A CONCEPTUAL STUDY ON WOMEN EMPOWERMENT THROUGH MICROFINANCE

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Abstract: Albert Einstein once said, “The significant problems we face cannot be solved by the same level of thinking that created them”. He might not have been talking about women’s empowerment, but the quote is just as relevant in explaining the strict interpretation of women’s empowerment. The unique feature of microfinance programme is that it focuses on women for development. The basic idea is to empower women by providing them financial assistance and allowing them to earn an independent income, contribute financially to their households and generate self-employment. This economic independence is expected to generate increased self-respect, self-esteem, self-confidence and other forms of empowerment for women participants of the programme. The process of empowerment of the beneficiaries of the programme is not automatic, but depends upon many factors. These factors may be abilities, environment, initiative and status of women as group. There is no dearth of studies which show that with the help of microfinance the status of a woman improves in the family; she earns greater respect in the family than before; she participates in the decision-making and community meetings; and she gets freedom to move for the betterment of the micro-business. It may be due to the fact that women become able to contribute financially to the family. In fact, microfinance programme increases economic, social, and political empowerment. Microfinance programme may be an important programme but not a panacea to end all the problems that poor face. Hence, the programme beneficiaries must efficiently use the financial support to start small businesses that will help in uplifting standard of life and empowerment of women.

Keywords: Microfinance, women, income, employment, savings, economic empowerment, social empowerment.

I. INTRODUCTION

Empowerment is an intrinsic quality of a person, which cannot be bestowed by a third party. It is considered that an empowered person’s behavior undergoes a change. In a nutshell, empowerment is a process which enables one to gain power, authority and influence over others. In the literature published on the subject, the empowerment is considered to be matching with the following traits or capabilities:

1. Having decision-making power of one’s own
2. Having access to information and resources for taking proper decision
3. Having a range of options from which one can make choices (not just yes/no, either/or)
4. Ability to exercise assertiveness in collective decision-making
5. Having positive thinking about the ability to make change • Ability to learn skills for improving one’s personal or group power
6. Ability to change others’ perceptions by democratic means

Involving in the growth process and change that is never ending and self initiated.: A majority of microfinance programmes target women with the explicit goal of empowering them. There are varying
underlying motivations for pursuing women’s empowerment. Some argue that women are among the poorest and the most vulnerable of the underprivileged and thus helping them should be a priority. Others believe that investing in women’s capabilities empowers them to make choices, which is a valuable goal in itself, but it also contributes to greater economic growth and development. It has been well documented that an increase in women’s resources results in increased well-being of the family, especially children.

Due to the complexity of defining and measuring women empowerment, only a few empirical studies on the subject have tried to examine the impact of microfinance on women empowerment. In order to measure the impact of microfinance programme on women empowerment, some of the studies have compared the status of the participants after joining the microfinance programme with their status before joining the programme. The changes over time are considered as the impact of microfinance programme. Some of the studies have used the retrospective methods where the data is not collected for two time periods rather the participants are asked to give information regarding their past situation on the basis of their memory. However, some researchers have measured the impact by comparing the participants of the programme with that of the non-participants from similar social and economic background. The UNDP's Human Development Report (1995) introduced two complementary indexes: the Gender-related Development Index (GDI) and the Gender Empowerment Measure (GEM). The GDI indicator measures the inequalities between men and women in terms of access to basic needs, whereas GEM evaluates women’s access to political and economic posts, i.e., share of women seats in parliament/assemblies, the share of supervisory, administrative and technical posts. The GDI focuses on the extension of capabilities, whereas the GEM is concerned with the use of those capabilities to take advantage of the opportunities of life.

II. INDICATORS OF WOMEN EMPOWERMENT

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<tr>
<th>DOMAIN</th>
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<tr>
<td>Economic Empowerment</td>
<td>Women access to employment , Women contribution to household income</td>
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<td></td>
<td>Access to and control over household resources Participation in household</td>
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<td>financial decision-making Saving in bank account</td>
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<td>Socio-cultural and Familial</td>
<td>Women freedom and confidence of movement Visiting market for</td>
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<td>Empowerment</td>
<td>purchase of household goods Ability to raise voice against social</td>
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<td>exploitation Attitude towards the education of daughters Getting help of</td>
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<td>other family members Participation in the general domestic matters</td>
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<td>Political Empowerment</td>
<td>Exercising the right to vote Awareness of local, state level and national</td>
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<td>polity Participation in panchayat meetings Leadership quality</td>
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<td>Education, Skill and Training Empowerment</td>
<td>Education and ability to read and write Having workable knowledge of</td>
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<td>calculations Maintaining records of financial transactions Understanding</td>
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<td>of basic banking process Read newspaper/view TV for general awareness</td>
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<td>Training for job</td>
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III. LITERATURE REVIEW
Sen (1993), empowerment is reflected in a person’s capability set. The ‘capability’ of a person depends on a variety of factors, including personal characteristics and social arrangements. Empowerment is the capacity to fulfil this capability and not just the choice to do so. Empowerment is also related to the concepts of social capital and community-driven development, with which it is sometimes confused. As Krishna (2003) points out, empowerment by nature is a process and/or outcome. Social capital, on the other hand, features social organisation such as networks, norms and inter-personal trust, which facilitate coordination and cooperation for mutual benefit. Kabeer (1999) stresses that women’s empowerment is about the process by which those who have been denied the ability to make strategic life choices acquire such ability.

IV. WOMEN’S EMPOWERMENT AND MICRO-FINANCE
From the early 1970s, women’s movements in a number of countries identified credit as a major constraint on women’s ability to earn an income and became increasingly interested in the degree to which poverty-focussed credit programmes and credit cooperatives were actually being used by women. SEWA in India, for example, set up credit programmes as part of a multi-pronged strategy for an organization of informal sector women workers. Since the 1970s, many women’s organizations worldwide have included credit and savings, both as a way of increasing women’s incomes and to bring women together to address wider gender issues. The 1980s saw the emergence of poverty-targeted micro-finance institutions like Grameen Bank and ACCION and others. Many of these programmes see themselves as empowerment-oriented. In the 1990s, a combination of evidence of high female repayment rates and the rising influence of gender lobbies within donor agencies and NGOs led to increasing emphasis on targeting women in micro-finance programmes. Microfinance and women’s empowerment The focus on women’s empowerment in the context of microfinance brings to light the significance of gender relations in policy development circles more prominently than ever before. Women are vaunted as a ‘weapon against poverty’. Microfinance empowers women The question of whether microfinance empowers women has attracted attention in both academic and policy circles. The answers range from microfinance having the potential to empower women fully … to microfinance alone cannot empower women … to how the programme can actually disempower women. The logic of microfinance’s potential for empowerment is similar to the economic model of empowerment: microfinance makes women economically independent by putting capital and financial resources in their hands. Economic independence results in higher bargaining power for women in their households and communities, and subsequently results in higher prestige and self-esteem. Here the functions of microfinance are synchronous with its potential to empower. Microfinance has been seen as contributing not only to poverty reduction and financial sustainability, but also to a series of ‘virtuous spirals’ of economic empowerment, increased well-being and social and political empowerment for women themselves, thereby addressing goals of gender equality and empowerment (Mayoux and Hartl 2009,

V. CHALLENGES TO EMPOWERMENT THROUGH MICROFINANCE
While the empowering potential of microfinance programmes remains strong, the evidence of challenges, ineffectiveness and limitations of the potential is equally compelling. Although microfinance has the ability to empower women, the connection is not straightforward or easy to make. Significant research and much anecdotal evidence suggests that this link is certainly not automatic (Hunt and Kasynathan 2001, 2002; Just handing money to women and giving them access to financial assets and resources creates a new set of challenges for women, thus balancing the experience of empowerment with the experience of extra
burdens. Others argue more strongly that access to microcredit actually impacts women’s empowerment experience negatively by leading to a certain kind of disempowerment. Yet another set of analyses indicates that the goals of microfinance and its empowering potential are intrinsically of conflicting natures. The argument is that focusing on women’s empowerment leads to dilution of efficiency and sustainability of MFIs, and this results in reluctance to focus on women’s empowerment when designing their systems and programmes.

VI. ECONOMIC AND POLITICO-ORGANIZATIONAL CHALLENGES
The central issue here is whether the economic goals of efficiency and sustainability of MFIs are rationally compatible with the goals of empowerment. There are arguments pro and con. Those who support a finding of compatibility have argued that targeting women is in fact more judicious, because: (i) women’s repayment rates are higher than men’s; (ii) women are more cooperative; and (iii) awareness of what clients have and what they need – and empowering them – can actually increase sustainability, because MFIs can offer loans that are appropriate and sustainable (Cheston and Kuhn 2002)

VII. IDEOLOGICAL CHALLENGES
A key debate here is whether the concept of empowerment and women’s empowerment is an integral part of a given society or is an imported phenomenon that is borrowed and imposed from the West on the East? Since the primary interest of MFIs is financial sustainability, introducing empowerment issues is not only incompatible with their goals; it is also an additional agenda in which MFIs would avoid investing. Although governments and organizations such as the Self Employed Women’s Association (SEWA) and WWF in India have mobilized women for a long time to fight for women’s rights, it does make it easier for MFIs to avoid an empowerment agenda – as it sometimes mutually suits the MFIs and other stakeholders such as national governments

VIII. CULTURAL CHALLENGES
The biggest cultural constraint on women’s empowerment through microfinance programmes doing research is the culture of patriarchy pervasive throughout Asia. The patriarchal culture is dynamic and thus exercises constraints in different contexts, in varied forms and at various stages in the empowerment process. These include: bargaining power and the ability to make decisions on economic issues within the household, ability to make decisions outside the household, control over loans, building of social networks, responsibility for household chores, and power over one’s time and physical and emotional health and energy

IX. CONCLUSIONS
The United Nations Capital Development Fund (2005) emphasizes that because of the interconnection of financial power, poverty and women, microfinance has an active role in improving economic equality. Increased economic power enables women to improve other areas of their – and their children’s – lives. A report by Littlefield et al. (2003) also stresses that since microfinance programmes have generally targeted women as clients, access to financial services can empower women to become more confident, more assertive, more likely to participate in family and community decisions, and better able to confront systemic gender inequities. This empirical investigation reveals that with respect to the control of resources, changes in behavior and decision-making, women are in the process of empowering themselves.
REFERENCES