

Women Empowerment and Micro Finance

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Abstract

In India poverty is extensive. One-third of the world's poor live in India. Poverty is an interruption in the progress of the country. A person searched out a way to reduce the poverty. His name is Dr. Mohamaad Yunus. He was head of department of Economics at Chittgaon University in Bangladesh. The name of his programme is Micro Finance. The term "Micro Finance" means very small loans to poor people for self employment from the collection of small amount of saving. There are different models for purveying Micro Finance. But SHG Bank linkage programme has emerged as the major micro finance programme in the country. This programme is implemented 74% in India. During 2006-07, 686,408 new SHG's were credit linked with the bank, taking the cumulative number of SHG's credit linked to 2.92 million. This is 24% progress than the year 2005-06. The year 2001 was declared as 'year of women empowerment'. In this contest, Government of India made special provisions in the budget for the developing activities of the women. Almost women are the members of SHGs in a greater ratio. SHGs help in promoting leadership qualities among the women. Empowerment is multifold concept that includes economic, social and political empowerment. Activities under SHGs increase the women's income level. It is helpful to develop standard of living. Being member of SHGs, the women come together for attending the meetings. It increases their boldness. The women think about social problems like dowry systems and Abuse of women Generally, women have developed leadership qualities among them. The women stand for Grampanchayet, Panchayat Samiti, Zilla Parishad election. From the above information, it is clear that micro finance institution plays important role empowering rural and also urban poor women.

KEYWORDS: women empowerment, micro finance, poverty

Introduction

Micro-finance has its roots in Bangladesh, around 1976 through a pioneering experiment by Dr. Muhammad Yunus founding the 'Grameen Banks' in 1983. These Grameen banks provide loans to the poor who do not have anything to put up for collateral. Grameen banks are the largest rural finance institution in Bangladesh. These are proved to be the source of inspired institutions throughout the world. 'GRAMEEN' in Bangladesh and 'SEWA' in India are examples of micro-credit schemes that encourage women's participation; Micro-credit has the support of many women's advocates who view expansion of micro-credit as a potential bellwether for women's empowerment as poor women gain greater access to financial resources. Micro finance has played a crucial role in transforming the lives of poor women, particularly in the rural India . All earlier poverty alleviation programmes were more male-oriented and were not specifically targeted at women, who have to bear the greater scars of poverty. The success of micro finance is largely due to the fact that these micro loans have not only helped in combating poverty but have also brought about a big change in the social status of rural women. It has enabled them to provide

better health, nutrition and education to their children. After the great success of Grameen Bank in Bangladesh, the concept of Micro-finance has gained momentum.

Objective of the study

- 1) To study the social, political, educational and economical progress of women and Self Help Groups (SHGs).
- 2) To study the contribution of SHGs, Micro finance and self employment programmes for the Empowerment and development of women.
- 3) To study the problems, prospects and programmes of women and SHGs.

Self Employment Programmes : SHGs – Indian Situation

The coverage of beneficiaries in the Ninth Plan was considerably lower than the coverage under SGSY. The formation of self-help groups by itself contributes to the empowerment and economic well-being of the poor by improving their collective bargaining position. The group formation also emphasizes social capital and enables the poor to interact with other social groups from a position of strength. Group formation would continue to be the focus under the SGSY. The self-help groups move through various stages. Social Mobilisation and formation of groups (initial phase). Saving and internal lending among the members of the group on their own, augmented by revolving fund grants from the government and linkages with banks and other credit agencies (second phase) , obtaining micro finance (third phase) and setting up of micro enterprises (fourth phase). This is a long process and groups require time to mature as cohesive units. Savings by members and internal lending help the group members to improve their economic position. A strong group acts as collateral for banks to provide micro finance to these groups. They get access to credit for a variety of consumption needs, seasonal activities and for undertaking petty production and trading activities. Setting up of a micro enterprise could be the objective of every the allocation for Tenth Plan period has been increased to for Rs.56, 748 Crore, the scheme wise breakup of which is given in the Appendix. Resources for the SGRY and for rural connectivity under Pradhan Mantri Gram Sadak Yojana (PMGSY) have been substantially enhanced. These are expected to provide assured wage-employment, enhance incomes and ensure nutritional security. The allocation for direct anti-poverty alleviation programmes would be complemented by investments in other sectors which have a strong bearing on the incidence of poverty.

Rural poverty alleviation programmes were revamped and re-focused during the Plan to increase their effectiveness. Programmes that provide self-employment and wage employment to the poor would be implemented with greater vigour during Tenth Plan.

SGSY would provide opportunities for self-employment to the rural poor. The programme would shift to a process-oriented approach in four stages.

- 1) Social mobilization for formation of self help groups.
- 2) Savings among the group and internal lending among its members and Provision of a revolving fund.
- 3) Micro finance : and
- 4) Micro-enterprise development.

Network of Institutions that promote the self-help movement would be created during the plan period. Partnership would be forged between NGOs and other community-based organizations, government agencies and other financial institutions. There would be a system of identifying and training local facilitators.

Key activities would be planned to respond to the needs of the area. Training programmers for beneficial linkages with training institutions would be forged.

Greater attention would be paid to marketing. Rural haats / markets at the Taluka / District level would set up for display of products Linkages will be developed with private channels, industries enterprises ad export houses for higher value realization for SGSY groups.

Special attention would be paid to provide technical support for upgrading technology and standardization of product. Use of information and communication technology would be prompted during the plan period in this regard. The SGRY would be the single wage-employment programe. The programe would have three streams which would seek to address the need of rural infrastructure at the village level, ensure calamities such as floods , droughts , earthquakes and other contingencies. The projects under SGRY would be chosen with a view to taking up scheme that enlarge the scope for increased economic activity.

Access to land will be an important element in the poverty alleviation strategy. Tenancy reforms, record of rights of land owners and tenants, computerization of land records, preventions of alienation of tribal lands, and issue of land rights for women will be the major tenets of the land reform agenda.

The promotion of a movement which enhances social capital and forges linkages with other formal and informal stakeholders engaged in developmental activities would be a major thrust during the plan. PRIs have created a space for the involvement of the community of the governance. These are a need to provide greater attention to effective empowerment of PRIs. The government recognizes the necessity of building capabilities at the local levels for planning, implementation and monitoring of development programs.

Women Empowerment and micro finance

The importance of women to the economic development of India was first recognized during the country's struggle for independence. Empowerment is a social action process that! Promotes participation of people, organization and communities in gaining control over their lives in their community.

The concept of empowerment of women is based on equality between? man and women. It is a continuous process of comprising enhancement of skills, capacity building, gaining self-confidence and meaningful participation in decision making. Women's development is directly related with national development. The effective management and development of women's resources i.e. their abilities, interests, skills and other potentialities are of paramount importance for the mobilization and development of human resources. There is urgent need of empowering women especially in rural area. The formation of Self Help Group and Micro Financing will enhance their socio economic position in the society.

Small loans can make good business sense among the women. It has been noticed that women in particular stand to gain a lot from micro-finance because it gives them an independent means of generating wealth and becoming self-reliant in a society that does not offer them much scope for entrepreneurship. And since it is women who ran the household, a higher standard of living for women ensures better governance and a healthier and more prosperous future for the children and a better future for the nation. The success of micro credit initiatives has often been attributed to their particular focus on empowering women and encouraging their self-reliance through developing their own means of income. Various case studies show that there is a positive correlation between credit availability and women's empowerment. It is

observed that majority of rural women who are associated with self-help group activity positively successes to gain themselves empowered.

Women in rural India lived in virtual isolation, unable to access even the most basic of services. But, with the formation of Women's Self-Help Groups, these women are now achieving social and physical mobility. It is recognized that while the empowerment of women is a process that will not happen automatically, SHG is a suitable means for the empowerment of women. The impacts of SHGs on socio-economic status of women were found significant. Self help Groups have provide a platform where the women discuss among themselves the issues of family and society as well as get an opportunity to interact in public and with senior officials. This exposure has helped them gain confidence in themselves and the courage to fight against oppression. Microfinance programmes are currently being promoted as a key strategy for simultaneously addressing both poverty alleviation and women's empowerment. Where financial service provision leads to the setting up or expansion of micro-enterprises there are a range of potential impacts including:

- 1) More general improvements in attitudes to women's role in the household and community.
- 2) Increasing women's income levels and control over income leading to greater levels of economic independence.
- 3) Access to networks and markets giving wider experience of the world outside the home, access to information and possibilities for development of other social and political roles.
- 4) 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.

Suggestions

- 1) Local Parliament Member, MLA and MLC members, Zilla Parishad President and members etc should come forward and contribute for SGH movement by allocating funds for development of SHGs.
- 2) Government and Non-Government organizations should take responsibility of marketing and selling the products of SHGs by organizing food stalls, trade fairs and sells centers at rural or urban level.
- 3) Better training facilities, higher Education System and schemes should be there to train the SHG members regarding the working of SHGs on the part of the government.
- 4) Short-term courses can be arranged for these entrepreneurs to make them proficient in the areas of their own field.
- 5) Government should arrange to get the finance in time, as it takes more time for procedure.

Conclusion

Self Employment Programmes will focus on organization of the poor at Grassroots level women through a process of social mobilization for women empowerment. 'GRAMEEN' in Bangladesh and 'SEWA' in India are examples of micro-credit schemes that encourage women's participation. Micro finance has played a crucial role in transforming the lives of poor women, particularly in the rural India. All earlier poverty alleviation programmes were more male-oriented and were not

specifically targeted at women, who have to bear the greater scars of poverty. India is also fast becoming one of the largest micro credit markets in the world, especially with the growth of women's saving and credit groups. The effective management and development of women's resources i.e. their abilities, interests, skills and other potentialities are of paramount importance for the mobilization and development of human resources. There is urgent need of empowering women especially in rural area. The formation of Self Help Group and Micro Financing will enhance their socio economic position in the society. Social mobilization enables the poor build their own organizations (SHGs) in which they participate fully and directly and take decisions on all issues concerning women Empowerment.

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