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A STUDY ON WOMEN EMPOWERMENT THROUGH MICRO CREDIT PROGRAMMES

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ABSTRACT

Microfinance is not a mere financial instrument but a powerful tool for development to address multiple dimensions of poverty by addressing the issues of health, education, gender and environment. Poverty and unemployment are the major problems of all underdeveloped countries including India. The problem of women's access to credit was given particular emphasis at the first International Women's Conference in Mexico in 1975 as part of the emerging awareness of the importance of women's productive role both for national economics, and for women's rights. Failure to take into account impact on income also has potentially adverse implications for both repayment and outreach, and hence also for financial sustainability. An effort is made here to present some of these aspects to complete the picture.

KEY WORDS: *Microfinance, Micro credit and Self Help Group*

INTRODUCTION

The United Nations Organization (UNO) announced the millennium development goals, aimed at eradicating poverty by 2015. Microfinance is regarded as the form of financial development that inherently has the alleviation of poverty as its primary aims. In recognition of micro-finance, the UNO celebrated the year 2005 as a year of micro-credit. As a result, this financing instrument is perceived worldwide as a very effective means against hunger and poverty in developing countries.

Microfinance is not a mere financial instrument but a powerful tool for development to address multiple dimensions of poverty by addressing the issues of health, education, gender and environment. Poverty and unemployment are the major problems of all underdeveloped countries including India. The experience across India and other countries has shown a robust potential of microfinance to integrate with the development issues thereby significantly impacting the lives of poor.

In India Microfinance is dominated by Self Help Group – Bank linkage programme, aimed at providing a cost effective mechanism for providing financial services to the 'Unreached Poor' and particularly for SHGs. The Self Help Group Programme has been successful in not only meeting major needs of rural poor but also in strengthening collective Self Help Capacities of the poor at the local level leading to their empowerment.

CONCEPT OF WOMEN EMPOWERMENT

Empowering may be understood as enabling people, especially women to acquire and possess power resources, in order to make decision on their own. The National Policy on Education (1986) suggested certain strategies to empower women. Accordingly, women become empowered through collective reflections and decision making enable them to become agency of social change. The Global conference on Women Empowerment (1988), highlights empowerment as the best way of making own partners in development. Keeping this

in view the year 2001 was celebrated as “The Women’s Empowerment Year”.

ROLE AND EMPOWERMENT

Role tells us about what is expected from individuals in a particular situation. Role deals with duties and obligations while empowerment deals with rights, it is commonly assumed that the most is a woman, a cook, a teacher of her children and daughter-in-law and so on “Women Repose more closely on the central surface of life. A woman has a secret alliance with eternal life and man with the principle of death. Women want to embrace the contradiction of life and to reconcile them in the act of degree so. The concept of micro-finance models, bank linkage models, levels of poverty and some of the major poverty alleviation programmes by the government is important.

WOMEN’S EMPOWERMENT IN CONTEMPORARY INDIA

Contemporary Indian society has been exposed to the broad processes of social transformation, agricultural modernization and economic development, urbanization and globalization. However, these processes have generated regional imbalances, sharpened class inequalities and augmented the gender disparities. Hence, women have become critical symbols of these growing imbalances. All these have affected adversely the various aspects of women’s empowerment in the contemporary Indian society.

The first idea on gender role differences, which a child acquires, is that of women of one’s family marrying and leaving their homes to leave with different groups of people. Secondly, men appear to exercise far greater influence in decision making and are far more visible and audible than their wives. Third most of the tasks within the home are done by the mother, grandmother, sisters and so on. At meal times they carry food to the fields for the men. All these tasks, which consume time and energy, are not counted as work and there is no payment involved.

WOMEN’S EMPOWERMENT AND MICRO FINANCE

Concern with women’s access to credit and assumptions about contributions to women’s empowerment are not new. From the early 1970s women’s movement in a number of countries became increasingly interested in the degree to which women were able to access poverty-focused credit programmes and credit cooperatives. In India, organizations like Self Employed Women’s Association (SEWA) among others with origins and affiliations in the Indian Labour and women’s movements identified credit as a major constraint in their work with informal sector women workers.

The problem of women’s access to credit was given particular emphasis at the first International Women’s Conference in Mexico in 1975 as part of the emerging awareness of the

importance of women’s productive role both for national economics, and for women’s rights. This led to the setting up of the women’s World banking network and production of manuals for women’s credit provision. Other women’s organizations worldwide set up credit and savings components both as a way of increasing women’s incomes and bringing women together to address wider gender issues. From the mid-1980s there was a mushrooming of donor, government and NGO-sponsored credit programmes in the wake of the 1985 Nairobi women’s conference (Mayoux, 1995a).

The 1980s and 1990s also saw development and rapid expansion of large minimalist poverty-targeted micro-finance institutions and networks like Grameen Bank, ACCION and Finca among others. In these organisations and others evidence of significantly high female repayment rates led to increasing emphasis on targeting women as an efficiency strategy to increase credit recovery. A number of donors also saw female targeted financially-sustainable micro-finance as a means of marrying internal demands for increased efficiency because of declining budgets with demands of the increasingly vocal gender lobbies.

Microfinance is a source of financial services for entrepreneurs and small businesses lacking access to banking and related services. The two main mechanisms for the delivery of financial services to such clients are:

- (1) relationship-based banking for individual entrepreneurs and small businesses; and
- (2) group-based models, where several entrepreneurs come together to apply for loans and other services as a group.

Empowerment process:-

Women empowerment is a sum product of three empowerment process.

- 1) Economic empowerment through increased incomes for women.
- 2) Social empowerment through organizations awareness generation capacity building and formation of the vertical structure of Panchayat level federations and Block Level federations.
- 3) Formal empowerment through the official blessing and through women attending block level federation and district-project co-ordination committee.

Micro Finance Instrument for Women’s Empowerment:-

In India, micro finance scene is dominated by Self Help Groups (SHGs) – Bank Linkage Programme, aimed at providing a cost effective mechanism for providing financial services to the “unreached poor”. Based on the philosophy of peer pressure and group savings as collateral substitute, the SHG programme has been successful in not

only in meeting peculiar needs of the rural poor, but also in strengthening collective self-help capacities of the poor at the local level, leading to their empowerment. Financing genuine credit needs of the especially women in the rural sector.

Challenging Economic Empowerment:-

However impact on incomes is widely variable. Studies which consider income levels find that for the majority of borrowers income increases are small, and in some cases negative. All the evidence suggests that most women invest in existing activities which are low profit and insure and/or in their husband's activities. In many programmes and contexts it is only in a minority of cases that women can develop lucrative activities of their own through credit and savings alone.

CONCLUSION

Numerous traditional and informal system of credit that was already in existence before microfinance came into vogue. Viability of micro finance needs to be understood from a dimension that is far broader-in looking at its long-term aspects too. Very little attention has been given to

empowerment questions or ways in which both empowerment and sustainability aims may be accommodated. Failure to take into account impact on income also has potentially adverse implications for both repayment and outreach, and hence also for financial sustainability. An effort is made here to present some of these aspects to complete the picture.

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