste women to start a new venture

Micro-Finance

Under this scheme loans are given for opening a small scale industry. Loans are given through NGO/SHGs which consist of 10 to 20 members belonging to backward/ minority community. Each member will be sanctioned an amount of Rs.25, 000/- i.e. Rs. 5, 00,000 depending upon the size of the group formed. As per the Mahila Samridhi Yojana loans are provided exclusively to poorest women beneficiary for assisting them to undertake small business activity. According to the Scheme loan to an extend of Rs. 30,000/- can be availed.

Educational loans

These loans are extended for women belonging to backward class / minority's communities for pursuing professional education. Physically challenged people and dependent of martyrs will be given priority for this scheme. Maximum loan limt is Rs.2.5 lacs and 5 lacs for minority community and backward classes respectively.

Swayam Saksham

Under this scheme loans are provided for confident young women to utilize their wisdom and experience gained through professional training and education to improve their quality of living.

Concept of women empowerment

Empowerment is an active multi-dimensional process to enable women realize their identity and power in all spheres of life. It provides access to knowledge a resources, decision-making, autonomy, ability to plan lives and freedom of customs, beliefs and practices. It demands dramatic change in all aspects of a woman's life.

Objectives of the study

- To analyze women empowerment through micro-finance
- To understand different lending schemes available under micro finance for women
- To know the measures taken by definite authorities to improve women empowerment

Challenges and problems of women empowerment

- Behavioral barriers

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- Social and cultural barriers
- Educational barriers
- Occupational barriers
- Infrastructural barriers
- Legal barrier

Discussion;-

Below table clearly shows the use of micro finance facilities for various purposes

Sl No.	Use Of Finance	Yes	No	Total
1	For Purchase of Animals	88.67%	11.33%	100%
2	For small business	86%	14%	100%
2	For Savings and Investments	85.78%	14.22%	100%
3	For small business	86%	14%	100%
4	For Children's Education	67.43%	32.57%	100%
5	For Social Activities	50%	50%	100%

To analyze the use of micro finance facilities a questionnaire has been used to contact women beneficiaries under micro finance services. For this the researcher has approached SHGs in Kanakapura area. Information accumulated includes for what the finance is used by the women under micro finance facility. The above table clearly indicated money so procured from micro finance institutions were used for purchasing animals, for starting new business, for their children education purpose,for purchase of ornaments, for home appliance, for raising money for social activities etc.

Efforts required to develop women entrepreneurs

- Consider women as a unique group for developmental programmes extend better educational programmes and schemes for women
- Develop managerial skill training programmes for women
- Extend vocational training programmes for women
- Skill development to be done in women's colleges and training institutes
- Encourage formation of SHGs
- Involvement of NGOs towards counselling, creating awareness of self- employment of women

Conclusion

Micro finance can contribute towards solving the problems faced by women

The challenge lies in finding the level of flexibility in the credit instrument to match with multiple credit requirements

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