



WOMEN AND MICRO FINANCE – A STUDY WITH REFERENCE TO MYSORE DISTRICT

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Abstract

Microfinance is a type of banking service which provides access to financial and non-financial services to low income or unemployed people. Microfinance is a powerful tool to self-empower the poor people especially women at world level and especially in developing countries. Microfinance activities can give them a means to climb out of poverty.

This study analysis the benefits of micro finance towards women and also find out the impact on house hold by micro finance. The present paper study is of analytical exploratory and diagnostic in nature and makes use of secondary data. This secondary data information are collected from publications of journal of finance and also from the study of some old articles. This study suggests that the Government and other donors should concentrate not only the immediate of women but it should give more importance to root cause of women's powerlessness. Finally the study conclude that the empowerment status of women in India can be significantly improved by increasing their income generating activities by providing loans without any collateral through different microfinance program. As in our society male child considered their right hand in old age and when they have large number of male children women will get priority in household decision.

Key Words: Microfinance, Women, Government and Empowerment.

Introduction

Women workers throughout the world contribute to the economic growth and sustainable livelihoods of their families and communities. Microfinance helps empower women from poor households to make this contribution. Microfinance provides financial services to the poor in a sustainable manner. They utilizes credit, savings and other products such as micro insurance to help families take advantage of income-generating activities and better cope with risk. Women particularly benefit from microfinance as many microfinance institutions (MFIs) target female client.

Meaning of Micro Finance

Microfinance is defined by Hidalgo-Celarié and colleagues as “the set of financial services on a small scale, such as credit, savings, insurance and remittances, offered to people that are excluded from bank financial services”. These loans tend to be very small and average a payback rate of more than 95 percent. In recent years, microfinance has become an attractive development strategy to combat poverty. Jonathan Morduch (1999) described it as a “win-win” strategy for donors and recipients alike, because of its high payback rate, ‘bottom up’ focus on communities, ability to reach the poor (particularly women, who have proven difficult to reach through other approaches), and sustainability (alleviation of poverty through economic opportunity).

Review of Literature

There is some literature on women benefited by microfinance in India. They all concentrated on economic growth by the women who is benefited by the microfinance and also they study the decision making power of women, income of women, female education, marriage practice, mobility violence against women and self-respect.

1. **Hunt and Kasynathan(2002)** describes that microfinance programs for women have positive impact on economic growth by improving women income generating activities. Most of women receiving credit have no control over their loans due to low access to markets. The author finds that the impact of Microcredit on female education, marriage practice, mobility, violence against women and self-respect. Moreover, microfinance which is designed for the poorest, actually not reached to the poorest people. So donors and NGO's must concentrate on the access of credit to the poorest people.
2. **Malhotra and et al, (2002)** worked on conceptualization and operationalization of term empowerment rather than to review its indicators. They highlighted economic, social, interpersonal, legal, political and psychological dimensions of empowerment. Empowering themselves is not only responsibility of individual women. Government and other institutions should promote policies that ensure gender equity through political and legal reforms.



3. **Cheston and Kuhn(2002)** stated that microfinance programs have been potential to transform poor relation and to empower women and also financial help not enough enhance women empower and improve but if they are designed well then they make important contribution to women empowerment.
4. **Sara Noreen** conducted study with the objective of to explore determinates of women empowerment and to analyze the importance of microfinance in improving decision making power of women at domestic level as compared to other social determinants.

Problem of the Statement

Most of the studies have concentrated on benefits of microfinance in India. Not much study is done on 21st women benefited by microfinance in India and what exactly present century women needed. The present study fills this gap by 21st century women benefited by microfinance in India.

Objective of the Study

1. To analysis the benefits of micro finance towards women.
2. To study what exactly 21st century women needed.
3. To identify the impact on house hold by micro finance

Research Methodology

This study is designed as analytical as well as exploratory data and it is diagnostic in nature and makes use of secondary data and primary data.

Secondary data were collected from journals, books and through data available on internet and primary data were collected from respondents on the basis of observation and interview method.

Mysore district has 7 taluks namely H.D.Kote, Hunsur, K.R.Nagar, Mysore, Nanjangud, Periyapatna, and T. Narasipur. The total women population is 3001127 in Mysore district as per 2011 census. This study covers all taluks of Mysore district Women's and there were 300 women respondents from various are selected for this study.

Benefits given by Micro finance to women

- Micro finance provided small loans to women to generate their income.
- Micro finance helps women to create employment opportunity.
- Microfinance programs have drawn millions of women into commercial economic activities from which they were previously barred.
- The institution IFAD (The International Fund for Agricultural Development) involves the women in microfinance, either as borrowers or savers to gain a level of power that allows them to make independent decisions and raise their status.
- Microfinance empowers women by creating their own business.
- Microfinance helps women to take greater regarding money and households.
- Women are able to improve their status within their community by microfinance.
- Microfinance is providing minimum healthcare facilities to women.
- Microfinance established 'women's world banking' (WWB) which give importance to investing in women and helps them to produce microfinance products that are most useful to women.

Hence women are getting various benefits by microfinance somewhere it is lacking to provide benefits according to the present generation.

What Exactly 21st Century Women Needed by Micro Finance?

The people thinking will change day by day, now a day's women are fascinated to earn money and to become independent. For them microfinance should give more benefits to them to make their life's how their want. The microfinance should give more importance on following maters to make micro finance much more helpful to women.

- Microfinance should concentrate on **insurance schemes** for their children and family.
- Micro finance should help women and her family by providing **medical facilities** minimum up to 1, 00,000 rupees.
- Microfinance should provide **home loans** to women in low rate of interest.
- Micro finance should educate the women regarding **investment in FDI**.
- Microfinance must concentrate on **tribal women and should work for their betterment**.



- Micro finance should give training and required knowledge for women to **trade in stock exchange**.
- Microfinance institutions should help women to get **knowledge on present technology**.
- Micro finance should help the women to **improve their social status in society**.
- Micro finance should concentrate on **rural women by educating them in agriculture sector**.
- Micro finance should help women to **secure them self in their life by creating their job**.

Impact on Household by Microfinance

The impact assessment programmes should capture the changes in the household level due to microfinance programme. The household economic positions like income, expenditure, asset position, livelihood portfolio, etc. may be changed over time due to the increasing access of households to microfinance products and services. The psycho-social changes can be experienced at the household level i.e. change in literacy, migration, gender equality, health, social status, etc. Some of the important changes are:

1. Increase in the level of household income;
2. Greater diversification in the sources of household income;
3. Increase in household assets, including improvements in housing.
4. Increases in major household appliances and transport vehicles.
5. Increases in microenterprise fixed assets.
6. Increase in expenditures on children's education.
7. Increase in expenditures on food, especially among the very poor.
8. Increase in the household's effectiveness in coping with problems.

Findings of the Study

1. Microcredit can lead to new business creation. Treatment households spent Rs 22 per capita per month more on general durable goods and Rs 12 per capita per month more on durable goods for household businesses,
2. Households also spent less on "temptation goods" like alcohol, tobacco and gambling.
3. However, microcredit provision had little impact on factors like health, women's empowerment and education.
4. Micro credit are providing loan for women to constructing their own houses

Suggestions

- By providing credit facilities to women microfinance should provide training to improve their skill to generate their own income.
- Government and other donors should concentrate not only the immediate of women but it should give more importance to root cause of women's powerlessness.
- MFI institutions should be strengthened and should expand their support to poor women.

Conclusion

In this study, I have given scope of benefits to women and impact on households by microfinance. By this study we can conclude that the empowerment status of women in India can be significantly improved by increasing their income generating activities by providing loans without any collateral through different microfinance program. As in our society male child considered their right hand in old age and when they have large number of male children women will get priority in household decision.

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