

**A STUDY ON THE IMPACT OF VARIOUS
MICROFINANCE PROGRAMMES IN WOMEN EMPOWERMENT**

Dissertation

Submitted by

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Under the guidance of

Smt. ASWATHY K A

In partial fulfillment of the requirement for the Degree of

MASTER OF COMMERCE



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CERTIFICATE

This is to certify that the project titled "A Study On The Impact Of Various Microfinance Programmes In Women Empowerment" submitted to Mahatma Gandhi University in partial fulfillment of the requirement for the award of Degree of Master of Commerce is a record of the original work done by Ms. Isabel Mariyam Benny, under my supervision and guidance during the academic year 2022-24.

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CHAPTER – I
INTRODUCTION

1.1 INTRODUCTION

Microfinance is a strategic tool used by developing nations to eradicate poverty and ensure socio-economic empowerment of its clients. However, it is a long-term process that enables the poor to improve their living standards in an effective manner. In particular, when we talk about microfinance from the perspective of women, the role of benefactors of microfinance seems important in making it a relatively effective resource for poverty alleviation, the stability of economic growth, and women empowerment. The difference between male and female ratios is not considered significant, but in several areas, women are provided less importance and power in comparison with men. Women around the world have little control over their assets and have less political power. Further, they do not have a lot of properties to their name. The paper “A study on the impact of various microfinance programs in women empowerment” summarizes the evidences collected giving special attention to women empowerment. The paper discusses on the changes that microfinance program brought into the women’s lives. Based on information collected from primary sources, it also tries to highlight how SHGs dominates in contributing to women empowerment. However, it faces many challenges in its effective implementation. Women also encounter numerous problems in accessing financial services. Suggestions are also given on how to enhance microfinance programs and its accessibility to accelerate women empowerment.

1.2 STATEMENT OF PROBLEM

One of the goals of microfinance is to promote the social well-being of women by encouraging self-employment, which in turn creates employment opportunities and increases women's empowerment. Therefore, the purpose of this study is to improve knowledge about how microfinance benefits women's empowerment and business development.

1.3 OBJECTIVES OF THE STUDY

- To study the role and impact of microfinance in Women Empowerment.
- To identify the different paradigms of Microfinance.
- To see how SHG act as an effective approach to women empowerment
- To identify various microfinance initiatives started in India
- To point out the positive and negative effects of microfinance on women empowerment

1.4 SCOPE OF THE STUDY

Not just in India, but all around the world, women are viewed as members of the lowest social classes. The barriers that rural women face due to their gender frequently prevent them from taking use of microfinance, despite the fact that it was created to empower them and lift them out of the impoverished and discriminatory strata.

Through eradicating exploitation and fostering self-assurance for rural underprivileged individuals, microfinance plays a crucial role in promoting gender equality and women's empowerment. This is especially true for women in rural areas who are typically marginalized within society. The paper aims to demonstrate how microfinance has gained widespread acceptance as a tactic for empowering women.

1.5 RESEARCH METHODOLOGY

Research methodology is a way to systematically solve research problem. Research methodology not only talks about research methods but also considers logic behind the method used in the context of the study. A descriptive and analytical study is used in this

project in order to get a clear image of “A study on the impact of various microfinance programs in women empowerment”.

1.5.1 TYPE OF RESEARCH

The type of research design followed in this study is descriptive and analytical research. In this research facts and information already available is analysed to critically evaluate it and then arrive at meaningful conclusions.

1.5.2 COLLECTION OF DATA

In this study, data is collected from both primary and secondary data.

- Primary Data- it is collected through responses of questionnaires which were specially prepared for this study.
- Secondary Data- there is extensive uses of secondary information in the form of articles published in magazines, journal, websites, circulars etc.

1.5.3 RESEARCH DESIGN

- Population- Entire women of Cochin City
- Sample Size- 100 women were selected from the population
- Sample Method- Convenient sampling method is followed

1.5.4 TOOLS USED FOR ANALYSIS

The data collected were classified and analysed considering the objectives of the study. Data collected through questionnaire are analysed using simple statistical techniques of percentage and chi-square test. Tables and charts are used for data presentation.

1.6 LIMITATION OF THE STUDY

- Time and resources are the main limiting factors
- Accuracy of data depends upon the information provided

CHAPTER – II
REVIEW OF LITERATURE

- **Basu Dev Lamichhane (2020)** examined the role of microfinance for women empowerment. The study reveals that there is a positive relationship between microfinance and women empowerment. It also states that microfinance becomes catalyst for social change and women's empowerment.
- **Priya samant, Anurupa B.Singh, Richa Misra and Ritesh Dwivedi (2019)** in an empirical research conducted in Uttarakhand reveals certain indicators of women empowerment such as decision making, awareness and psychological factors is examined by the researcher. The research also concludes that there is a need of continuous evaluation by institutes providing micro loan. The paper is a help to the policy makers to make improvements in the needed areas.
- **Sarah Wali Qazi (2019)** focused on how strategies, framework and training can be developed, by microfinance practitioners and is provided to people to meet their specific financial needs as noticed in the research.
- **Shagufta Tariq and Prof. Mohi-ud-Din Sangmi (2019)** aimed at finding the impact of micro finance on empowering marginalised women living in poverty. Apart from empowerments through SHG, there are evidences on disempowerment identified in the study.
- **Mihir Dash Venkat Mahendra Prasad C.J. Koshy (2016)** This study attempts to understand the impact of microfinance services on women empowerment, in terms of changes in income, savings, socio-economic status, and political participation. The results of the study suggest that microfinance programs have created a positive impact on its beneficiaries. Majority of the respondents are engaged in various income generating activities because of the credit facilities provided by microfinance institutions. This has helped them to earn income for their family and also enable them to play an important role in their family and in society as well. There has been a significant improvement in their income and savings after participation in microfinance programs
- **Le and Raven (2015)** founds that even though microfinance had brought some changes to the stigma of inequality that women faces, it has some restrictions on empowering women in more defined way. It fails to contribute to long term economic growth and development. Research studies that, in Indian context, microfinance have a positive effect on women empowerment.

- **Dr. Deepti Gupta and Ms. Garima Singhal (2015)** focused on the Self Help Groups' contribution to rural women empowerment and their business expansion. Study concluded that women financing through SHGs had a positive effect in their business expansion plans. Dr.N.Gangisetty conducted an empirical study in Madanapalle rural area. The researcher tried to analyse how powerful microfinance through SHG is. Various statistical tools were used by the researcher for generating better outcome. Similar to the previous research, the outcome was positive.
- **Lakhawat Saroj1 and Charan Shailendra Singh (2015)** tried to analyse the role of microfinance in socio-economic women empowerment through SHGs. The study conducted in Rajasthan concludes that socio-economic empowerment has contributed to overall development. Through SHG programmes, women were able to identify their rights and responsibilities to the society. By taking part in various programmes and initiatives by SHG, they were able to contribute to the sustainable development of their society. This shows how SHG influences the lives of women and their empowerment.
- **Baghel & Shrivastava, November (2015)** analyses the socio-economic development of rural women belonging to Chhattisgarh. Four independent variables such as individual social, community social, individual economic and community economic indicators were considered to analyse the study. The findings concluded that these indicators have positive impact on the development of rural women.
- **Owusu, Akanbasiam, and Anyesepari (2013)** are of the view that women's contribution to economic activities cannot be possible if women don't utilize micro loans for their investments. The social and cultural differences in developing countries do not allow women to participate in economic activities which led women to sit idle and lose their capabilities. So, various microfinance programmes are designed to target these women and provide them with the fund to expand their business and exploit best opportunities which will benefit the society as a whole.
- **Malathi and Vijayarani (2012)** analysed the relationship between women empowerment and microfinance in poor areas of Cuddalore district of Tamil

Nadu in India. Statistical techniques of t-test and chi-square tests were used to analyse 100 sample size data. Findings conclude that microfinance influenced women empowerment positively. Women empowerment was measured based on whether the rural women had SHG membership. Status before and after undergoing SHG training was judged to evaluate the economic position of the rural women. Fiona Leach and Shashikala Sitaram in their study analysed the effectiveness of group lending through Micro Finance Institutions (MFIs). The credit arrangements done through forming groups and the benefits of socializing with group members is studied.

- **Sulaiman D. Muhammad , Ghazala Shaheen, Syed Iqbal Hussain Naqvi and Saba Zehra (2012)** Prime purpose of the study is to explore the relationship between microfinance and women empowerment with reference to Pakistan. To conduct the women empowerment, study of an index was developed which consist of the different variables such as share of women in total assets, employment and higher education, the result of the study shows that positive correlation among the women empowerment and microfinance and also concluded that poverty is significant and has a negatively correlation with women empowerment while the GDP growth is significant and has a minor impact on women empowerment.
- **Sarumathi and Mohan (2011)** in their study used indicators such as social, psychological and economic indicators were used to understand the role of microfinancing in women empowerment, in Puducherry region. The study concluded that microfinance contributed much to women empowerment through psychological and social empowerment. Other findings of study were that it helped poor people come out of the Below Poverty Line although there was some inefficiency.
- **Aruna and Jyothirmayi (2011)** used regression technique to analyse the influence of microfinancing on women empowerment in Hyderabad, India. Findings show that microfinance significantly affects socio-economic factors. These factors include decision making power, knowledge, economic position and self-worthiness.

- **Sultana and Hasan (2010)** conducted a research at Gazipur district in Bangladesh to study the impact of microcredit on economic empowerment of women. Stratified random sampling technique was used for the study. The sample was divided into two equal halves belonging to same socio-demographic group. Half of the sample was involved in microcredit programs and the other half had no such involvements. Data on empowerment was collected based on three economic indicators such as income, asset ownership and savings behaviour. Findings conclude women belonging to microcredit programs were more benefited compared to the other group.
- **Fan Yang Wallentin and Ranjula Bali Swaina (2009)** also suggested that it is true. SHGs in India play a great role in women empowerment. They concluded that SHG members are empowered through various microfinance programs. These initiatives have greater propensity to resist gender inequalities and cultural difference that restrict empowerment.
- **Sankaran (2009)** tried to examine the trend and problems of rural women entrepreneurs in India. Conclusion on the study was that women have ability and adaptability to cope with difficult situations easily than men.
- **Hussain and Nargis (2008)** also suggest that employment opportunities of women is boosted when women participates more in microfinance programs. They get to interact with the outside world through such initiatives. Women invest more in income generating activities and productive assets. The decision making capabilities and power of women is improved when women starts earning.
- **Vasanthakumari (2008)** conducted a study based in Kerala, analysed the role of micro enterprises in empowering women. Sample was collected from the micro entrepreneurs where the sample size was 328. The findings of the study concluded that micro enterprises promoted rural women empowerment individually, socially and economically. Commercial viability of enterprises was a suggestion from the study.
- **Linda Mayoux (2005)** reveals that women clients are mainly targeted to promote gender equality and reduce poverty. Women's rising credit repayment rates is also a reason for targeting women.

- **Pitt M, Khandker S and Cartwright J (2003)** is of the view that through involvement in microfinancing programs, women's access to credit and other financial and economic resources is improved. They also contribute to better decision making, social interaction and build communication networks, better family planning, parenting guidelines and freedom of mobility.
- **Malhotra (2002)** developed many dimensions of women empowerment. Multiple dimensions developed under the study includes economic, legal, political, socio-cultural and psychological. He is of the opinion that women empowerment should happen across these dimensions.
- **Hashemi (1996)** designed an 'empowerment index' to measure how microcredit influence women empowerment. Hashemi said she used eight empowerment indicators, "mobility, economic security, ability to make small purchases, ability to make larger purchases, involvement in major decisions, participation in public protests and political campaigning, relative freedom from family domination and political and legal awareness". Women's contribution to household income significantly contributed to women empowerment was the findings of the study.
- **Goetz and Sen Gupta (1996)** examined empowerment through qualitative and quantitative analysis in the context of household decision making process. An index of 'Managerial Control' divided the borrowers into five divisions ranging from no control to full control on the use of the loans. Each borrower was correctly placed in their suitable ranges to identify their position effectively.
- **Naved (1994)** also proved that after participating in microfinancing programs, women become more active in the household decision making and implanted more control. Male bias and violence towards women is reduced and welfare of women is increased through such interest and participation in microcredit programs.

CHAPTER – III
THEORETICAL FRAMEWORK

3.1 MICRO FINANCE

The term micro finance is largely used in defining issues related to poverty reduction, financial aid to small entrepreneurs, gender development etc. There is, however, no statutory definition of micro finance. The Supportive Policy and Regulatory Framework for Microfinance has defined microfinance as “Provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or areas for enabling them to raise their income levels and improve living standards”.

Microfinance sector is known for easing credit access to those borrowers at the bottom of the economic pyramid. The sector continually strives to offer opportunities to millions of borrowers who are locked beyond the formal financial services. Around 64 million lives were unlocked to credit access. Currently, this sector has a total loan portfolio worth USD 1.785 trillion and loan disbursal is growing at a rate of 20% in terms of volume. This tremendous achievement can be bestowed to the government for rapid changes in regulatory reforms; introduction and mass adoption of UPI based payment mechanism and development of small financing banks. This increases the contribution of microfinance sector to India’s overall GDP. In FY19, the microfinance sector displayed 40% growth in terms of loan portfolio.

India is one of the most promising markets for microfinance in the world. MFIs play a major role in exploiting the untapped market demand, both in the rural and urban regions. During 2019-2024, Indian Microfinance Market is expected to grow at a two digit CAGR. To reach this milestone, Govt. of India in association with RBI has extended the credit limit of clients to INR 1.25 lakhs. This was mainly done to expand the reach of micro finance sector. India will witness growth in number of MSME enterprises, low rate of interest and government policies to improve the credit lines of low income people. Financial services are offered to people in Below Poverty Line (BPL) category. Digital innovations (e.g.: Broadband for all) as part of government initiatives will reduce the restrictions for adopting micro financing and will boost the India Micro financing market over the next five years. India being a country with majority people with no access to financial services, mobilizing these new-to credit

borrowers will play a significant role in achieving India's vision of becoming a USD 5 trillion economy by 2025.

3.2 EVOLUTION OF MICRO FINANCE

Micro finance has started its journey in the year 1970s and has witnessed growth in size, magnitude and geographical reach over the past 40 years. The most popular Micro Finance Institution (MFI) is the Grameen Bank, which lends money without any collateral securities to the rural poor. Founder of Grammen bank, Dr. Muhammed Yunus, received the Nobel peace prize for pioneering micro financing. Customers of Grammen bank consists of 96% women. MFI focus more on the women customers since the repaying capacity of women is high and the income generated is used efficiently for the well-being of the family which includes providing education to their children.

With fast changing technology, micro finance evolved itself and MFIs started to provide services in a much innovative way. One such example is access of micro finance products through mobile phones. For that, M-PESA was launched to facilitate mobile based payment and money transfer services. M-PESA was launched as a tool that helped the MFI to collect payments. But then, later on it was largely used by users due to its no charge deposits facility, money withdrawal with no minimum balance facility and money transfers. MFIs invested in mobile technology to keep up with the pace, and to deliver micro finance packages to their clients faster. It also contributed to significant growth of the micro finance industry as a result of such technological advancements and behavioral insights.

Microfinance is a unique tool in development interventions, pursuing the goal of poverty alleviation in low income countries in a sustainable way. The financial services provided under micro finance include credit and savings, transfer payments, insurance and micro pensions to people who don't have access to formal financial sector. The beneficiaries of micro finance include self-employed and low earning individuals and

entrepreneurs in rural and urban areas. Apart from financial intermediation services, MFIs also provide social intermediation services which vary from formation of groups to facilitate micro financing, developing self-confidence of entrepreneurs, services which foster development of enterprise like business management and training on book keeping and social services like education, health care and nutrition training. So, the customers of MFIs needs not only limit to financial services for business investments, but also extends to finance health and education, household consumption and emergencies and other miscellaneous cash needs.

As per local regulatory framework, a MFIs can be:

- Non-Governmental Organizations (NGOs)
- Savings and loan cooperatives
- Credit unions
- Government banks
- Commercial banks or
- Non-bank financial institutions.

Micro finance activities are carried out through groups. It simply means financial services are provided through groups of individuals formed under joint liability. For this purpose, groups are divided into two categories:

- Self Help Groups (SHGs): SHGs perform the function of financial intermediation on behalf of the formal institution. This is the classic model followed in India.
- Grameen Groups: Under this model, loans are provided by the formal institution, to an individual in the group, on the grounds of the group's assurance or joint liability. The model introduced by Grameen Bank of Bangladesh, is being used by some of the MFIs in India.

The well-known scheme used in micro financing is the solidarity group scheme. Groups will be created and each member will be jointly liable for all the members' loan amount. Other innovation introduced in micro financing programs includes:

- Offering more loan amount to credit worthy and reliable women customers;
- Directing on the repayment mechanisms immediately after disbursement of loan amount to filter to default borrowers;
- Collateral substitutes such as compulsory savings, emergency and group fund, insurance services to members in case of default or additional funding to group members

There is no difference in the products and services offered to the customers by Micro Finance Institutions (MFI) to that of the financial institutions in the formal sector. Even though the scale and techniques of delivery varies, the fundamental services such as loans, savings and insurance remains the same. As part of formalizing micro finance, the other products that MFIs focus on includes emergency loans, insurance, savings, business education and consumption. The change is because it has been noticed that the poor need access to savings and insurance products and not just credit products.

Three key services offered by Micro Finance Institutions are micro credit, micro savings and micro insurance. MFIs also provide non-financial services like business training and education. Major microfinance methods are, namely, individual lending, group lending, credit unions to self-help organizations also known as Rotating Savings and Credit Associations (ROSCAs). MFIs don't stick on to one particular micro finance method. They start with one suitable method and overtime they will diversify to other methods in order to include all socio-economic categories of customers. Credit unions play a major role in offering financial services to the poor as they set and work towards social and commercial objectives. However, the most widely used method of accessing microfinance is the ROSCAs. Using these basic methods, people get access to microfinance services. The popularity of a method in one area greatly influences its usage. It is worth mentioning that, all clients have the same privilege irrespective of the

method chosen whether through individual lending, group lending, credit unions or self-help organizations.

The new economy has witnessed an improvement in women empowerment as a result of micro financing. Micro financing activities are carried out in India mainly through Self Help Group (SHG) – bank linkage programs which aim at delivering financial services, to those excluded from formal banking services, in a cost effective manner. Micro finance greatly focus on uplifting the rural population and hence is an effective weapon to reach out to the disadvantaged sections of the society who are willing and capable of contributing to the society. The recent growth in women's borrowing shows the role of MFIs in the country. Reports by Micro Finance Institutions Network points out that, there witnessed 2.65 Crore plus borrowers connected with MFIs with the outstanding Gross Lending Portfolio of Rs. 1, 48,097 Crores as of June 2018. The mainstream borrowers were identified as women, who are kept away from the formal credit.

3.3 WOMEN EMPOWERMENT

According to various authors, the word "empowerment" can indicate several things. The majority of them define empowerment as a shift in the existing power structure, the capacity to make decisions, or the freedom to live one's own life. A person can only be considered empowered if their ability to make decisions increases above their existing situation. In other words, empowerment mainly focuses on power and how it is distributed among people and groups. Empowerment confers the ability to make decisions and use negotiating tactics.

The ability of women to reduce their socioeconomic weakness and dependence on male family members, enhance their involvement and control over family decisions, contribute to household expenses, economic activities, and resources, as well as their increased self-confidence and receptivity to social issues, is known as women's empowerment. Put another way, it's the capacity of women to decide and then translate

those decisions into anticipated behaviors and results. Women who would otherwise be excluded from society are given leverage through women's empowerment.

Women empowerment is the need of the hour because currently they are being viewed as disempowered and disadvantaged sections of the society who have no ability to take decisions of their choices and thus shut to opportunities. When women takes ownership and control of their lives by having access to numerous choices, which help them expand their life, they are said to be empowered. To have the ability to implement decisions or choices, there requires an incorporation of three dimensions such as resources, decision making and outcome, that are completely interrelated.

When women exercises control, have credit access, contribute to family expenses, have improved ownership of household assets and properties, then she is said to be economically empowered. The economic role of women in decision making is widened by having greater access to credit and savings. These decisions on credit and savings benefit the male households by blocking the flow of income to unproductive routes.

A woman is said to be socially empowered if she is given the right of freedom to move, no discrimination due to gender difference, no violence, say in domestic decision taking, and right to educate girl children. When women have access to financial services, it has the potential to grow their income level, which can contribute to self-reliance, self-worth and self-confidence which can eventually improve the bargaining skills and leadership of the women in the society. From political aspect, women empowerment extends to women's awareness, knowledge, participation and contribution to politics.

Communities that disempower women based on their gender will definitely witness high poverty, reduced growth and development in the economy, poor governance and a low standard of living of the people in the society, says in a report by World Bank (2001). Empowerment should be seen as a process and not an instrumentalist form of advocacy. World Bank also recommends four vital elements of empowerment:

- Access to information
- Financial inclusion and participation

- Accountability
- Local organisational capacity

Women empowerment is considered a primary developmental goal due to varying reasons:

- Women are prioritized as they are seen as the weakest and poorest and most vulnerable of the disadvantaged section of the society.
- Contributes to economic growth and development by investing in women's capabilities.
- Adds to the well-being of the family through growth in the women's income and household property.

A report by HDR (2008) says that, 70% of world's population living on 1USD per day is women. Women being the weak and vulnerable section of the society don't enjoy equal rights as their spouse. Women are still considered to be weak and do not enjoy the equal rights as their male counterparts. The situation is more perplexing in the rural areas where socio-cultural impact can be directly felt by way of poor education, lack of self-confidence, mobility restriction, lack of power in decision making etc. Making women self-dependent is necessary to empower them and to free them from their vulnerabilities.

Being agreed as the third objective of Millennium Development Goals, women empowerment is considered as a national priority (Yadav, 2018). As the framework suggests, the magnitude of women empowerment extends to:

- Economic
- Socio-cultural
- Legal
- Political
- Psychological (Varghese,2011)

Empowerment molds the lives of women in a crucial way and makes the life a better and productive one. Such a transformation helps women make better decisions, awareness on the rights and duties, mobility freedom and recognise their self-worth. Respect and support that they receive from their surroundings make them more encouraged and empowered. In addition to self-development, empowered women contribute to the standard of living of their families. Economic participation alone cannot contribute to women empowerment. The participation should spread across all dimensions. The increased impact of empowerment can be felt only when there is increased participation in decision making, productive activities, income generating events etc.

3.4 SOCIAL EMPOWERMENT OF WOMEN

Women's social empowerment refers to having a supportive environment by using different affirmative programs and policies for the empowerment of women along with the provision of easy and equal access to necessities of life. In the field of development, empowerment has become a catchword, with a specific focus on poverty alleviation and the political addition of marginalized groups of women. Microfinance has proved socially beneficial for women. In a pivotal study, Mahmud described that microfinance institutions have a significant positive influence on women's social empowerment as it substantially improves their control of income spending and intra-household decision-making power, which resultantly enhances their welfare. Sinha et al. found that women's participation in MFIs enhanced their capability to spend money, mobility, and dominance in household decision making. Further, Montgomery and Weiss concluded women's participation in MFIs leads to enhance family decision making and found that family landholdings, media exposure, and institutional access are key determinants of women empowerment. Similarly, it was found that savings impact is more significant on women as compared to men as it enhances their decision-making power related to family planning, family expenses, recreation, and their lifestyle.

Therefore, there is a need for an integrated microfinance program comprising education with skill-building training for increasing the capacity building of women and fortifying the relationship between women's social empowerment and microfinance.

3.5 FINANCIAL EMPOWERMENT OF WOMEN

Many past studies have analyzed women's empowerment from different perspectives; however, financial empowerment is ignored to some extent. In this study, one of the main objectives is to examine the financial empowerment of women. Past studies have reported that financial empowerment can be understood through three factors; financial literacy, financial attitude, and financial well-being. Financial literacy is inherent in humans and is recognized as the primary privilege of humans. "Financial literacy is the capability of understanding finance". Lack of financial knowledge ultimately pulls poor people away from success in financial markets or businesses. The importance of financial literacy is equal for men and women. However, it is reported that if women have stronger financial knowledge then they can do effective future planning. Financial knowledge is related to financial attitude. The financial attitude refers to the capability to manage finances, interest in enhancing financial knowledge, and investment decisions. Past studies revealed that financial knowledge, financial attitude, and financial behavior affect financial empowerment or financial well-being. The concept of financial well-being is related to personal traits, knowledge of finance, and attitude. Therefore, the subjective meaning of financial well-being varies from person to person. Thus, the financial empowerment of women can be assessed by considering financial literacy, financial attitude, and financial well-being.

3.6 MEASURING EMPOWERMENT

To evaluate how much impact that microfinance places on women empowerment, one should identify suitable indicators to measure the same. The World Bank and other developmental agency's haven't developed any effective methods for measuring and tracking changes in the level of empowerment, even after identifying empowerment as a primary development goal.

A 1995 report by UNDP, presented two complimentary indices, Gender-related Development Index (GDI) and the Gender Empowerment Measure (GEM). GDI attempts to measure the discriminations among men and women with respect to access to common needs. GEM measures women's participation in political and economic events. But these indices have limitations because it is difficult to measure women empowerment specifically as there is no universal yard stick for measuring the same due to varying socio-cultural scenarios. So, it is recommended to find out the dimensions of women empowerment and measure the same. Dimensions like resources, decision making and outcome etc. can be identified and adopted.

Apart from these indices, certain authors have put forward indices based on micro finance activity; index on loan usage, production process control, contribution to financial activity on account of labor. Empowerment indicators such as economic security, free from household violence, improvements in purchasing power, repayment rate, mobility, participation in household decision making , awareness on politics and legalities, freedom from family domination, involvement in political activities and public protests.

3.7 MICROFINANCE AND WOMEN'S EMPOWERMENT

Financial services are used as an opportunity for improving women empowerment. Financial needs of the poor, majorly, of women are met by an important tool known as micro financing. This is done to reduce their dependency on informal arrangements, which otherwise has kept away from formal banking due to lack of collateral securities, and thereby end up paying exorbitant rate of interest to money lenders. Financial service provided by Micro Finance Institutions (MFIs) helps in fighting for women's freedom and rights.

Credit given through group members is identified more effective and has observed substantial shift in their decision-making pattern, compared to direct minimal credit given by financial institutions. Group structure helps them free from household restrictions and gets connected with the outside world. Group formation empower them by getting exposed to new ideas through brain storming, build responsibility, leadership and mutual support among the group members. Financing through women's group also witnessed notable shift to more of a bargaining attitude and sole women household decision making. The effect is high, provided, women are member of a group for a long time.

Women, being the majority of the world population, are contributing to the economic growth and development and sustainable livelihoods of their families and society. The capability of women is enhanced through micro financing, which empower them to make their contribution. When MFIs fails to empower women directly, women are given training and awareness to challenge the existing norms, culture and values which makes them more empowered and have control on their lives and resources. Their socio-economic status and decision making power is enhanced by offering them formal or semi-formal financial services. The essence of micro finance is its sustainability in financial services to the underprivileged. Micro finance offers credit, savings and insurance products to the poor to boost their income generation capabilities. Micro finance is also used as a tool to fight gender inequalities. Gender inequalities are highly faced by women. As micro finance highly target women, it has the potential to contribute to gender equality and thereby uphold sustainable livelihoods and quality working conditions for women.

3.8 HOW MICROFINANCE EMPOWERS WOMEN IN INDIA

In many developing nations, women contribute significantly to agricultural productivity, primarily through work in crop processing. However, the labor is completely free of charge and complementary to human effort, not interchangeable with it.

In addition, women with greater fertility rates and less marketable education and skills indicate that they are preoccupied with raising their children. Aside from this, even in the absence of earnings or funds, land and other customary possessions are typically passed down to sons.

Microfinance services encompass a range of financial services such as savings, credit, insurance, housing, remittances, loans, and money. With the help of these services, women can engage in a variety of actions that effectively lessen their patriarchal control over those assets. Thus, it promotes gender equality as well as economic advancement. The main goal of microcredit is to enable women to obtain financial aid even in the absence of collateral or proof of income. They are eligible for various amounts of microcredit. Based on your demands, you must select the best solution for yourself.

Women are able to choose between paying back their loans in monthly, weekly, or daily installments. Most significantly, compared to interest rates supplied by official institutions like banks, these forms of financial aid are provided at a nominal cost.

Women are able to choose between paying back their loans in monthly, weekly, or daily installments. Most significantly, compared to interest rates supplied by official institutions like banks, these forms of financial aid are provided at a nominal cost. Microfinance enables you to take advantage of the creation of various networks with those of other women in your community and effectively empowers women by boosting their bravery and self-esteem. Additionally, it strengthens their ability to make decisions for their family.

Due to their greater loan repayment rates than men, women are seen as more trustworthy borrowers. Men are more likely than women to abuse this kind of financial support for other purposes, such as drinking alcohol or gambling. Conversely, women take out loans and use their money for a range of financial ventures. It assists them in earning more money for their kids. In terms of increased consumption rates, healthy eating, asset building, and increased enrollment in different schools, it benefits them economically. We are all aware of the connection between women's empowerment and any region's ability to prosper economically.

It illustrates how a large number of microfinance institutions (MFIs) view financial aid such as microfinance as a comprehensive strategic instrument that incorporates women into the process of development. Even though these loans are offered in women's names, numerous studies have demonstrated that a loan has strong control over a spouse. It implies that ladies are incapable of misusing their loan money for any improper reason. In addition, a lot of women tend to defy traditional gender norms, which could put them at greater danger of domestic abuse. Men frequently want to reassert their dominance, which is the cause.

In addition, a number of microfinance opponents have asserted that some microfinance organizations are renowned for their more advanced recovery tactics. They occasionally also confiscate the assets of the borrowers. Moreover, they drive defaulter women into destitution.

The concept of women's power needs to be operationally defined in order to conduct a thorough analysis of how microfinance affects women in many developing nations. One way to define female empowerment is the growing ability of women to make their own decisions in areas where this has traditionally been determined for them. Enhancing their ability to make decisions enables individuals to actively contribute to their own well-being.

You will encounter two potential approaches to conducting a thorough analysis of the true effect of microfinance on women's empowerment. Additionally, a number of process-based impact studies have been conducted, which indicate that the process of empowerment is highly dynamic and can only be fully understood in conjunction with a number of indirect variables, such as managerial control over microloans, accounting expertise, control over intra-household spending, and many more. In addition, a plethora of indicators measuring health, literacy, nutrition, contraception, labor force participation, asset ownership, and many more topics will be presented to you.

When we discuss diverse outcome-based assessments, we are referring to those that make use of direct indicators, such as the appraisal of different social networks and a strong belief in the results of life.

It's important to remember that it has the power to alter the real systems that perpetuate gender inequality, particularly in the family and the community. It's also critical to consider the many variables at play, including the diversity of women, the availability of time series data, the multifaceted character of empowerment that produces contradictory findings, and the significant influence of microfinance and women's empowerment.

3.9 WHY TARGET WOMEN?

Micro finance is developed as a gender-sensitive tool. This tool is widely used to fight the vulnerabilities women face in the society. Of the total women population, 70% of them are poor. This is because, conventionally women lack access to credit and other financial services. Micro Finance Institutions (MFIs) target women clients as they are considered more reliable than men and has high repayment capacity. Studies show that majority of the clients of micro lenders are women. Men and formal businesses are given the priority to access financial services by commercial banks. These banks neglect women who make up the majority of the population who have the capability to build the economy. A great relief to this situation was micro financing, the empowerment and poverty reduction tool. Micro finance primarily targeted women clients, who have no access to formal banking system. The main objective was to empower them by offering financial services. 85% of the micro finance clients represent women. Therefore, concentrating micro financing activities among women was considered effective. Apart from that, since the repayment rates of women tend to be high compared to men, from a business point of view, focusing on women clients is meaningful. Women also contribute major portion of their earnings to household expenses than their spouse. They are considered more conservative in their investment decisions due to lack of labor mobility. With women controlling the funds and their income generating activities, nutritional status, housing conditions, savings behavior and agricultural productivity are substantially improved.

The benefit is also enjoyed by the children of female borrowers as there is a high chance of full-time education and thus falls in school or college drop-out rates. Recent studies

indicate that the extra income made from micro enterprises are often prioritized in the following manner: First priority is given to child's education, which greatly benefit girl child. Next priority is placed on having nutritious food and better health practices. Societal benefit is also seen when micro finance programs have positive environmental impact by supporting green jobs and renewable energy system. Hence, it's very evident that micro finance highly contributes to the realisation of Millennium Development Goals.

However, it can't be rightly said that micro financing implemented for empowering women has only positives. There are also negative effects to this empowerment tool. Growth in the income of women can be at the cost of high amount of work and loan settlement pressures. The loan amount is most often used by the male member in the family for his business needs or for any unproductive purposes. To that, women have little or no control over their loan. Eventually, women end up being employed with no payment and no benefit to the family. Also, men takes it granted and end up being purposefully unemployed that leads to lack of male family support and contribution to household expenses. Studies show that 40% to 70% of loans allocated to women are used by the male family member and the repayment pressure of women leads to domestic violence (Rahman 1999).

Therefore, by assisting in meeting their practical requirements and boosting their self-esteem and confidence, microfinance can strengthen women in their traditional responsibilities. While elevated self-worth does not inevitably result in empowerment, it unquestionably enhances women's capacity and readiness to confront the societal inequalities and biased structures they encounter.

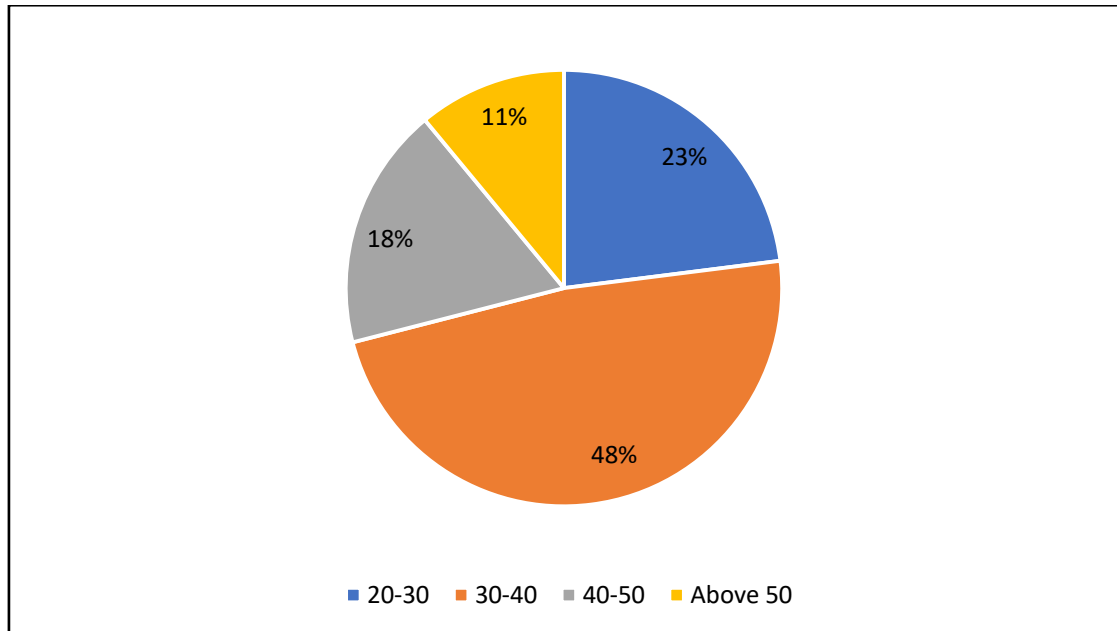
CHAPTER – IV
DATA ANALYSIS AND INTERPRETATION

Table 4.1: Classification of respondents on the basis of age.

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Between 20-30	23	23
Between 30-40	48	48
Between 40-50	18	18
Above 50	11	11
Total	100	100

Source: primary data

Figure 4.1: Classification of respondents on the basis of age.



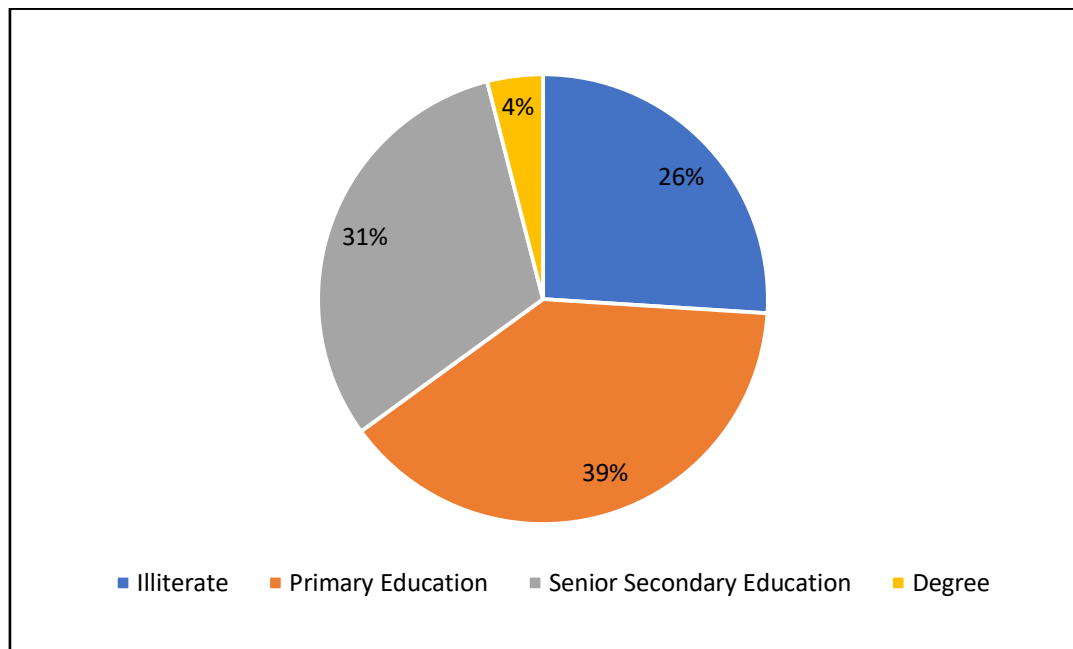
Interpretation: Figure 4.1 shows that 48% of the respondents belong to the age category of 30-40, whereas 23% belongs to 20-30 categories, 18% from 40-50 years of age and remaining above 50 years of age.

Table 4.2: Classification of respondents on the basis of education

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Illiterate	26	26
Primary Education	39	39
Senior Secondary Education	31	31
Degree	4	4
Post-Graduation	0	0
Total	100	100

Source: primary data

Figure 4.2: Classification of respondents on the basis of education



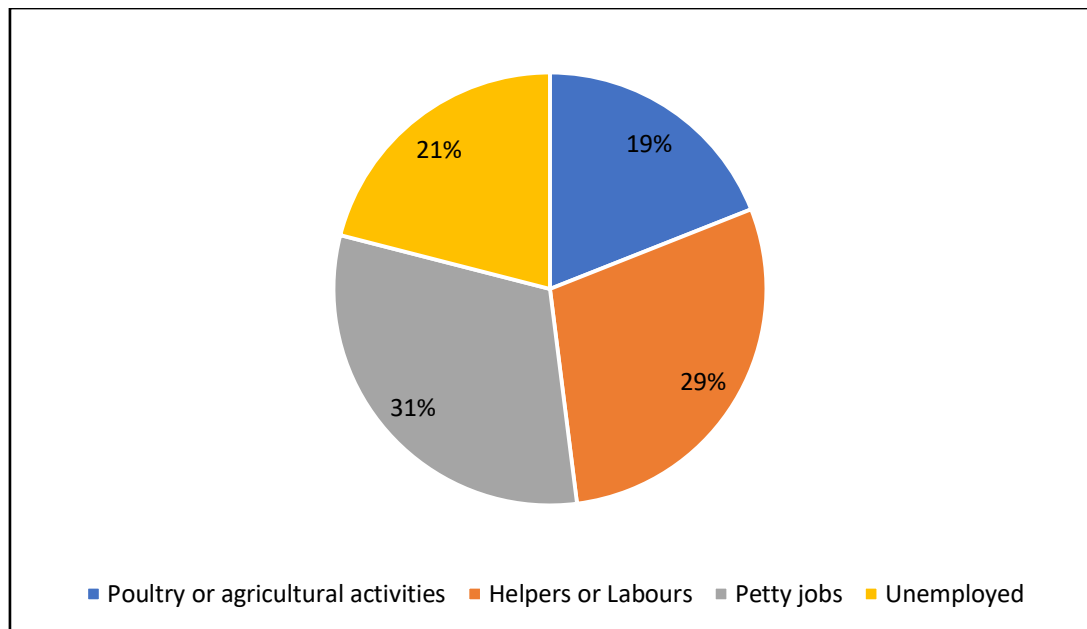
Interpretation: Figure 4.2 depicts that 39% of the respondents have primary education, followed by 31% with senior secondary education. Remaining 26% are illiterate and 4% with a degree. None of our respondents are post-graduates.

Table 4.3: Classification of respondents on the basis of occupation.

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Poultry or agricultural activities	19	19
Helpers or Labours	29	29
Petty jobs	31	31
Unemployed	21	21
Total	100	100

Source: primary data

Figure 4.3: Classification of respondents on the basis of occupation.



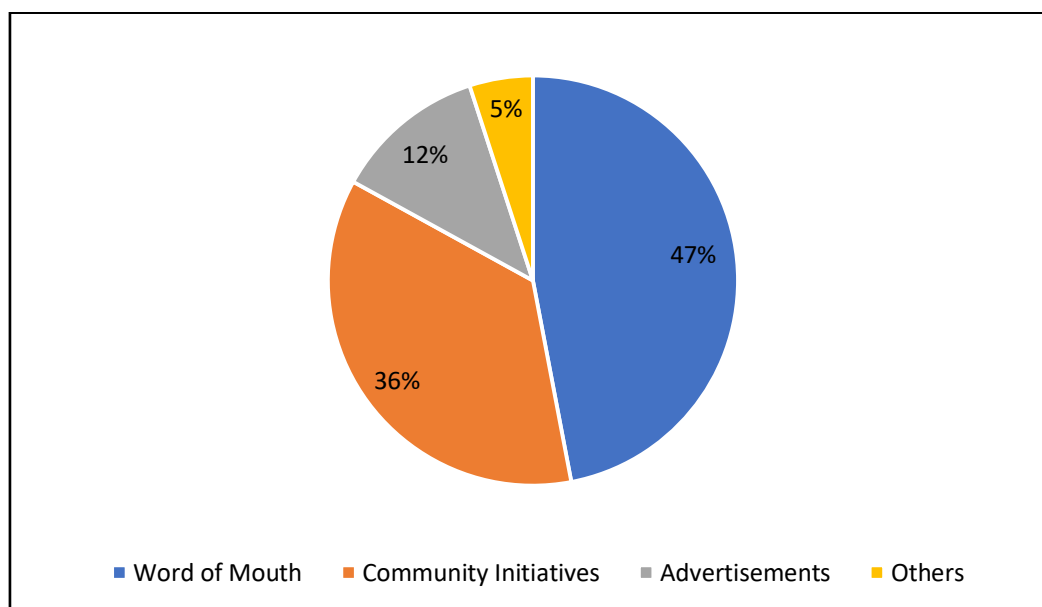
Interpretation: Figure 4.3 shows that 31% of the respondents do petty jobs followed by 29% of helpers/labor. 21% of the respondents are unemployed and the remaining 19% are agricultural/poultry farmers.

Table 4.4: Classification of respondents on the basis of how they initially got aware about microfinance.

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Word of Mouth	47	47
Community Initiatives	36	36
Advertisements	12	12
Others	5	5
Total	100	100

Source: primary data

Figure 4.4: Classification of respondents on the basis of how they initially got aware about microfinance.



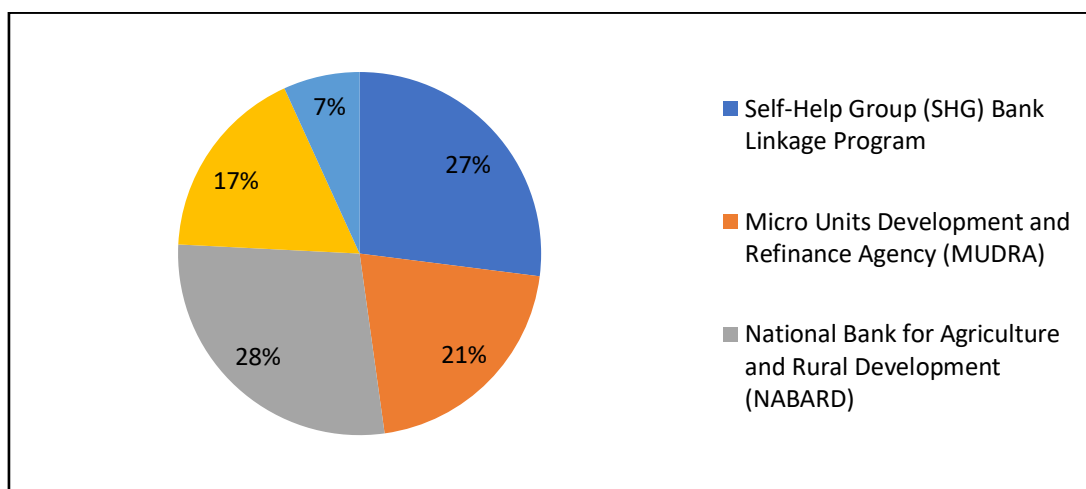
Interpretation: Figure 4.4 shows that 47% of the respondents became aware of microfinance services through word of mouth, 36% through community initiatives, 12% through advertisements, and remaining through other means.

Table 4.5: Classification of various microfinance on the basis of familiarity

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Self-Help Group (SHG) Bank Linkage Program	56	27
Micro Units Development and Refinance Agency (MUDRA)	43	21
National Bank for Agriculture and Rural Development (NABARD)	58	28
Small Industries Development Bank of India (SIDBI)	36	17
Digital Financial Inclusion Initiatives	14	7
Total	207	100

Source: primary data

Figure 4.5: Classification of various microfinance on the basis of familiarity



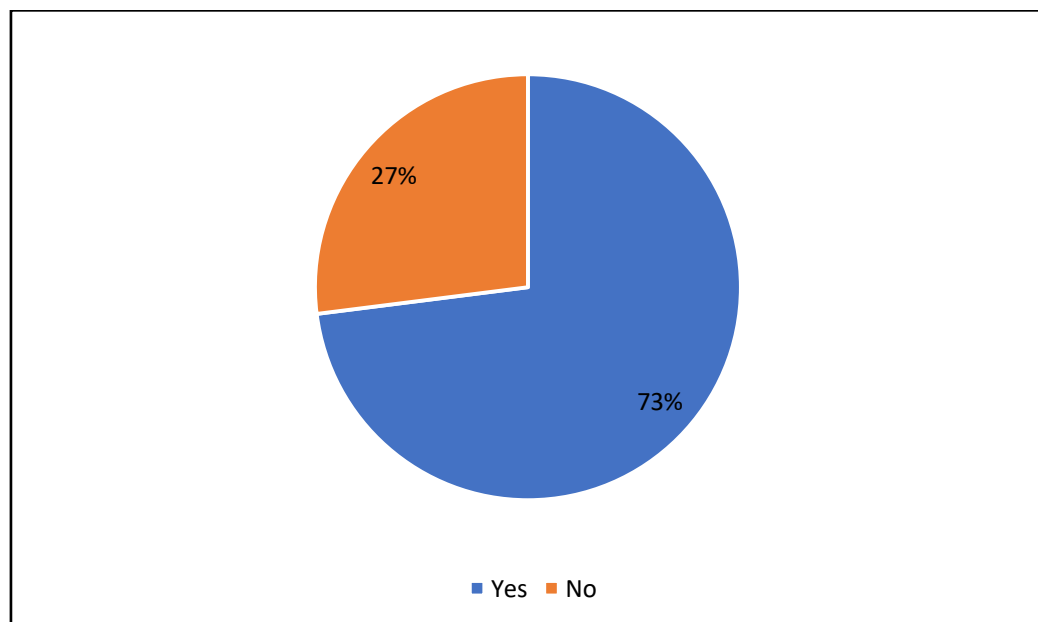
Interpretation: Figure 4.5 shows that 28% and 27% of respondents are aware of NABARD and SHGs respectively. 21% are aware of MUDRA and 17% are aware of SIDBI. Only 7% are familiar with Digital Financial Inclusion Initiatives.

Table 4.6: Classification of respondents on the basis of availing microfinance loan

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Yes	73	73
No	27	27
Total	100	100

Source: primary data

Figure 4.6: Classification of respondents on the basis of availing microfinance loan



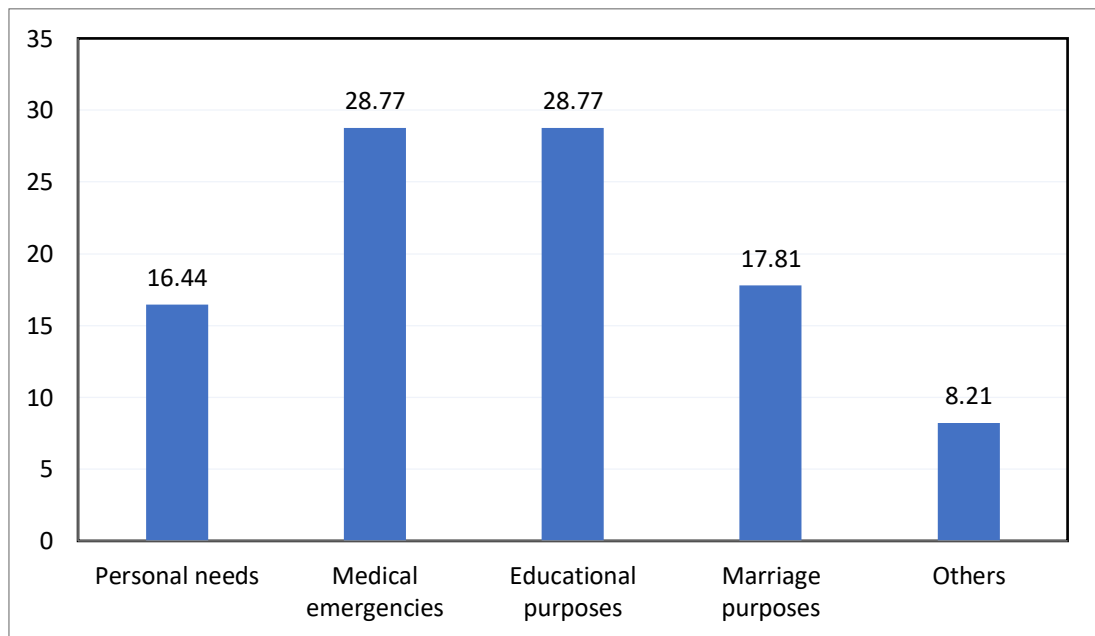
Interpretation: Figure 4.6 show that 73% of the respondents have availed loans from micro finance.

Table 4.7: Purpose of which loans were taken by the respondents.

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Personal needs	12	16
Medical emergencies	21	29
Educational purposes	21	29
Marriage purposes	13	18
Others	6	8
Total	73	100

Source: primary data

Figure 4.7: Purpose of which loans were taken by the respondents.



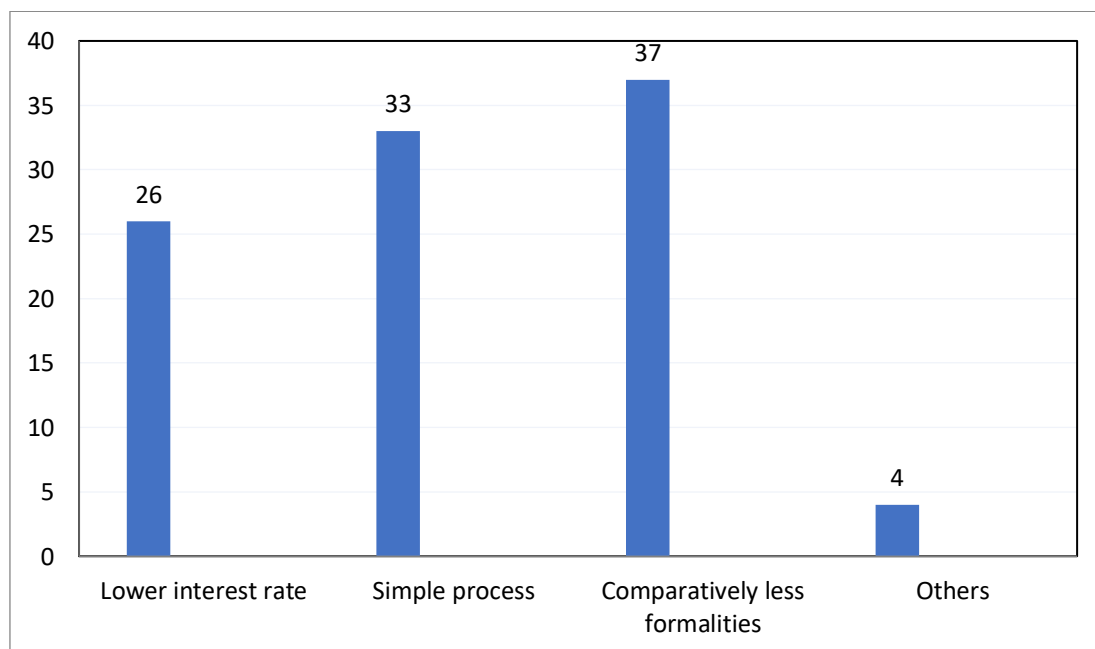
Interpretation: Figure 4.7 depicts that a majority of 29% availed loans for medical and education purposes. 18% of the loans were for marriage and 16% for personal needs. The remaining 8% is for other purposes.

Table 4.8: Reason for preferring loan from microfinance institutions.

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Lower interest rate	19	26
Simple process	24	33
Comparatively less formalities	27	37
Others	3	4
Total	73	100

Source: primary data

Figure 4.8: Reason for preferring loan from microfinance institutions.



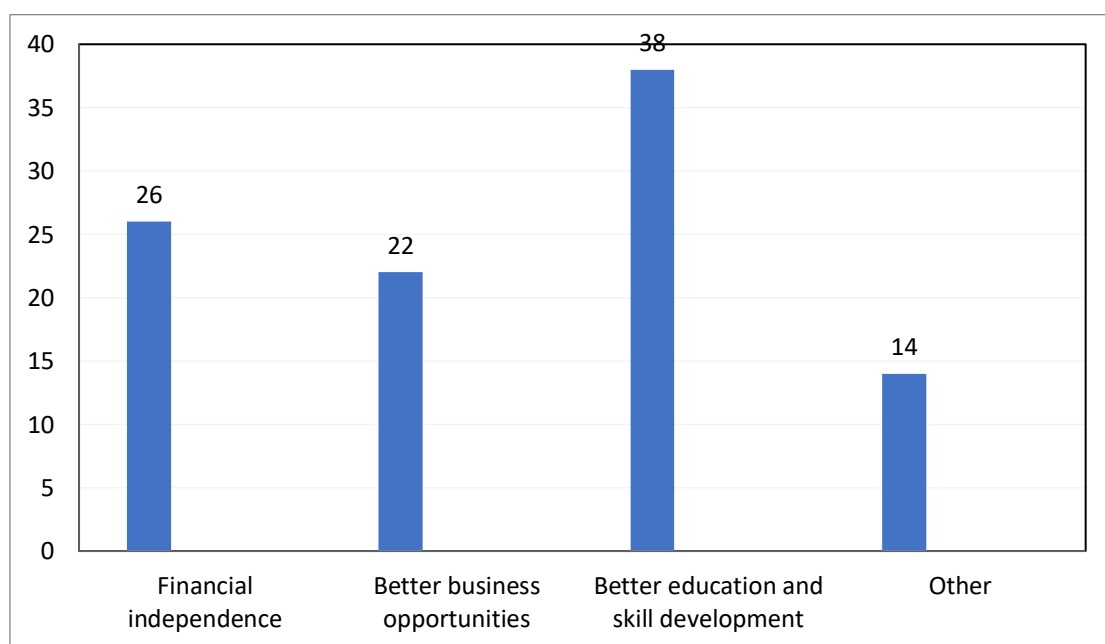
Interpretation: Figure 4.8 depicts that 37% of the respondents prefer micro finance loans because of fewer formalities, 33% due to easy procedures, 26% because of low-interest rates, and 4% for other reasons.

Table 4.9: Respondents motive to seek microfinance assistance.

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Financial independence	19	26
Better business opportunities	16	22
Better education and skill development	28	38
Other	10	14
Total	73	100

Source: primary data

Figure 4.9: Respondents motive to seek microfinance assistance.



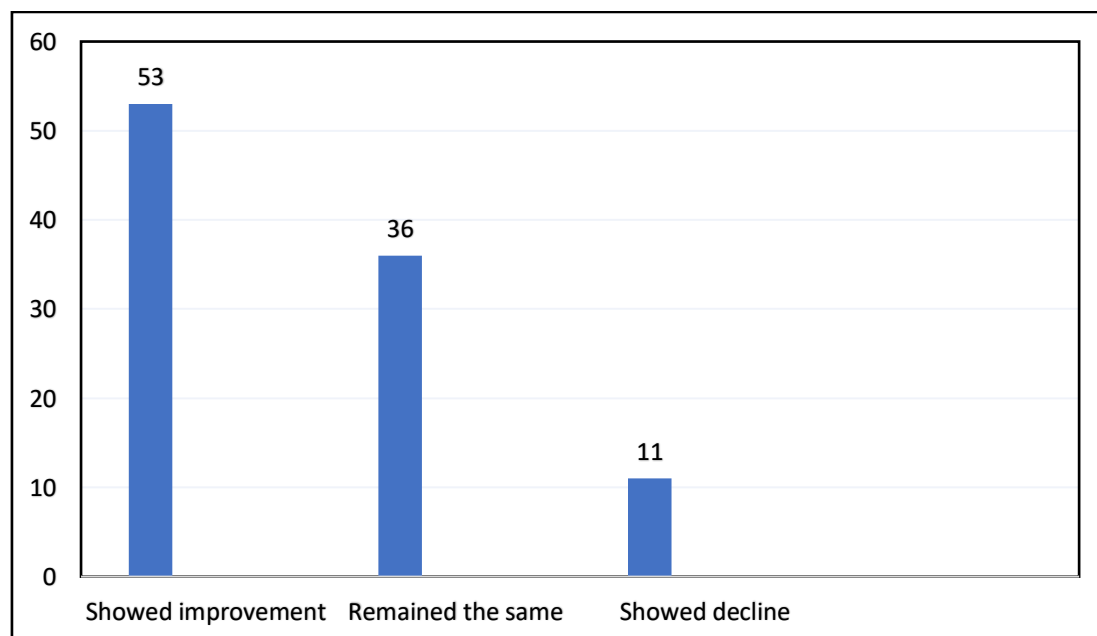
Interpretation: Figure 4.9 shows that education and skill development was the main motive behind taking micro finance assistance with 38%, followed by financial independence with 26%, business opportunities with 22% and 14% for other reasons.

Table 4.10: Responses on how microfinance affected the economic situation.

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Shown improvement	39	53
Remained the same	26	36
Shown decline	8	11
Total	73	100

Source: primary data

Figure 4.10: Responses on how microfinance affected the economic situation.



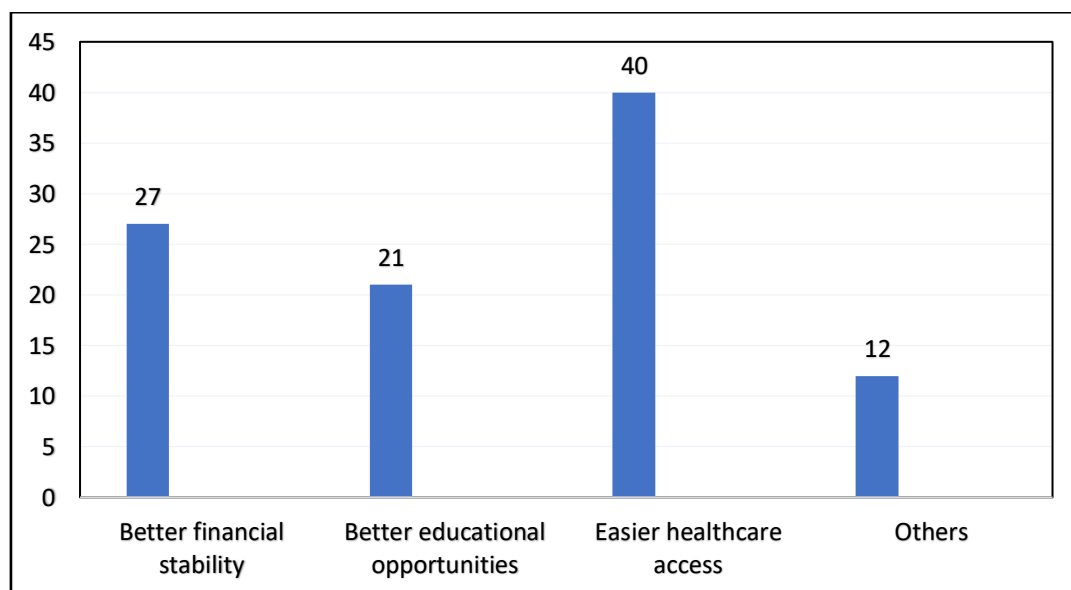
Interpretation: Figure 4.10 shows that 53% of the respondents' economic situation has improved whereas 36 %' situation remains the same. 11% believe that their economic situation has declined.

Table 4.11: Opinion of respondents on impact of microfinance on family.

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Better financial stability	20	27
Better educational opportunities	15	21
Easier healthcare access	29	40
Others	9	12
Total	73	100

Source: primary data

Figure 4.11: Opinion of respondents on impact of microfinance on family.



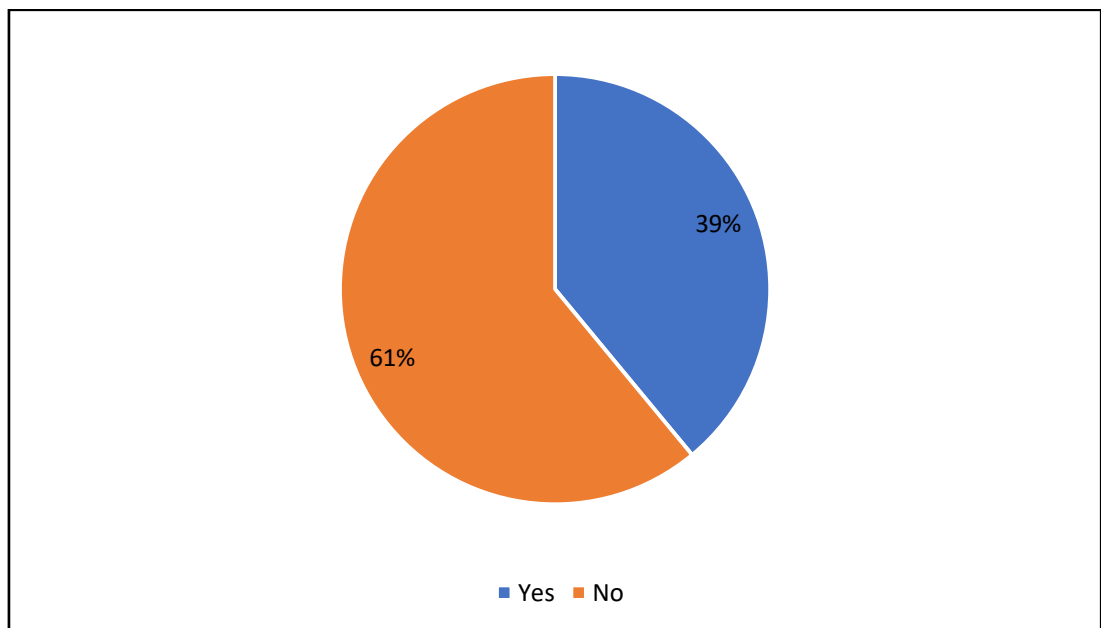
Interpretation: Figure 4.11 shows that 40% of the respondents believe that their families got access to better healthcare facilities through microfinance assistance. 27% and 21% of them say that their family's financial stability has improved and got better educational opportunities respectively. The remaining 12% have other impacts on their families.

Table 4.12: Classification of respondents on the basis of membership in SHGs.

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Yes	39	39
No	61	61
Total	100	100

Source: primary data

Figure 4.12: Classification of respondents on the basis of membership in SHGs.



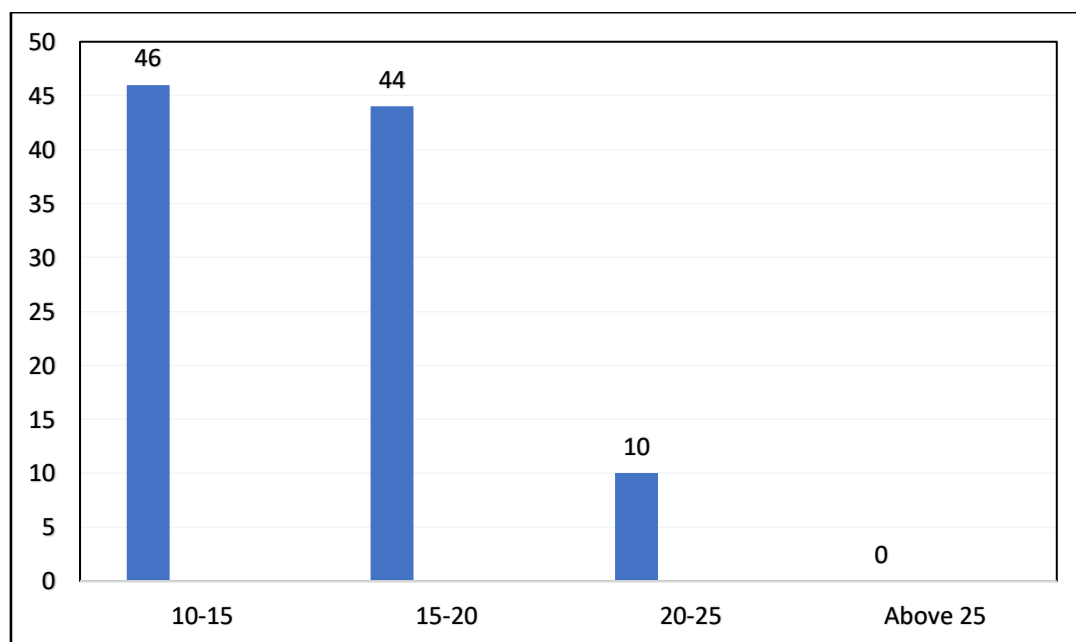
Interpretation: Figure 4.12 shows that the majority of the respondents, that is 61%, are not a member of SHGs. Only 39% of the respondents are a member of SHG.

Table 4.13: Number of members in the SHG.

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
10-15	18	46
15-20	17	44
20-25	4	10
Above 25	0	0
Total	39	100

Source: primary data

Figure 4.13: Number of members in the SHG.



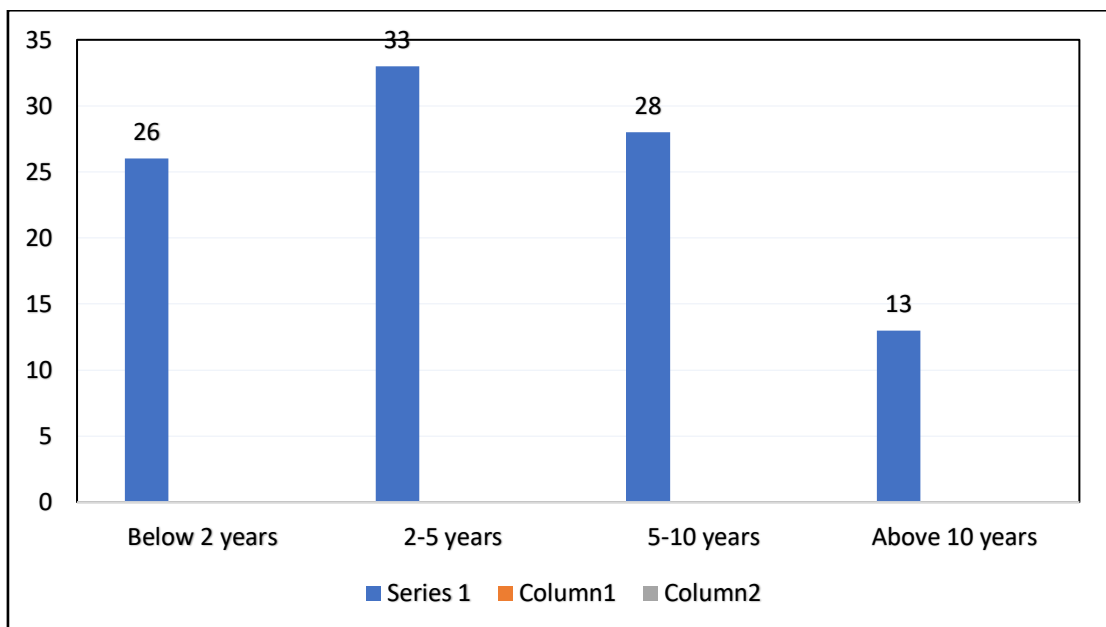
Interpretation: Figure 4.13 depicts that 46% of the SHGs have 10-15 members, while 44% of the SHGs have 15-20 members. The remaining 10% of SHGs have 20-25 members but there are no SHGs with more than 25 members.

Table 4.14: Duration of membership in SHG.

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Below 2 years	10	26
2-5 years	13	33
5-10 years	11	28
Above 10 years	5	13
Total	39	100

Source: primary data

Figure 4.14: Duration of membership in SHG.



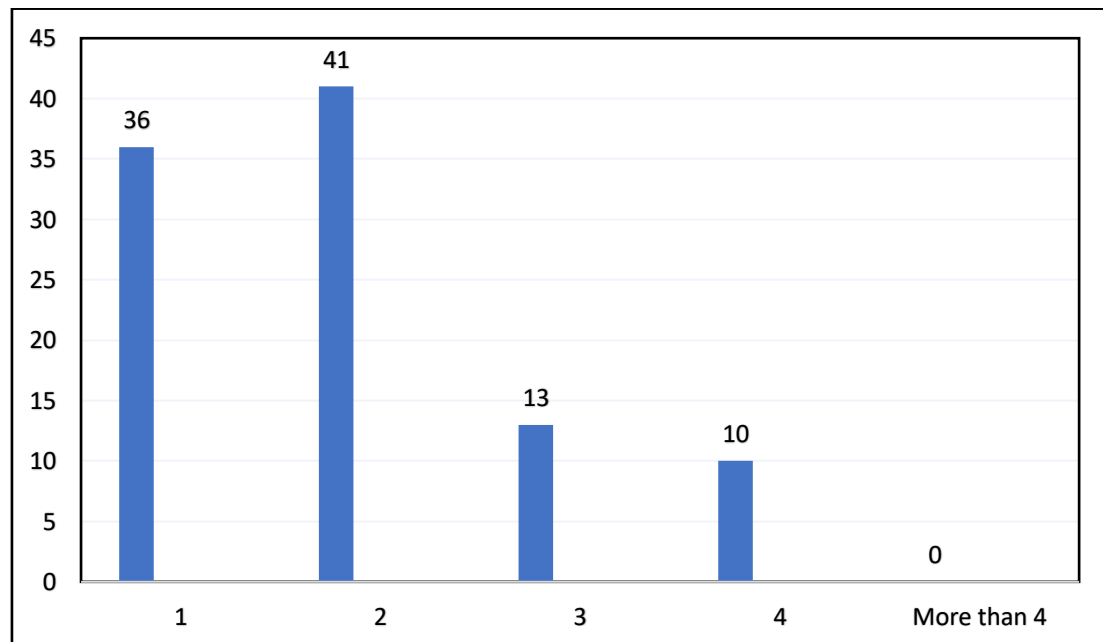
Interpretation: Figure 4.14 shows that 33% of the respondents are a member of SHG for 2-5 years, 28% of them for 5-10 years, 26% for less than 2 years and the remaining 13% for more than 10 years.

Table 4.15: Number of times respondents have taken loans from SHG.

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
1	14	36
2	16	41
3	5	13
4	4	10
More than 4	0	0
Total	39	100

Source: primary data

Figure 4.15: Number of times respondents have taken loans from SHG.



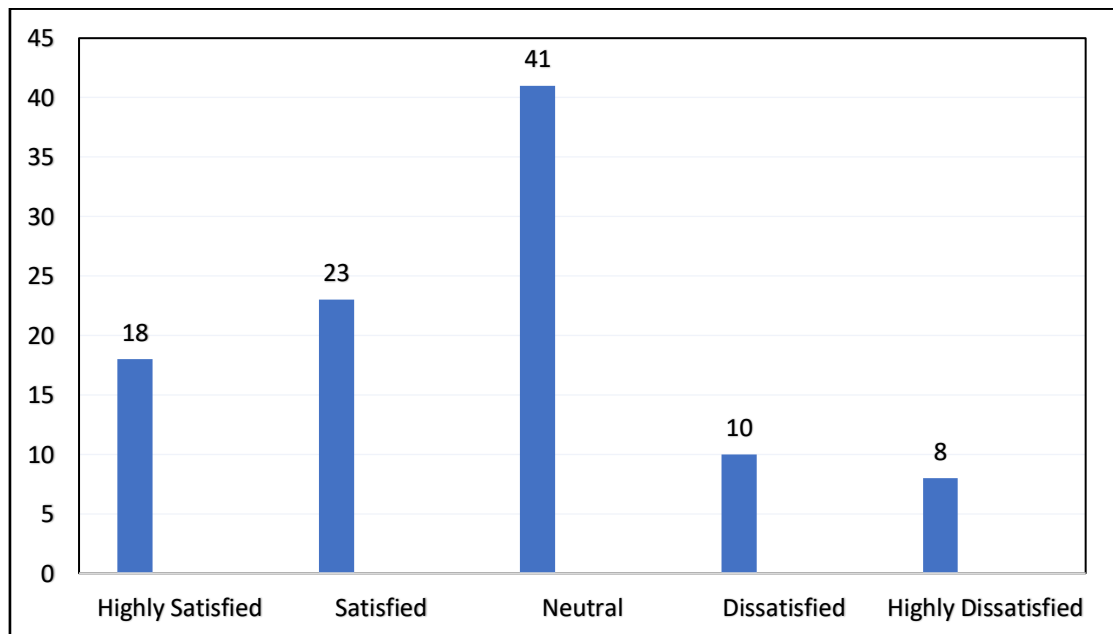
Interpretation: Figure 4.15 shows that 41% of the respondents availed loans 2 times and 36% only for one time. 13% and 14% of respondents availed loans 3-4 times respectively, while none of them have taken a loan more than 4 times.

Table 4.16: Opinion of respondents on the satisfaction level of loan interest rate.

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Highly Satisfied	7	18
Satisfied	9	23
Neutral	16	41
Dissatisfied	4	10
Highly Dissatisfied	3	8
Total	39	100

Source: primary data

Figure 4.16: Opinion of respondents on the satisfaction level of loan interest rate.



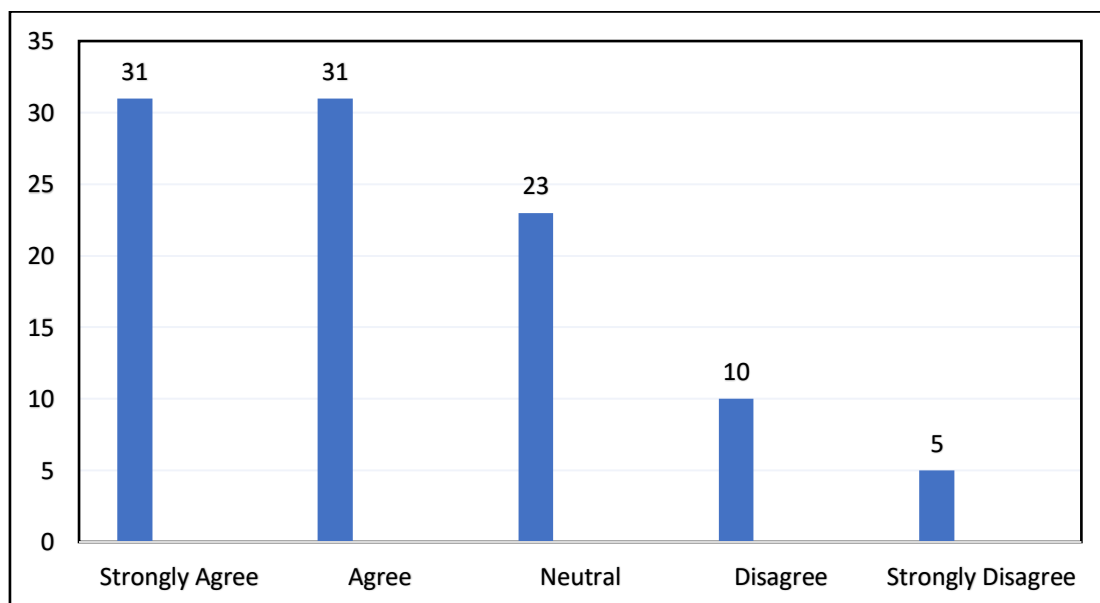
Interpretation: Figure 4.16 shows that 41% of the respondents are neutrally satisfied, 23% are satisfied and 18% are highly satisfied. 10% and 8% of the respondents are dissatisfied and highly dissatisfied respectively.

Table 4.17: Respondents agreement level on “SHG’s support to be financially independent”.

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Strongly Agree	12	31
Agree	12	31
Neutral	9	23
Disagree	4	10
Strongly Disagree	2	5
Total	39	100

Source: primary data

Figure 4.17: Respondents agreement level on “SHG’s support to be financially independent”.



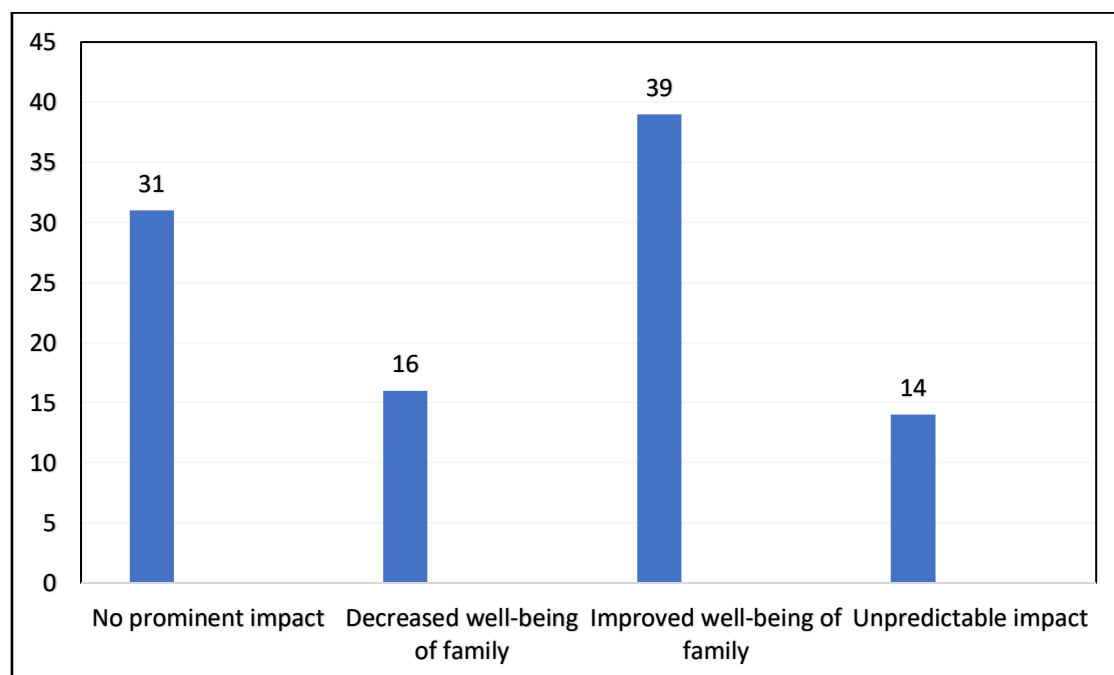
Interpretation: Figure 4.17 shows that 31% agree and 23% neutrally agree that SHG has supported them to be financially independent, while only 10% and 5% disagree with the statement.

Table 4.18: Opinion of respondents on impact of women's participation in microfinance on family well-being

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
No prominent impact	31	31
Decreased well-being of family	16	16
Improved well-being of family	39	39
Unpredictable impact	14	14
Total	100	100

Source: primary data

Figure 4.18: Opinion of respondents on impact of women's participation in microfinance on family well-being.



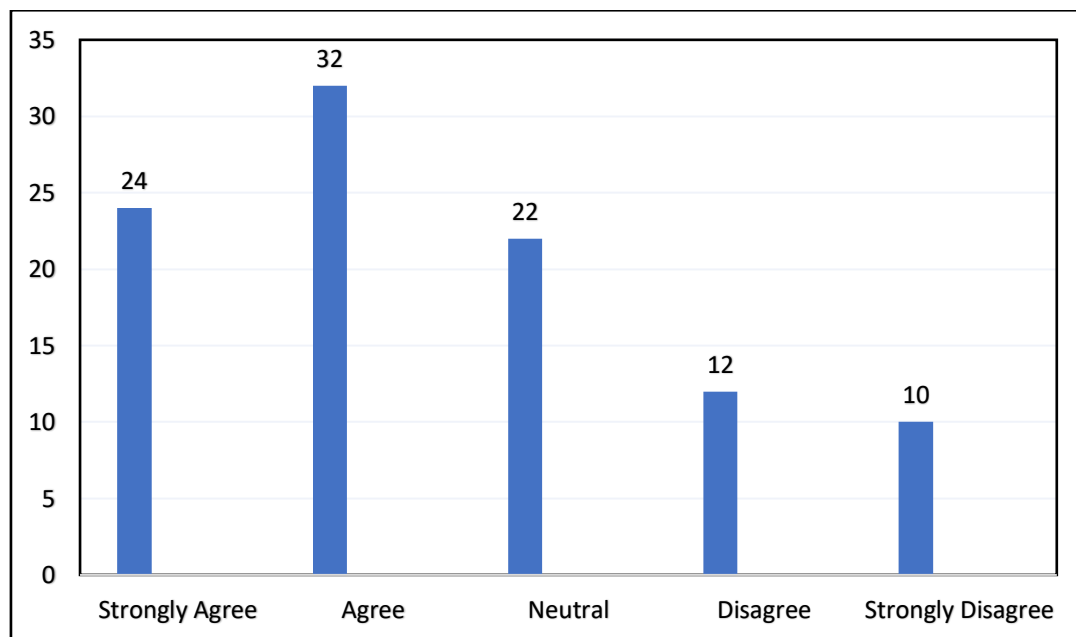
Interpretation: Figure 4.18 shows that a majority of 39% of respondents believe that women's participation in microfinance has improved the well-being of the family, 31% believe that there is no significant impact, 16% said it decreases the family's well-being and 14% believe that there is an unpredictable impact on families.

Table 4.19: Respondents agreement level on self-help groups role in women's empowerment

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Strongly Agree	24	24
Agree	32	32
Neutral	22	22
Disagree	12	12
Strongly Disagree	10	10
Total	100	100

Source: primary data

Figure 4.19: Respondents agreement level on self-help groups role in women's empowerment



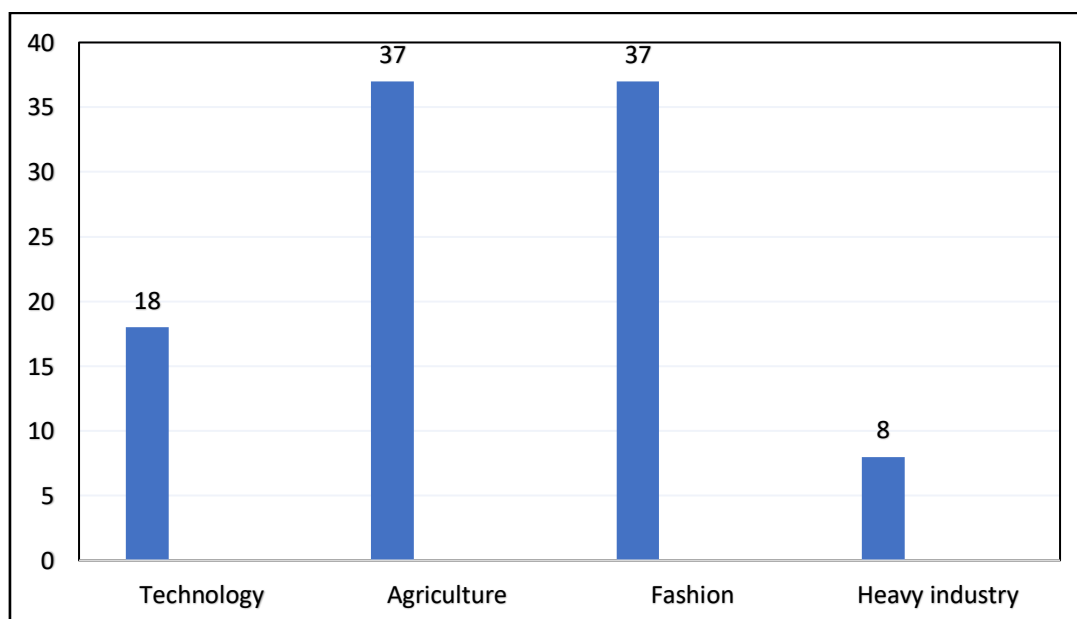
Interpretation: Figure 4.19 depicts that a majority of 32% agree that self-help groups play a vital role in women's empowerment. 24% strongly agree, 22% neutrally agree, 12% disagree and 10% strongly disagree with the statement.

Table 4.20: Classification of sector with significant growth through microfinance for women.

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Technology	18	18
Agriculture	37	37
Fashion	37	37
Heavy industry	8	8
Total	100	100

Source: primary data

Figure 4.20: Classification of sector with significant growth through microfinance for women.



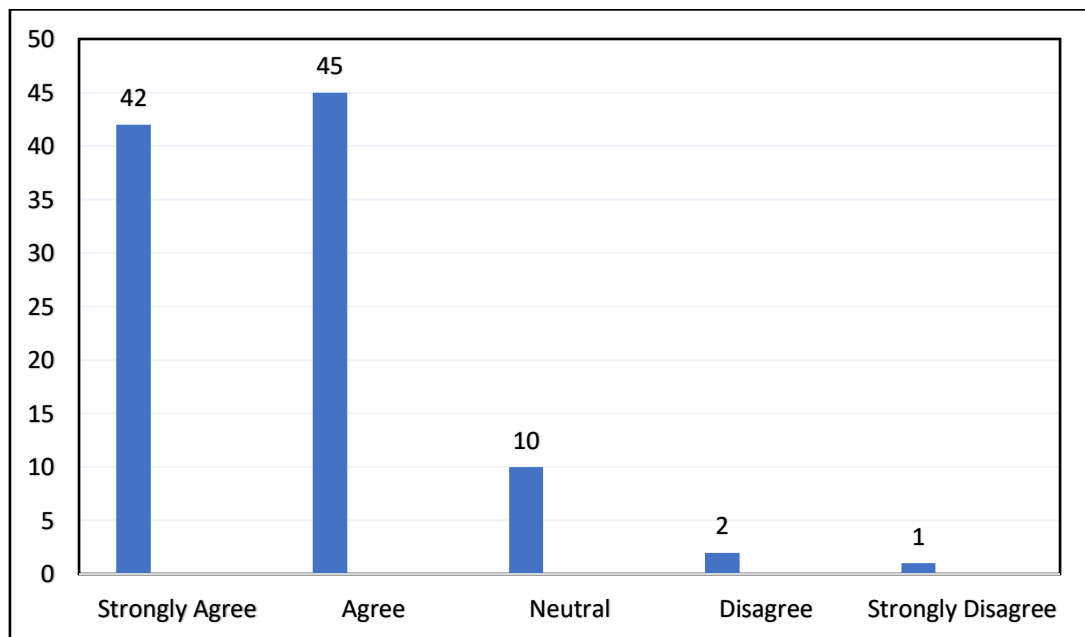
Interpretation: Figure 4.20 shows that the majority of the responses (37%) state that agriculture and fashion are the 2 sectors that have significant growth through microfinance. 18% state that technology is the sector with significant growth and 8% believe it is heavy industries.

Table 4.21: Respondents agreement level on microfinance contribution to women empowerment

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Strongly Agree	42	42
Agree	45	45
Neutral	10	10
Disagree	2	2
Strongly Disagree	1	1
Total	100	100

Source: primary data

Figure 4.21: Respondents agreement level on microfinance contribution to women empowerment



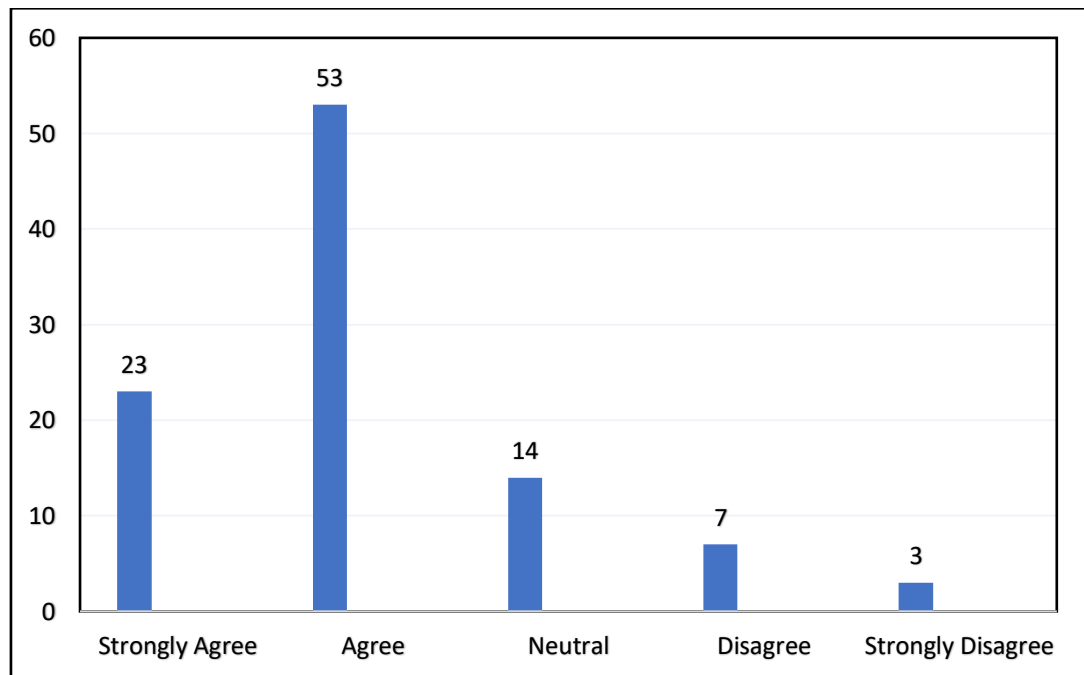
Interpretation: Figure 4.21 shows that a majority of 45% agrees with the statement that microfinance contributes to the empowerment of women, followed by 42% who strongly agree with the statement. 10% of the respondents neutrally agree with the statement and only 1-2% disagrees with the statement.

Table 4.22: Respondents agreement level on microfinance reduces gender-based economic disparities

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Strongly Agree	23	23
Agree	53	53
Neutral	14	14
Disagree	7	7
Strongly Disagree	3	3
Total	100	100

Source: primary data

Figure 4.22: Respondents agreement level on microfinance reduces gender-based economic disparities



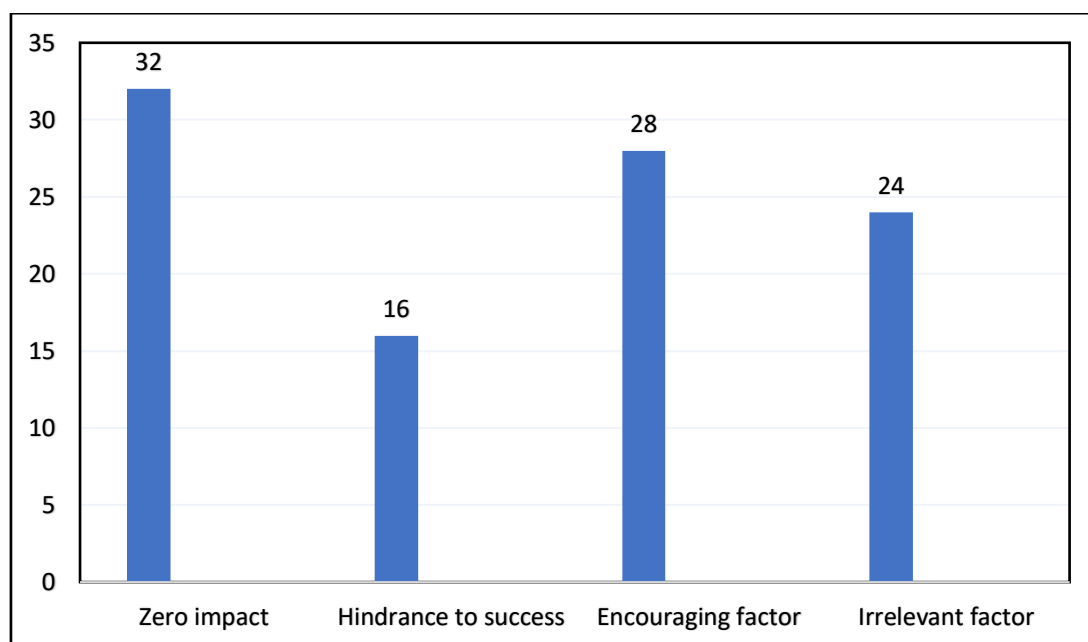
Interpretation: Figure 4.22 depicts that a majority of 53% agree with the statement that microfinance reduces gender-based economic disparities, followed by 23% who strongly agree with the statement, 14% of the respondents neutrally agree with the statement, 7% disagree with the statement and 3% strongly disagree with the statement.

Table 4.23: Respondents opinion on the role of education in the success of microfinance programs for women

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Zero impact	32	32
Hindrance to success	16	16
Encouraging factor	28	28
Irrelevant factor	24	24
Total	100	100

Source: primary data

Figure 4.23: Respondents opinion on the role of education in the success of microfinance programs for women



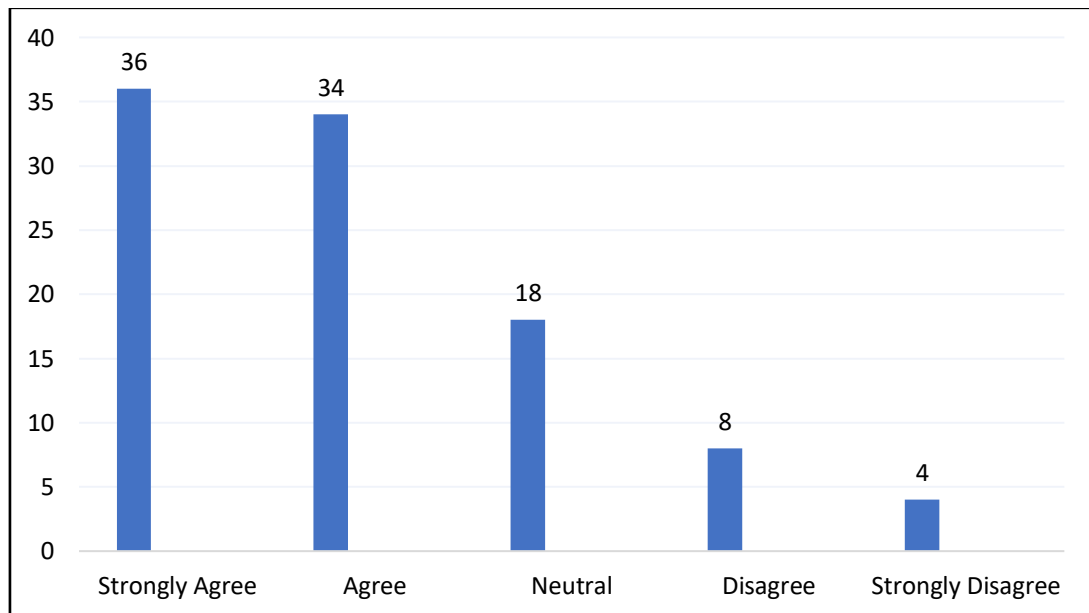
Interpretation: Figure 4.23 shows that 32% state that education has no impact on the success of microfinance, 28% state that education is an empowering factor, 24% state that it is an irrelevant factor and the remaining 16% believe it is a hindrance.

Table 4.24: Respondents agreement level on microfinance follows harsh repayment methods

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Strongly Agree	36	36
Agree	34	34
Neutral	18	18
Disagree	8	8
Strongly Disagree	4	4
Total	100	100

Source: primary data

Figure 4.24: Respondents agreement level on microfinance follows harsh repayment methods



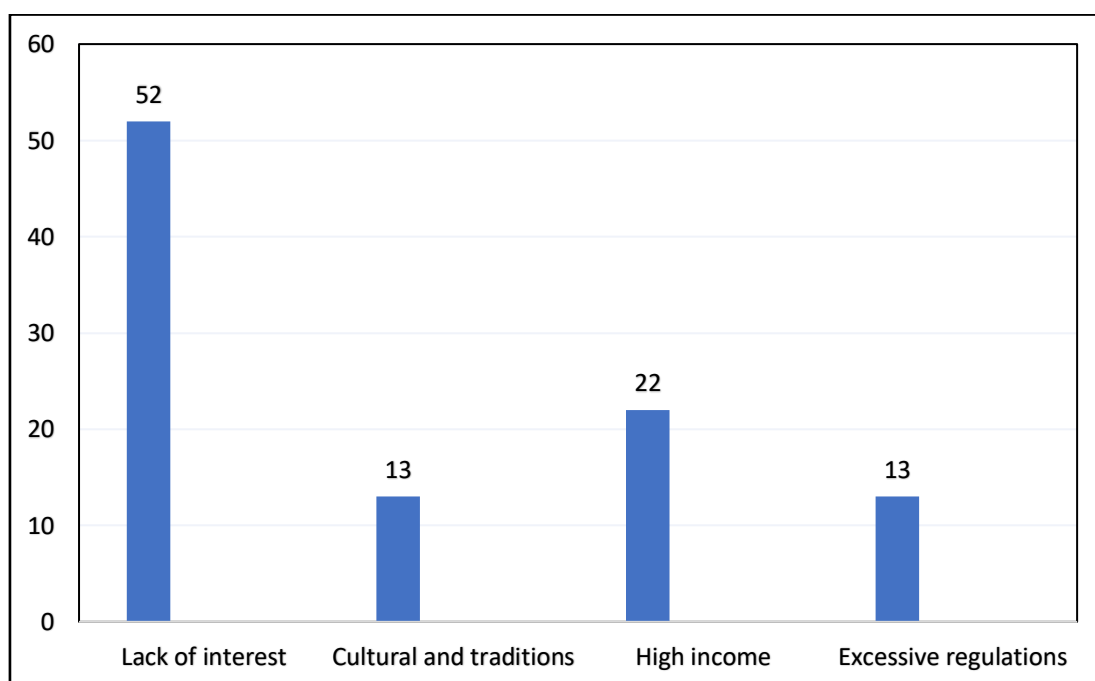
Interpretation: Figure 4.24 shows that a majority of 36% strongly agree that microfinance follows harsh repayment methods followed by 34% who agree with the statement. 18% are neutral to the statement while 8% disagrees and 4% strongly disagree with the statement.

Table 4.25: Key barrier to women's access to microfinance

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Lack of interest	52	52
Cultural and traditions	13	13
High income	22	22
Excessive regulations	13	13
Total	100	100

Source: primary data

Figure 4.25: Key barrier to women's access to microfinance



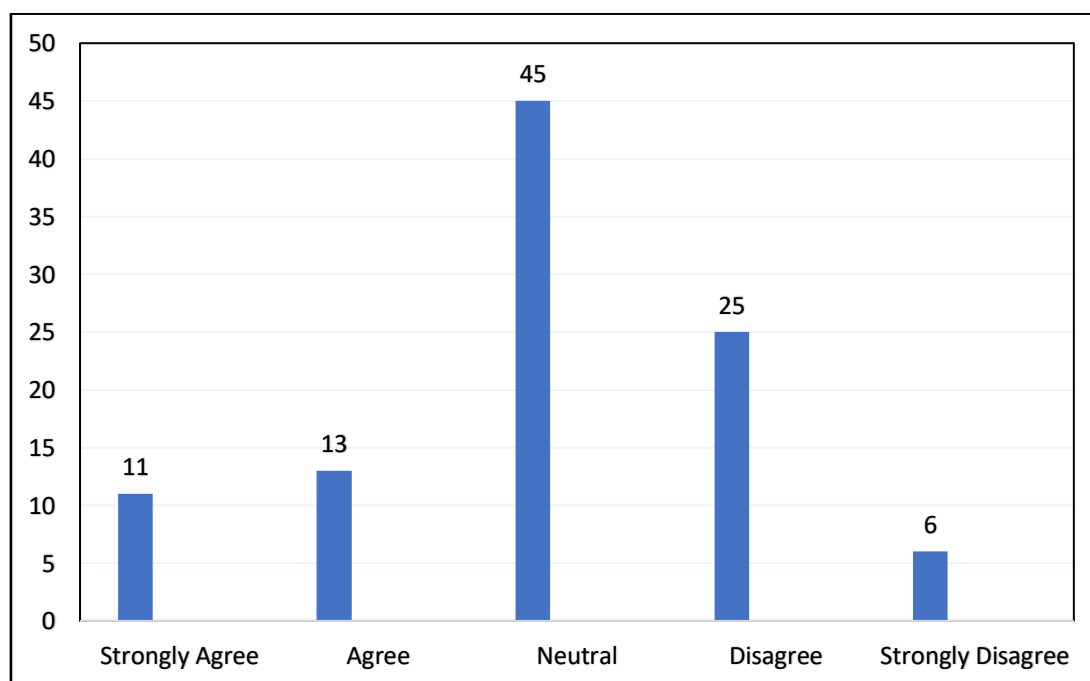
Interpretation: Figure 4.25 shows that a majority (52%) of respondents state that the key barrier to women's access to microfinance is lack of interest. 22% believe that high income is the barrier while 13% state it is cultural norms and excessive regulations.

Table 4.26: Respondents agreement level on absence of collateral is an obstacle for microfinance assistance

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Strongly Agree	11	11
Agree	13	13
Neutral	45	45
Disagree	25	25
Strongly Disagree	6	6
Total	100	100

Source: primary data

Figure 4.26: Respondents agreement level on absence of collateral is an obstacle for microfinance assistance



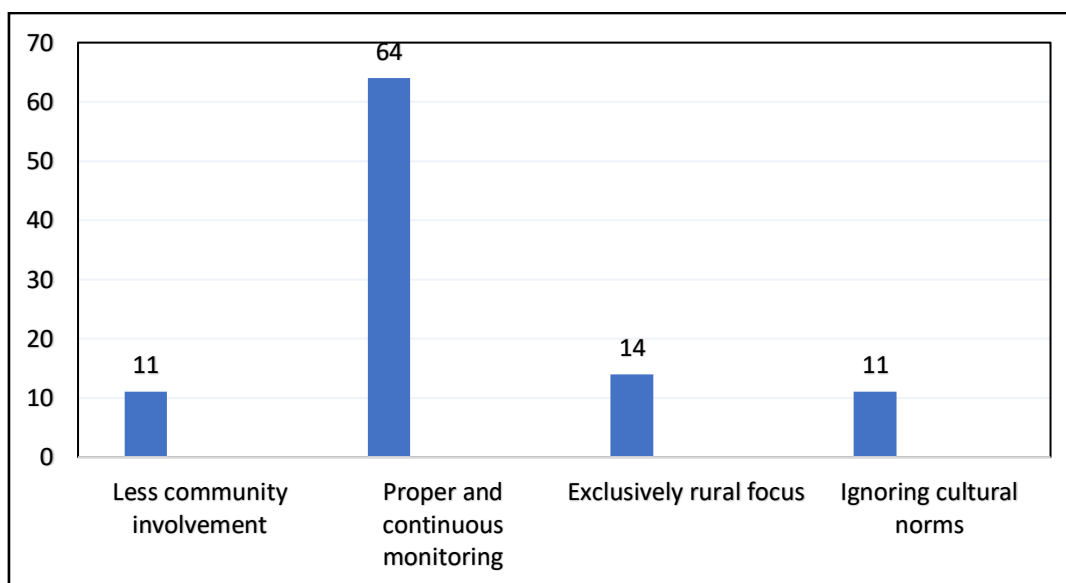
Interpretation: Figure 4.26 shows that a majority of 45% neutrally agrees that the absence of collateral is an obstacle to microfinance assistance. 25% disagrees with the statement, 13% agree with the statement, 11% strongly agree and 6% strongly disagree with the statement.

Table 4.27: Measures to be taken to ensure the long-term success of microfinance programs for women.

RESPONSES	NO: OF RESPONDENTS	PERCENTAGE
Less community involvement	11	11
Proper and continuous monitoring	64	64
Exclusively rural focus	14	14
Ignoring cultural norms	11	11
Total	100	100

Source: primary data

Figure 4.27: Measures to be taken to ensure the long-term success of microfinance programs for women.



Interpretation: Figure 4.27 depicts that a majority of 64% state that continuous monitoring should be taken to ensure the long-term success of microfinance programs for women, 14% state that exclusive urban focus is the best measure while 11% state limited community involvement and ignoring cultural sensitivities are the best measures.

TESTING OF HYPOTHESIS USING CHI-SQUARE

Microfinance and Women Empowerment

H0: There is no significant relationship between microfinance and women empowerment.

H1: There is significant relationship between microfinance and women empowerment.

Microfinance contributes to the empowerment of women. State the level of agreement * Microfinance reduces gender-based economic disparities. Do you agree? Crosstabulation

		Microfinance reduces gender-based economic disparities. Do you agree?					Total
		Agree	Disagree	Neutral	Strongly Agree	Strongly Disagree	
Microfinance contributes to the empowerment of women. State the level of agreement	Agree	31	4	6	2	2	45
	Disagree	0	2	0	0	0	2
	Neutral	3	0	7	0	0	10
	Strongly Agree	19	1	1	21	0	42
	Strongly Disagree	0	0	0	0	1	1
Total		53	7	14	23	3	100

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	115.419 ^a	16	.053
Likelihood Ratio	70.244	16	.051
N of Valid Cases	100		

Interpretation: We reject the H0 and accept H1 since the Asymp. Value is greater than 0.05. Hence proved that there is significant relationship between microfinance and women empowerment.

CHAPTER – V
FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 FINDINGS

1. Majority of the respondents fall under the age category of 30-40 and the minority category is above 50 years of age.
2. Majority of respondents has acquired primary education and none of them has post-graduation.
3. Majority of the respondents are doing petty ventures and minority belongs to agriculture/poultry sector.
4. Most of the respondents became aware of microfinance through word-of-mouth. NABARD and SHG are widely known while Digital Financial Inclusion Initiatives is least known to them.
5. More than 73% of the respondents has acquired loan from microfinance.
6. Majority of the loan was taken for medical and education purposes.
7. Respondents prefer microfinance loans due to less formality.
8. The main motive for seeking microfinance assistance is education and skill development purpose.
9. Majority of the respondents believes their economic situation has improved because of microfinance.
10. Majority of respondents agree that their family got better healthcare access with microfinance assistance.
11. Out of the 100 respondents only 39 are members of SHG, were 46% belong to a group with 10-15 members.
12. Majority of the SHG members have been a part for a period of 2-5 years and 41% has availed loan 2 times.
13. 41% of the members are neutrally satisfied with the loan interest rate, and another 41% are satisfied with the same.
14. Majority agrees with the statement that SHG supports to be financially independent.
15. Majority of the respondents believes that microfinance assistance has improved the wellbeing of the family.

16. Majority of the respondents believes that SHGs plays a vital role in women empowerment.
17. Agriculture and fashion are the two sectors that have significant growth through microfinance assistance to women.
18. Majority agrees to the statement that microfinance contributes to women empowerment.
19. 53% of the respondents agree that microfinance reduces gender based economic disparities.
20. Majority believes that education has no role in the success of microfinance.
21. Most of the respondents strongly agree that microfinance follows harsh repayment procedures.
22. More than half of the respondent's state that lack of interest is the key barrier to women's access to microfinance.
23. 45% of the respondents neither agree nor disagree to the statement that absence of collateral is an obstacle to seek microfinance assistance.
24. Majority states that continuous monitoring will help in the long-run success of microfinance programs for women.

5.2 SUGGESSTIONS

- More and more microfinance initiatives should be introduced and made aware to the people.
- The government and private sectors should promote microfinance such that women can come forward in different sectors.
- People should be intimated about SHGs such that they can avail loan at good interest rates without much formality.
- The repayment methods accepted by microfinance initiatives should be reframed such that it is more people friendly.
- The cultural and other barriers to microfinance should be taken care of, only then it will be a great success.
- Continuous monitoring and good regulations should be formed for the better functioning of microfinance.
- Identify and adopt the best practices to support women empowerment.
- Motivate women to participate in basic education and literacy programs.

5.3 CONCLUSION

The topic “A STUDY ON THE IMPACT OF VARIOUS MICROFINANCE PROGRAMMES IN WOMEN EMPOWERMENT” is an attempt to find out whether microfinance contributes to women empowerment. We tested hypotheses and understood that from the 100 respondents, a majority of them accepted that microfinance does play a vital role in women empowerment. Microfinance contributes to better education, better livelihoods and improved economic situations. The study also studies on self-help groups, microfinance initiate widely familiar. SHGs support women to be financially independent and help to improve the overall well-being of their families. The study states that SHGs contribute highly to the empowerment of women.

Respondents believe that agriculture and fashion sectors have high growth prospects with microfinance. It is also understood that microfinance reduces gender based economic disparities, which indirectly states that it empowers women to be treated equally as men. There are some barriers to microfinance, like lack of interest from people, high income, cultural norms and excessive regulations. It was also noticed that microfinance follows harsh repayment methods, which is a negative side. Thus, to conclude, the microfinance movement in India is moving in a positive direction, but still needs some rework. Microfinance should channelize its efforts more into empowering women in social, economic, cultural, political and legal aspects for the interest of her family in specific and the country in general.

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ANNEXURE

QUESTIONNAIRE

1. Name

2. Age
 - a. Between 20-30
 - b. Between 30-40
 - c. Between 40-50
 - d. Above 50

3. Education
 - a. Illiterate
 - b. Primary education
 - c. Senior Secondary education
 - d. Degree
 - e. Post-Graduation

4. Occupation
 - a. Petty jobs
 - b. Poultry or Agricultural activities
 - c. Helpers or Labours
 - d. Unemployed

5. How did you become aware about microfinance services initially?
 - a. Word of Mouth
 - b. Advertisements
 - c. Community initiatives
 - d. Others

6. Which of the below listed microfinance initiatives are you aware of?
 - a. Self-Help Group (SHG) Bank Linkage Program
 - b. National Bank for Agriculture and Rural Development (NABARD)
 - c. Small Industries Development Bank of India (SIDBI)
 - d. Digital Financial Inclusion Initiatives
 - e. Micro Units Development and Refinance Agency (MUDRA)

7. Have you availed loan from microfinance?
 - a. Yes
 - b. No

8. State the purpose of the availed loan?
 - a. Personal needs
 - b. Educational purposes
 - c. Medical emergencies
 - d. Marriage purposes
 - e. Others

9. What attracted you to prefer loan from microfinance?
 - a. Lower interest rate
 - b. Simple process
 - c. Comparatively Less formalities
 - d. Others

10. The main motive behind seeking microfinance assistance?
 - a. Financial independence
 - b. Better business opportunities
 - c. Better Education and skill development
 - d. Other

11. What is the change in your economic situation after seeking microfinance assistance?
 - a. Showed improvement
 - b. Remained the same
 - c. Showed decline

12. What is the impact of microfinance in your family?
 - a. Better financial stability
 - b. Better educational opportunities
 - c. Easier healthcare access
 - d. Other

13. Are you a member of a Self Help Group?

- a. Yes
- b. No

If yes:

i. How many members are there in your Self Help Group

- a. 10-15
- b. 15-20
- c. 20-25
- d. Above 25

ii. How long have you been a member in this group?

- a. Below 2 years
- b. 2-5 years
- c. 5-10 years
- d. Above 10 years

iii. Being a member of this group how many times you have you availed loan?

- a. 1
- b. 2
- c. 3
- d. 4
- e. More than 4

iv. What is your satisfaction level with the loan interest rate?

- a. Highly Satisfied
- b. Satisfied
- c. Neutral
- d. Dissatisfied
- e. Highly Dissatisfied

v. State the level of agreement that Self Help Group has supported you to be financially independent?

- a. Strongly Agree
- b. Agree
- c. Neutral

- d. Disagree
- e. Strongly Disagree

14. What impact does women's participation in microfinance have on family well-being?

- a. Improved well-being of family
- b. No prominent impact
- c. Decreased well-being of family
- d. Unpredictable impact

15. State your level of agreement on self-help groups play a vital role in women empowerment?

- a. Strongly Agree
- b. Agree
- c. Neutral
- d. Disagree
- e. Strongly Disagree

16. Which sector has seen a prominent growth through microfinance for women?

- a. Agriculture
- b. Technology
- c. Fashion
- d. Heavy industry

17. Microfinance contributes to the empowerment of women. State the level of agreement.

- a. Strongly Agree
- b. Agree
- c. Neutral
- d. Disagree
- e. Strongly Disagree

18. Microfinance reduces gender-based economic disparities. Do you agree?

- a. Strongly Agree
- b. Agree
- c. Neutral
- d. Disagree
- e. Strongly Disagree

19. Does education have any impact in the success of microfinance programs for women?

- a. Zero impact
- b. Hindrance to success
- c. Encouraging factor
- d. Irrelevant factor

20. Microfinance follows harsh repayment methods. Do you agree?

- a. Strongly Agree
- b. Agree
- c. Neutral
- d. Disagree
- e. Strongly Disagree

21. What do you think is a key barrier to women's access to microfinance?

- a. Lack of interest
- b. Excessive regulations
- c. Customs and traditions
- d. High income

22. Absence of collateral is an obstacle for microfinance assistance. Do you agree?

- a. Strongly Agree
- b. Agree
- c. Neutral
- d. Disagree
- e. Strongly Disagree

23. What are the steps to be taken to ensure long-run success of microfinance programs for women?

- a. Less community involvement
- b. Proper and continuous monitoring
- c. Exclusively rural focus
- d. Ignoring cultural norms