



Impact of microfinance on empowering women in rural area -A Study With Reference to Yamunanagar (Haryana)

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ABSTRACT: *Women Empowerment means creation of an environment for women where they can make decisions of their own for their personal benefits as well as for the society. “When women succeed, nations are more safe, secure and prosperous” (Barack Obama). Women is an important part of over society but unfortunately society not gives importance and equal rights as compared to men due to more dependency on male members, illiteracy, lack of credit accesses. . Empowering women is to make them independent in all area including mind, thought, rights, decisions, etc by leaving all the social and family limitations. To improving the future of the family, society and country empowering of women is very necessary. To empowering women, Microfinance is panacea. Microfinance in India started in early 1980s with the objective of providing basic financial services of credit and savings to poor people and women. Under this government provide loan to women and weaker section of society at concessional interest rate. This study is undertaking to examine the impact of microfinance on empowering rural women’s using same variables income and employment level, violence against women, self- respect, participation in family decision making, and improve unbanked data in Yamunanagar district of Haryana. For this study primary data is collected through questionnaire and statistical technique- chi- square, percentage used to analyzed data. On the basis of analysis we concluded that there is positive impact of microfinance on empowering women in reference of increase income, participations in decision making, boost their self esteem and confidence etc.*

Key words: women empowerment, microfinance, GDP, social and economical empowerment.



INTRODUCTION

Women is an important part of over society but unfortunately society not gives importance and equal rights as compared to men due to more dependency on male members, illiteracy, lack of credit accesses. But empowered women not only develop her family members but also contribute to national growth rate. Empowering women is to make them independent in all area including mind, thought, rights, decisions, etc by leaving all the social and family limitations. It gives equal rights to both male and female in all area. To improving the future of the family, society and country empowering of women is very necessary. In order to make the country fully developed country, women empowerment is an essential tool to get the goal of development. To empowering women, Microfinance is panacea. Under this government provide loan to women and weaker section of society at concessional interest rate. More and more women participate in this campaign to avail microfinance services. Various studies reveal that microfinance helps in alleviation poverty and empower women especially rural area as well urban area.

Sometimes women or unemployed or low income group required small finance but due to less property they don't qualify standard banking norms. Microfinance provides facility to them to start their own business without depending on local money lenders. Hence microfinance has been powerful tool to empower women and weaker section of society. The objective of this study is undertaking to examine the impact of microfinance on empowering rural women's using same variables income and employment level, violence against women, self- respect, participation in family decision making, and improve unbanked data in Yamunanagar district of Haryana.

Concept of women empowerment and microfinance

- **Women Empowerment** refers to the creation of an environment for women where they can make decisions of their own for their personal benefits as well as for the society.

“When women succeed, nations are more safe, secure and prosperous.” (Barack Obama)

“Empowering women is key to building a future we want.” (Amartya Sen)



➤ **Microfinance**

Microfinance defined as a banking services (including loan, saving and insurance etc.) which are provided to unemployed, lower income group and small business owners who do not have other source of finance. Microfinance in India started in early 1980s with the objective of providing basic financial services of credit and savings to poor people and women.

Role of microfinance or women empowerment in women's lives

1. **Provide employment:** Women population constitutes around 50% of the world population. But maximum women all over the world are unemployed. The world economy suffers a lot because of the unequal opportunity for women at workplaces. Microfinance gives equal opportunity to men as well as women.
2. **Encourages women to show their talents:** Women are equally talented as men. Women are not given any chance to show their talents. But now microfinance encourages women to show and refine their talents in the field of business. Today, many women are occupying the top position of national and international companies.
3. **Helps in developing society:** Empowered women contribute in the development of the society. The money that women earn does not only help them and or their family, but it also help develop the society.
4. **Makes financial position strong:** Women Empowerment strengthens the financial position of individuals as well as society. Firstly women stayed only at home and do household work only. But now they are standing on her feet due to women empowerment or microfinance and earn money equal to man.
5. **Decrease in domestic violence:** Women Empowerment increase confidence level in women and gives equal rights as men which lead to decrease in domestic violence in rural area.
6. **Reduce Poverty:** microfinance provides employment to women as well men which help to reduce poverty. Because sometimes, the money earned by the male member of the family is not adequate to meet the demands of the family.



7. **Economic development:** more and more women participate in microfinance programme. They are not only generating employment for her but also for others. So they solve poverty and unemployment problem which leads to economic/ national development.
8. **Self-respect:** Women should be treated equally with men in all field of life. This would help her develop a good emotional health.
9. **Improved health:** Nutrition is important for growth and proper health. Provision of balanced and nutritious food would keep the body healthy.
10. **Human rights:** Every Woman is worthy respect and dignity. Not giving permission to educate them or not providing them a safe working environment is against basic human rights. Empowering women will help tackle the issue of human right.

LITERATURE REVIEW

Mudaliar and Mathur (2015) study the relationship between microfinance and women empowerment. They concluded Microfinance has the potential to have a powerful impact on women's empowerment. Although microfinance is not always empowering for all women, most women do experience some degree of empowerment as a result.

Kodamarty and Srinivasan (2016) discussed the literature on the role of microfinance on women empowerment in India. They concluded that there is positive impact of microfinance on empowering women in the sense of increase income, savings, employment days, household consumables, assets and the expenditures of the households, self-worthiness, self confidence, self-esteem and self- worthiness.

Kodamarty (2016) investigate the self-perception of empowerment towards microfinance member beneficiaries. This study is empirical and based on primary data collected through questionnaire. Her finding shows that participation of people in microfinance programme increases their income and saving as well as increased participation in decision making, improved social status, better access to education for children, increased awareness of banking operations and general awareness.



Addai (2017) focused the impact of microfinance services on the economic and social empowerment of women in Ghana. This study is based on primary data which was collected by 500 respondents and analyzed through SPSS. Finding reveals women face several problems in accessing microfinance services, including high rate of interest on loans.

Gangisetty discussed the problems of women members of SHG and analyzed the women empowerment psychologically, sociologically and economically. Primary data was collected through questionnaire and analyzed through simple correlation, t-test and percentage method. He concluded microfinance brought some changes in lives of rural women like psychological and social empowerment than economic empowerment.

Loomba analyzed role of microfinance to empowering women who are members of SHGs. His study was empirical and based on primary data collected from 50 respondent of Ghaziabad district through questionnaire and used statistical technique-simple correlation coefficient, paired t-test, cross tabulation and percentage analysis are used for the analysis of the data. His finding reveals that microfinance is playing an important role in the social, psychological as well as economic empowerment of women in India

RESEARCH OBJECTIVE

Present study is undertaking to examine the impact of microfinance on empowering rural women's using same variables income and employment level, violence against women, self-respect, participation in family decision making, improve unbanked data etc.

- To examine rural women's awareness about benefits of microfinance.
- To study the benefits of microfinance

RESEARCH METHODOLOGY

The study is exploratory in nature which based on primary data collected through 50 respondents from Yamunanagar district of Haryana. All respondents are women. Statistical technique -Simple percentage and chi- square are used to analysis of the data.

Table: 1 Frequency distribution of knowing benefits of microfinance

Attitude of respondents	Frequency	Percentage
Yes	23	46
No	27	54
Total	50	100

Table 1 shows that how many women know about benefits of microfinance. Out of 50 respondents 23 women know benefits of microfinance, remaining does not know.

Table: 2 Demographical profiles of respondents

Particulars	Material status	Married	Unmarried
Qualification	Up to 12	15	8
	Diploma	9	4
	Graduate	3	7
	Post Graduate	1	3
	Total	28	22
Age	20- 25	8	3
	25- 35	6	8
	35- 40	10	3
	40- 50	4	8
	Total	28	22

According to the qualification, majority of women studied 12th or less than 12th standard which are married. Age wise, maximum response gets from age group 35- 40 i.e. 10.

Table: 3 Frequency distribution of business do by women

Nature of business	Frequency	Percent
Retailing	25	50.0
Wholesale	13	26.0
Service	12	24.0
Total	50	100.0

Above table depicts nature of business in which people invests their funds. Majority of women invest in retailing business like- kariyana store, local cloth shop, boutique and paler etc. 13 engaged in wholesale business and 12 in service sectors.

➤ **Testing of Hypothesis (Chi – square test)**

Hypothesis:

1. H_0 : microfinance have negative impact on standard of living, self respect, employment & income, unbanked data and participation in decision making of women
2. H_0 : microfinance does not reduce violence related with women and dependency on other family members.

Table: 4 shows chi square test

Variables	Chi-Square	Df	Asymp. Sig.
Improve standard of living	4.750	6	.576 ^{**}
Reduce violence related to women	19.397	8	.013
Improve unbanked data	23.688	6	.001
Increase employment and income	16.710	8	.033
Increase participation in decision making	17.709	8	.024
Reduce dependency	24.099	8	.002
Increase women's self respect	16.198	8	.040

^{**} shows insignificant value



Above table shows that $p < .005$ for variable Reduce violence related to women, Improve unbanked data, Increase employment and income, Increase participation in decision making, Reduce dependency, and Increase women's self respect. Hence we reject the null hypothesis in respect of above factors. But chi- square value of Improve standard of living is insignificant (i.e. $p > .576$). Therefore we say that there is positive impact of microfinance on all above factors accepts Improve standard of living.

SUMMARY OF FINDINGS

1. On the basis of analysis it is depicts that microfinance generate employment and increased income for women which also alleviate poverty as well as contributes in countries GDP.
2. Due to microfinance now women have right to take decision related with herself or her family.
3. To take fund from microfinance agencies it is mandatory to open a bank account because funds and subsidies come directly to the bank account. Hence microfinance helps in improving unbanked data.
4. Result shows that microfinance helps in empowering women economically and socially which increase self- respect and confidence in women. Due to this, domestic violence related to women is gradually decreased.
5. Maximum women in rural area use fund received from microfinance agencies in retail business.
6. Majority of women does not know about facilities provide under microfinance scheme.

CONCLUSION AND RECOMMENDATIONS

Finding of this study posits that microfinance positively impact on empowering women in rural area in Yamunanagar. But it is always not empowering women due to several reasons such as illiteracy, unaware about concessions given to women, high interest rate and lack of business knowledge etc. Even then microfinance helps in empowering women economically and



socially. This provides employment to women result of which they stand on their feet and foster the future of themselves and their children. It also helps in alleviation of poverty and contributes to economic development of country.

On the basis of find we recommended, to give equal status to women as men, it is necessary to empower women and microfinance is first step by government in this directions. But due to same problems women do not avail microfinance services. Government should organize training programme to provide business knowledge to women. Loan given to women should be without collateral security and at concessional interest rate.

An inspection committee should be establish by the government so that it can be inspect that women are not misuse of microfinance services as many times men take loan on the behalf of women to avail benefits provide by microfinance institutions.

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