

EMPOWERMENT OF SCHEDULED CAST WOMEN THROUGH MICROFINANCE: A CONCEPTUAL ANALYSIS

Vijay Kumar

Research Scholar,

Faculty of Business & Management,

Shri Venkateshwara University, Gajraula, Distt. J.P. Nagar (Uttar Pradesh)

vijay13117@gmail.com

Dr. Parikshit Joshi

Department of Management Science

Sri Ram Murti Smarak College of Engg. & Tech.

Bareilly (Uttar Pradesh)

mannu.pj@gmail.com

Abstract

Poverty is widespread in India, where the poor lack basic resources and opportunities. The scheduled cast rural women in general have a harder time generating income or obtaining resources because of the cultural environment, lack of education, and geographical location. Thus there needs to be other avenues to help lessen poverty as a whole and target women and poor communities to help them generate income.

In recent years microfinance has spread throughout India, making an impact on the lives of the poor by providing them with microcredit to start their own small businesses, so they can generate income and provide for their families. Many of these loans are distributed to women in rural areas providing them with tools to become self-sufficient and independent. Indian women are often considered as second class citizens in India and microfinance has the capability of empowering women by giving them the opportunity to be heard and the means to make educated decisions.

Keywords - The present study aims at developing a conceptual model for identifying constructs that are helpful in empowering scheduled cast rural women through microfinance.

INTRODUCTION

India is a nation filled with both, tremendous wealth and poverty. Poverty in India is widespread and is prevalent in nearly every urban and rural part. The disparity between the rich and poor is immense, with the rich living lavishly and the poor living on the streets and not being able to feed themselves. Furthermore, India is filled with regional, cultural and socioeconomic differences

International Journal Of Core Engineering & Management (IJCEM)
Volume 2, Issue 6, September 2015

(Datta and Kornberg 2002, 87).

India's poor make up one-third of the world's poor (Novogratz 2009, 254). The numbers indicate that in 1997 "35% of the Indian population (with 37% in rural areas and 31% in urban areas) were living below the poverty line" (Lazar 2008, 11). While the numbers have decreased, a quarter of the Indian population is still in poverty. Case in point "India makes up 15% of the world's population and 27% of its one billion people were below the poverty line in 2001" (Premchander 2009, 1). There is a difference in the number of poor people living in the cities compared to those living in rural areas; some studies show that there are around "240 million rural poor and 72 million urban poor in India" (Lazar 2008, 11). The Planning Commission (an organization that estimates poverty in India), estimated that 27.5% of the Indian population was still living below the poverty line in 2004-2005. In India, approximately 75% of the poor live in rural areas, with most of them consisting of landless laborers, daily wage earners, and self-employed households (Ibid., 8).

Microfinance institutions reach around 30% (directly or indirectly) of the rural poor or about five to six percent of the country's poor rural households (Basu 2005, 6). The SHG-Bank linkages are successful models of microfinance programs in India. The SHG-Bank linkage program has been able to provide twelve million families with savings accounts. NABARD plays a big role in helping SHGs reach the poor. In general MFIs reach around one million clients. There are a few thousand MFIs providing credit to the poor (Ibid.). Thus, the microfinance industry is growing in India and providing the underprivileged with the opportunity to generate income and rise out of poverty.

Micro Finance may be defined as "provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi urban or urban areas, for enabling them to raise their income levels and institutional initiatives of rural credit and to the improve living standards" (Microfinance and its delivery model, 2007). At present, a large part of micro finance activity is confined to credit only. Women constitute a vast majority of users of micro-credit and microfinance has been successful in providing credit savings services.

Status of Indian Women

Both men and women are poor in India; however women lack more rights and have a lower status than men in Indian society. Women are so undervalued in India that the Committee on Unemployment found women to be greater in number in unemployment and under-employment. The number of unemployed women in rural areas was estimated to be 4.5 million, whereas men were in 3.2 million in the 1970s (Nagendra 2007, 101). Women constitute almost 60% of the rural and 56% of the total unemployed in the country. These numbers only take into account those

International Journal Of Core Engineering & Management (IJCEM)
Volume 2, Issue 6, September 2015

looking for work, the actual number of unemployed will be much higher (Ibid.).

The basic problems that affect women's roles and opportunities for employment in this sector spring from their helpless dependence, caused by lack of adequate employment opportunities, limited skills and illiteracy, restricted mobility, and lack of autonomy (Ibid.). The occupational status of the women worker is linked to that of her husband or father, especially in rural areas. Additionally, "the lack of control over productive resources and a persistent gap between consumption and expenditure, leading to perpetual indebtedness, deprive them of all bargaining power and occupational mobility" (Ibid.).

Access to financial services has been recognized as a human right. Microfinance can help the poor in many ways because the way it operates is different from the formal banking system. It has less bureaucratic rules than banks, which makes it easier to distribute credit. Furthermore, microfinance organizations main goal is to help the underprivileged generate income.

The current study aims at developing a conceptual model for identifying constructs that are helpful in empowering scheduled cast rural women through microfinance.

REVIEW OF LITERATURE

A lot of research work has been carried out in different parts of the world to know the success of microcredit (finance) in empowerment of women.

Women Empowerment through Microfinance Services: A few authors conducted their research activities on the "impact of micro- credit and micro finance programme on the lives of women" and revealed that microcredit is a significant factor contributing to empower women in one way or other (Hashemi, Schuler and Riley, 1996; Hunt. J & Kasyanathan N., 2002; Agha et. al., 2004). Micro finance appears to offer a "win-win" solution, where both financial institutions & poor clients, especially rural women in developing countries, will benefit (Mayoux, 2001; Murdoch, 1999). Friedmann's (1992) model of empowerment involves local self-reliance, direct participatory democracy and experiential social learning. Page and Czuba (1999) define empowerment as a multi-dimensional social process that helps people gain control over their own lives, a process that fosters power in people for use in their own lives, their communities and in their society, by acting on issues they define as important. According to the UN 1994 International Conference on Population and Development, women empowerment has five components that include women's sense of self-worth; their right to have and to determine choices; their right to have access to opportunities and resources; their right to have the power to control their own lives, both within and outside the home; and their ability to influence the direction of social change to create a more just social and economic order, nationally and internationally.

International Journal Of Core Engineering & Management (IJCEM)
Volume 2, Issue 6, September 2015

Socio-Economic Status Upgradation: Leach et. al. (2002) found that micro-credit has succeeded in socially empowering women where economic empowerment could not be possible due to lack of knowledge and understanding among women about business. Puhazhendhi and Satya Sai (2001), in their research study, found that SHG's have been instrumental in economic and social empowerment of the rural poor. This provided the incentive to take successive loans. Microfinance to rural women has given a great opportunity to the rural poor in India to attain reasonable economic, social and cultural empowerment, leading to better living standard and quality of life for participating households.

Autonomy for Life Choices: A number of studies have shown that women may be empowered in one area of life while not in others (Malhotra and Mather 1997; Kishor 2000b; Hashemi et al. 1996). The escalation of SHGs in India and provision of micro credit to them by banks and microfinance institutions has resulted in improving their participation in society and in governance. Rural women are powerless to work outside their home or beyond their homestead because of family restrictions, social and traditional barriers. Therefore, their potential often remains unutilized or underutilized. Several researchers have identified self-confidence and self-esteem as essential "first steps" to empowerment (Anderson, 1996; Claridge, 1996). Kabeer (2001) defines empowerment as the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them. Women's participation in politics, her awareness and knowledge, her participation in political campaign are considered as one of the part of empowerment (Bennett 2002; Malhotra 2002; Saraswathy 2008; Swain 2007).

Women Position in the Family/Society: Gibb Sarah (2008) observed that micro-credit has failed to empower women as women could not change her traditional household role and could not retain control over money. Women's role in household decisionmaking: control over money matters and other important household matter is a function of the family structure (Malhotra and Mather 1997). Whether a woman lives in a joint family (which includes the mother in law) or where she is a mother in law or if she lives in nuclear family structure, all will have an impact on her autonomy. In a joint family, she is likely to have less autonomy than in a nuclear family structure. Amin et al (1998) split the concept of women's empowerment into three components: 1. Inter-spouse consultation index: Represent the extent to which husbands consult their wives in household affairs. 2. Individual autonomy index: Represent women's self-reported autonomy of physical movement outside the house and in matters of spending money. 3. Authority index: Reports on actual decision-making power.

Financial Freedom: Samanta (2009) submitted that women have no control over credit which is the failure of microfinance to empower women. Greater financial independence for rural women

International Journal Of Core Engineering & Management (IJCEM)
Volume 2, Issue 6, September 2015

increases their bargaining capacity, reduces violence against women and enables them to gain more influence over decision-making in the family (Hadi, 1997). Comparable components of empowerment are included in the eight indicators by Hashemi et al (1996): mobility, economic security, ability to make small purchases, ability to make larger purchases, involvement in major decisions, relative freedom from domination by the family, political and legal awareness, and involvement in political campaigning and protests. Gaiha & Nandhi (2007) analyzed that whether access to microfinance has given women greater autonomy in household decisions relating to allocation of resources, savings and investments and found that neither participation nor duration of membership of a Self-help Groups (SHGs) has a significant effect on female autonomy.

Positive Approach towards Child Development: Education has been argued as one of the indicators of empowerment (Malhotra and Mather, 1997). Rural women have the discretion to use their money earned on the welfare of their children and for special occasions such as Eid, Puza or Christmas (religious festivals). They buy clothes for their children and for themselves from this income. Profits are often used for educating their children, buying medicines for family members and helping family at emergencies.

CONCLUSION

In the fastest growing economy like India, the position of scheduled cast rural women is still miserable. Although Government has initiated various schemes for their upliftment still these women are not beneficiary of them. The need of the day is to make people (scheduled cast rural women) aware of the schemes and also to provide them financial help in small and desired amount so that they can set up their small scale business. Microfinance is the best way to help them with small financial help. Intense review of literature shows that microfinance helps women in attaining an economic growth through work opportunities. The work opportunities for women significantly influence their family income levels. The increase in the self-income of the women results in better living conditions, improved savings, empowerment of taking independent decisions, improved demographic characteristics of her family (like low birth rates, lower death rates), improved social development indicators (high girls literacy rate, increase in the age at marriage and at first birth), created significant social awareness to seek their due entitlements from the society and government and increase in their self-esteem and level of socioeconomic empowerment among the beneficiary households.

LIMITATIONS AND FUTURE IMPLICATIONS

The research concludes with concept building only. Various parameters of economic independence and growth of scheduled cast rural women have been identified in the paper through thorough literature review. But these findings needed to be empirically tested and verified. Further researches

**International Journal Of Core Engineering & Management (IJCEM)
Volume 2, Issue 6, September 2015**

can be carried out in the direction of empirically testing the findings of this research.

REFERENCES

- Agha, S., Balal, A., and Ogojo - Okello, Francis. 2004. "The Impact of Microfinance Programs on client Perceptions of Quality of care provided by private sector Midwives in Uganda", *Health Service Research*, 39(6pt2): 2081-2100.
- Amin, R., Becker, S., & Byes A. (1998). *NGO-Promoted Micro credit Programs and Women's Empowerment in Rural Bangladesh: Quantitative and Qualitative Evidence*. *The Journal of Developing Areas*, Winter, 221-236.
- Anderson, J. (1996). Yes, but is it empowerment? Initiation, implementation and outcomes of community action. In B. Humphries (ed). *Critical perspectives on empowerment*. Birmingham: Venture Press, 69-83.
- Basu, Priya. 2006. *Improving access to finance for India's rural poor*. World Bank: Washington, D.C.
- Bennett, Lynn. 2002. "Using Empowerment and Social Inclusion for Pro-poor Growth: A Theory of Social Change." Working Draft of Background Paper for the Social Development Strategy Paper. Washington, DC: World Bank.
- Claridge, C. (1996). *Women, development and the environment: A method to facilitate women's empowerment*. Unpublished PhD thesis, Brisbane: Department of Agriculture, The University of Queensland.
- Datta, Rekha, and Judith F. Kornberg. 2002. *Women in developing countries: assessing strategies for empowerment*. Boulder: Lynne Rienner Publishers.
- Gaiha, R., & Nandhi, M. A., (2007). "Microfinance, Self-Help Groups, and Empowerment in Maharashtra." ASARC Working Papers 2007-15, Australian National University, South Asia Research Centre, Canberra.
- Gibb, S. (2008). "Microfinance's impact on education, poverty and empowerment: A case study from Bolivian." *Altiplano Development Research Working Paper Series*, Institute for Advanced Development Studies.
- Hadi, A. (1997). *The NGO Intervention and Women's Empowerment – The Bangladesh Experience*. International Seminar on Women Empowerment RFSU (Swedish Association for Sexual Education), Stockholm, April.
- Hashemi S., Schuler S., and Riley, A. (1996), "Rural Credit Programs and Women's Empowerment in Bangladesh", *World Development*, Vol.24, No.4, pp.635-653.
- Hashemi S., Schuler S., and Riley, A. (1996), "Rural Credit Programs and Women's Empowerment in Bangladesh", *World Development*, Vol.24, No.4, pp.635-653.
- Hashemi S., Schuler S., and Riley, A. (1996), "Rural Credit Programs and Women's

International Journal Of Core Engineering & Management (IJCEM)
Volume 2, Issue 6, September 2015

- Empowerment in Bangladesh”, World Development, Vol.24, No.4, pp.635-653.
- Hunt, J & Kasynathan, N. (2002). “Reflections on microfinance and women’s empowerment”, Development Bulletin, No. 57, pp. 71-75.
 - Kabeer, N. (2001), Reflections on the Measurement of Women’s Empowerment., In Discussing Women’s Empowerment - Theory and Practice, Ida Studies No. 3, Novum Grafiska AB: Stockholm.
 - Kishor, S. (2000b), Women’s Contraceptive use in Egypt: What do Direct Measures of Empowerment Tell us? Paper Prepared for Presentation at the Annual Meeting of the Population Association of America, March 23-25, Los Angeles, California.
 - Lazar, Daniel, and P. Palanichamy. 2008. *Micro finance and poverty eradication: Indian and global experiences*. New Delhi: Pondicherry University; New Century Publications, Pondicherry.
 - Leach, Fiona and Sitaram, Shashikala. (2002). "Microfinance and Women's Empowerment: A Lesson from India", Development in Practice, 12(5): 575-588.
 - Malhotra, A. and Mather, M. (1997), Do Schooling and Work Empower Women in Developing Countries? Gender and Domestic Decisions in Sri Lanka., Sociological Forum, Vol.12, No.4, pp. 599-630.
 - Malhotra, A., Schuler, S. R. and Boender, C. (2002) “Measuring Women's Empowerment as a Variable in International Development.” Washington, DC, the World Bank.
 - Mayoux, L. (2001). Tackling the down side: Social Capital, Women’s Empowerment and Micro-finance in Cameroon. Development and Change. 32: 435-464.
 - Microfinance and Its Delivery Models. StudyMode.com. Retrieved 08, 2007, <http://www.study mode.com/essays/Microfinance- Its-Delivery-Models-119718.html>
 - Murdoch, J. (1999). The Microfinance promise. Journal of Economic Literature, 37: 4, 1569-1614.
 - Nagendra, Shilaja. 2007. Issues in women education and empowerment. Jaipur: ABD Publishers.
 - Novogratz, Jacqueline. 2009. *The blue sweater: bridging the gap between rich and poor in an interconnected world*. New York: Rodale: Distributed to the trade by Macmillan.
 - Page, N. and Czuba, C.E. (1999), .Empowerment: What Is It? Journal of Extension, October, Vol. 37, No. 5.
 - Premchander, Smita. 2009. Multiple meanings of money: how women see microfinance. Los Angeles: SAGE Publications.
 - Puhazhendhi V. and Satya Sai K.J.S. (2001), „Economic and Social Empowerment of



**International Journal Of Core Engineering & Management (IJCEM)
Volume 2, Issue 6, September 2015**

Rural Poor through Self Help Groups", Indian Journal of Agricultural Economics, 56 (3) July-Sept, 450-451.

- Samanta, Gopa. (2009). "Microfinance and Women: Gender Issues of poverty alleviation and empowerment." The Microfinance Review, 1(1), January-July, pp.100-120.
- Saraswathy, Anna.K.P .and Panicker, K.S.M. (2008). "Microcredit and women empowerment: A study in India." International Journal of global Business, 1(1), pp. 184-213.
- Swain, R. B., & Wallentin, F. Y. (2007). "Does microfinance empower women? Evidence from self-help groups in India." Working Paper No. 2007:24, Department of Economics, Uppsala University, Sweden.