THINK INDIA JOURNAL

ISSN:0971-1260
Vol-22- Issue-14-December-2019

Perception Of Rural Women About The Economic Empowerment Through Micro Finance Institutions, Nagapattinam District, Tamilnadu, India

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ABSTRACT: *In India, Micro finance is of an ancient origin. Traditionally, Money lenders, zamindaars (landlords), traders, etc have provided micro credit to poor borrowers in rural areas at exorbitant rates of interest. But this kind of finance is not regulated by government and it was informal in nature consequently this informal sectors exploits and making difficulties to poor for repayment. As a result, many of rural poor faced big suffering to meet out their day to day life due to huge as well as multiple interest rates and poorer became poorer. Therefore, to regulate the micro finance activities as well as easy access to poor households' particularly rural areas, the Government of India has launched linkaged Micro Finance scheme in the year 1980s through formal financial sector to improve the rural poor economic empowerment. Thus the microfinance institutions are providing micro finance service to rural and urban poor particularly they provide financial support through Self Help Groups. Women's economic empowerment is the process of achieving women's equal access to and control over economic resources. Therefore, the Economic Empowerment is very essential to every woman because the employability of women can only lead to their economic empowerment. The primary aim of the study is to know the perception of Rural Women about their Economic Empowerment through Micro Finance institution. The survey was adopted. For the study nature qualitative as well as quantitative data was collected from primary and secondary sources. There are 65 village panchayat in Tharangambadi taluk from that only 13 village panchayats has selected randomly. Total of 26 Self Help Groups and 130 members used as the sample of the study. The analysis results shows that, majority of the respondents agreed that the micro credit institutions has improved the employment opportunities, standard of living, knowledge about banking operation, social status, confidence to face economic problems, participation in community activities, use their income according to their choice and creates economic awareness. However, majority of the responded opined that the micro finance does not improve the employability skills, value of productive assets and amount consumption.*

Keywords: Micro Credit Institutions; SHG's; Perception of Rural Women; Economic Empowerment.

I. INTRODUCTION

In India, Micro finance is of an ancient origin. Traditionally, Money lenders, zamindaars (landlords), traders, etc have provided micro credit to poor borrowers in rural areas at exorbitant rates of interest (Debadutta Panda,2009). But this kind of finance is not regulated by government and it was informal in nature consequently this informal sectors exploits and making difficulties to poor for repayment. As a result, many of rural poor faced big suffering to meet out their day to day life due to huge as well as multiple interest rates

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and poorer became poorer. Therefore, to regulate the micro finance activities as well as easy access to poor households' particularly rural areas, the Government of India has launched linkaged Micro Finance scheme in the year 1980s through formal financial sector to improve the rural poor economic empowerment. The growth of microfinance in India is through Microfinance Institutions (MFIs) lending through individual and group approach in availability of banking service for the unserved and underserved rural population. As on 31 March 2018 the microfinance industry has a total loan portfolio of R136633 crore, representing a year on year growth of 27% (NABARD, 2018). Thus the microfinance institutions are providing micro finance service to rural and urban poor particularly they provide financial support through Self Help Groups. Women's economic empowerment is the process of achieving women's equal access to and control over economic resources. The Sustainable Development Goals (SDGs) also noted that the gender equality and women's empowerment is the key point for sustainable development. Therefore, the Economic Empowerment is very essential to every woman because the employability of women can only lead to their economic empowerment. In this background the study has been undertaken entitled "**Perception of Rural Women about their Economic Empowerment through Micro Finance Institutions, Nagapattinam District, Tamilnadu, India."**

II. STATEMENT OF THE PROBLEMS

India is a diverse, vast and unique geography with just 2.4 percent of the total world area but supporting almost 17 percent of the world population, meaning one in every 6 people on the planet, lives in India. Therefore, our problems are also myriad and unique - illiteracy, unemployment, urban - rural divide, dependence on agriculture, lack of access to financial services, limited outreach of financial institutions, to name a few. Over the years, Government of India has taken various initiatives to surmount these multifarious problems. NABARD too, on its part, as an Apex Developmental Financial Institution with a mandate to promoting rural development with sharp focus on upliftment of the rural poor. As a result NABARD framed model of Self Help Groups (SHGs). Gender equality and development being the underlying focus of all NABARD's interventions, the SHG movement consciously targeted women as they are at the bottom of the pyramid without any assets or access to credit (NABARD, 2018). In the rural areas the people are facing several problems to improve their economic empowerment like unemployment, bonded labor, child labor, exploitation of women and unlawful and obligatory transfer of claim on assets added to their woes, non repayment of loans due to high interest and etc. Based on this the NABARD conducted a study and found that banking with poor was costly, their meagre savings were unattractive for banks, banking procedures were complicated and products offered by banks were not suited to the requirement (small, frequent loans and repayments) of the poor. To overcome these issues Government of India launched Self Help Group Bank Linkage Programme (SHGBLP) in 1992. Further, economic empowerment is a complex and given its wide-ranging implications for different aspects of women's lives. It requires changes within individuals (capability, knowledge and self-esteem) in communities and institutions (including norms and behaviour) in markets and value chains and in the wider political and legal environment. Therefore, No single intervention or actor can address all of its aspects. However, the MFIs is seen as the best alternative source of financial services for low income earners in rural areas as a means to raise their income of rural people particularly women. In this backdrop, pperception of Rural Women about their Economic Empowerment through Micro Finance Institutions in the study areas was analysed.

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III. NEED AND IMPORTANCE OF THE STUDY

Microfinance is a means of livelihood and a source of living to the underprivileged rural India. It controlled the informal finance in both rural and urban India. However, in today‘s scenario, the entire concept of microfinance has changed i.e., alleviating poverty, organizing the poor (especially women) into groups called as Self Help Groups (SHG), providing credit facilities at subsidized rates and etc. This study will help in understanding the most important benefit factor which drives women to join SHGs and will answer the question about is really microfinance helps to improve the economic empowerment of rural women.

IV. OBJECTIVE OF THE STUDY

The primary aim of the study is to know the perception of Rural Women about their Economic Empowerment through Micro Finance institution.

V. METHODOLOGY

The survey was adopted. For the study nature qualitative as well as quantitative data was collected from primary and secondary sources. The primary data was collected through interviews with the sample respondents. The Structured and unstructured interview schedule was used to collect the information. The secondary data were collected from various reports, books, magazines, journals, and etc. Tharangambadi taluk was selected purposively. There are 65 village panchayat in Tharangambadi taluk from that only 13 village panchayats has selected randomly which constitutes 20 percent of the total. The selection was made based on number of female living and coverage of micro finance institutions. In the study are many financial institutions are providing micro finance to women SHG’s like Nationalized banks, Cooperative Banks, Private Banks and Micro Credit Institutions. From the selected village panchayat each two Women SHG’s has been selected randomly. From the selected groups each 5 members has selected randomly. Thus, the total of 26 SHG’s and 13 members used as the sample of the study.

VI. LIMITATION OF THE STUDY

The study limited with the following limitations:

- The data have been collected from 26 groups and 130 members only. Therefore, the result may not generalize.
- The study conducted only the contribution of microfinance institution on economic empowerment of rural women. Thus the study does not covered social and political empowerment of rural women in the study area.
- The study does not adopt scientific sampling techniques due to unavailable data, time, money and etc.

VII. RESULTS AND DISCUSSIONS

Economic empowerment is the ability to make and act on decisions that involve the control over and allocation of financial resources (Golla et al., 2011). Empowerment refers to the process of change that gives individuals greater freedom of choice and action. The development of economic empowerment for women is contingent upon available resources

ISSN:0971-1260
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and whether women have the skills to use them. The economic empowerment of sample respondents the five points Likerts scale statements was used i.e., Strongly Agree (5), Agree (4), Neither nor (3), Disagree (2) and Strongly disagree (1). For the analysis purpose and easily understand the readers the five points scale converted to three points scale i.e., agree, neither nor and disagree. The analysis result of respondent opinion about their economic empowerment through SHG's is as follows.

Table 1: SHG's members opinion about Economic Empowerment through SHG's

S N	Statement	Members response		
		Agree	Neither nor	Disagree
1	It provides employment opportunities.	71 (54.62)	59 (45.38)	0
2	It improves employability skills.	25 (12.23)	36 (27.69)	69 (53.08)
3	It increased income.	44 (33.85)	52 (40.00)	34 (26.15)
4	It increased savings habits.	130 (100)	0	0
5	It increased the value of household assets.	21 (16.15)	70 (53.85)	39 (30.00)
6	It Increased in stander of living.	85 (65.38)	45 (34.62)	0
7	It creates knowledge about banking operation.	76 (58.46)	54 (41.54)	0
8	It improved social status.	64 (49.23)	41 (31.54)	25 (12.23)
9	It increased value of productive asset.	0	28 (21.54)	102 (78.46)
10	It increased confidence to face economic problems.	96 (73.85)	29 (22.31)	5 (3.84)
11	It improves participation in community activities.	81 (62.31)	28 (21.54)	21 (16.15)
12	It improved amount of consumption.	12 (9.23)	54 (41.54)	64 (49.23)
13	It helps to use their own income according to their choice.	57 (43.85)	36 (27.69)	37 (28.46)
14	It increases power of decision making.	29 (22.31)	78 (60.00)	13 (10.00)
15	It creates economic awareness.	75 (57.69)	36 (27.69)	19 (14.62)

Source: Computed from primary data

The member opinion about the contribution of micro finance institutions on economic empowerment reveals that all the respondents agreed that the micro credit institutions have increased the savings habits. Majority of the respondents have agreed that the micro finance institutions increased employment opportunities, standard of living, knowledge about banking operation, social status, confidence to face economic problems, participation in community activities, use their income according to their choice and creates economic awareness. It implies that the objectives of micro finance i.e., to enrich the rural poor to access the credit from formal financial sector as well as to safeguard from the moneylenders and other informal financial sector are almost reached in the rural areas. However, majority of the responded opined that the micro finance does not improve the employability skills, value of productive assets and amount consumption. It implies that the amount given by microfinance is only used for short term financial needs and also SHG's and NGO's does not concentrate on capital development of rural people i.e., they are providing skill based education or training, awareness of long term assets creations with financial support. Hence the resent clearly reveals that majority of the respondents agreed that the micro credit institutions has contributed much in the economic empowerment of rural women in the study area in short term development rather than long term and productive way.

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VIII. CONCLUSION

Women's Economic Empowerment is crucial for gender equality, poverty eradication, human development and inclusive growth. To overcoming these inequalities requires bold, wide ranging and transformative approaches at the same time, indentifying economic progress of women involved various measurement such as outcomes, requiring careful longitudinal study of how women's lives are changing. Therefore, the appropriate information were collected and analysed. The analysis results shows that, majority of the respondents agreed that the micro credit institutions has improved the employment opportunities, standard of living, knowledge about banking operation, social status, confidence to face economic problems, participation in community activities, use their income according to their choice and creates economic awareness. However, majority of the responded opined that the micro finance does not improve the employability skills, value of productive assets and amount consumption.

IX. SUGGESTIONS

Based on the analysis result the following recommendations are forwarded to SHG's, Micro Finance institutions and Governments.

1. The micro credit institutions should increase the amount of loan to rural women to increase the employment opportunities such as involved in small business activities such as petty shop , tiny industries, etc.
2. The SHG's should provide employability skills training programmes to the rural women with supported by micro credit institutions and government.
3. The government should concentrate on rural economic awareness programmes such as entrepreneurial training, industry education, etc to involve the rural people particularly rural women to start entrepreneurship.

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