

MICROFINANCE AN EFFECTIVE SOURCE OF RURAL WOMEN EMPOWERMENT

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INTRODUCTION: The term empowerment means making someone powerful , facilitating the weak to attain strength, enable someone to confront injustice and oppression. Empowerment is a process which makes the powerless to acquire and control over power through awareness, capacity building , participation in decisionmaking process, acquiring information , attaining confidence and self employment. Incase of rural women , Microfinance acts a agent for empowering their standard of living. Microfinance is the provision of financial services to low income clients who traditionally lack access to banking and related services. Microfinace is a form of financial development that has primarily focused on alleviating poverty through providing financial assistance which helps poor to take up income generating activities and secondly it focuses on women particularly rural women who are struggling hard with various problems in rural country.

REVIEW OF LITERATURE:

The survey of literature gives us extensive viewpoint of the different research studies made previously. The detail of such investigations throws light on the current work relating to a specific issue and clear approach to future investigations to be made in such manner. It helps to identify the research gap in the current studies and also build up the academic base to examine the study. However in this section, review of literature has been divided into three parts.

Review of literature based on Microfinance in Poverty Alleviation: Nasir, Sibghatullah (2013), in his research paper concluded that there are so many

lacunas in functioning of MFIs such as practices in credit delivery, customer duplications, high rate of interest, lack of product diversification etc. if the above lacunas will be removed from the MFIs, it would have positive result on the economy and also it can improve the standard of living of thousands of poor. **Mishra et al. (2013)**, made an attempt first to examine the poor are ready to repay their loans at high rate of interest than commercial bank provided. Secondly it is also found that poor saves money and therefore microfinance should provide both savings and loans facility to poor people. At last it is concluded that microfinance can solve the problem of rural people and also remove the poverty from the society.

Review of literature based on Role of Microfinance in Empowering of Women: Mayoux (2000), Study discloses that empowerment directly related with power, as a multidimensional and interlinked process of change in power relations and points out- Power within enabling women to communicate their own aspirations and plans for change, Power to empower women to develop the necessary skills and access the requisite resources to achieve their aspirations, Power to permit women to examine and communicate their collective interests, to organize, to achieve them and to connect with other women and men's organizations for change; and Power over changing the underlying inequalities in power and resources that constrain women's aspirations and their ability to achieve them. The study concluded that all these power relations operate in different spheres of life i.e. economic, social and political at different levels such as individual, household, community, market and institutional level. **Cheston and Kuhn (2002)**, the study speak out women needs only credit facility to start a new venture. She often value to the non-economic benefits of a group-lending program more than the credit. The study interpretate that some of the most valuable benefits that include expansion of business and social networks, improved self-esteem, increased household decision-making power, and more important increase in respect and prestige from both male and female relatives and community members

SIGNIFICANCE OF STUDY

Microfinance is a provision of theft, credit and other financial service to the poor and woman residing in rural and semi-urban and urban areas. The study covers various other aspects related to the rural women and microfinance such as basic concept related rural women, the crucial roleplaying by microfinance in socio-economic empowerment of rural women. The study also covers growth of microfinance interms of total number of microfinance across the country, providing financial assistance and so on. Hence the study is important in the scenario of overall development of women from rural , semirural and urban areas with the help of financial institutions.

OBJECTIVE OF THE STUDY

The present study deals with micro finance and its role in empowerment of rural women. The study is not restricted towards Indian rural women but also helps to understand the contribution of microfinance in other countries across the world.Keeping these things in mind the following objectives were designed for the present study.

- To study the contributions made by microfinance in developing country like India as well as developed countries in Africa and South America.,To identify the role of microfinance in socioeconomic empowerment of women.
- To suggest some effective measures to improve the performance of microfinance in India.

CONCEPTS OF RURAL WOMEN AND MICROFINANCE

In India the trickle down effects of macro-economic policies have failed to resolve the problems of gender inequality. Women have been vulnerable section of the society and constitute a sizable segment of the poverty struck population. Women face gender specific barriers to access education, health and employment. In early 1990s women were engaged in agriculture sector in large proportions their work is considered just an extension of household ,domain and remains nonmonetized.

Microfinance is emerging as a powerful instrument for poverty alleviation in the new economy. Microfinance scene is dominated by Self Help Group Bank linkage programmes as the most effective mechanism for providing financial services to the unreached poor which has been successful not only in meeting financial needs of the rural poor women but also strengthen collective self help capacity of the poor rural women leading to empowerment. Microfinance program in India growing rapidly and receiving increasing attention from the Financial Institutions, Non Government Organisations and the Government as an instrument that can transform lives of the rural poor women. It is not only considered as a development tool to alleviate poverty in Asian countries but also in African and Southern American countries . In India Microfinance took roots in 1992-93 with the launching of the self help group bank linkage programme by National Bank For Agriculture and Rural Development(NABARD). The progress of microfinance programme in terms of bank loans and financial services provided to the people .

SUGGESTIONS AND RECOMMENDATIONS

- Education to rural women are to be given preference.
- Enhancing the self confidence and self esteem among rural women.
- Off season livelihood opportunities including wage employment for traditional farm women labour.
- Increasingly Government agencies are turning into SHG promoters but there should be uniformity of approach in order to avoid confusion among themselves and wastage of funds.
- Government can pass a new micro finance bill in parliament so that every component in the area micro finance should work in common legal framework without any hurdles.

CONCLUSIONS

As compare to historical background of rural women the standard of living of rural women has increasingly rapidly due to strong and continuous support from microfinance. It helps rural women in many ways such as escape from the clutches of moneylenders, it helps to rescue their mortgage assets, such as land, ornaments and cattle and it helps to create their own assets like house, savings and equipments it also to cope with losses due to sickness, accidents, death, floods, earthquakes and riots. Microfinance strategies need to be explored further with the help of central Bank and NABARD throughout India. The SHGs approach definitely process as realistic alternative among Indian rural women.

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