

The Impact of Microfinance on the Empowerment of Women in Rajasthan

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ABSTRACT

In Rajasthan, the issue of women working in unorganised sectors has become worse since liberalisation and globalisation first emerged in the early 1990s since the majority of the women who were involved in different self-employment activities have lost their means of support. Women contribute significantly to the domestic and national economies, yet their employment is still seen as just an extension of domestic duties and is thus unpaid. Self Help Groups (SHGs) are the main players in Rajasthan's microfinance market because they are a successful mechanism for providing financial services to the "Unreached Poor" and for enhancing their group's capacity for self-help, which ultimately leads to their empowerment. A nationwide movement for women's empowerment has emerged as a result of the SHG movement's quick advancement. To end exploitation and provide conditions for the rural poor, especially rural women, to become economically independent, microfinance is required. They won't be a "miracle cure," but they might make a significant difference in the fight for gender equality and women's empowerment. These programmes have the potential to start a chain reaction of "virtuous spirals" that will lead to women's economic empowerment as well as broader social and political empowerment since they help women be able to earn a living.

Since self-help groups (SHGs) are proven to be a successful strategy for reducing poverty and promoting economic empowerment, the outcomes from these SHGs are encouraging and the subject of serious research. This research aims to emphasise the contribution of microfinance and SHGs to women's empowerment in Rajasthan, mostly on the basis of secondary data analysis.

Introduction

Self Help Group (SHG)-based microfinance is often regarded as the most effective contemporary strategy for eradicating poverty and fostering rural development. Microfinance and SHGs are successful in eradicating poverty, empowering women, and raising public awareness, all of which contribute to the long-term, sustainable growth of a country.

Not just in Rajasthan but across the whole globe, Women have generally been the most marginalized and biased citizens. Notwithstanding all endeavors from the public authority and non-government associations, they have been exceptionally uneducated buyers of monetary administrations. Microfinance has of late acquired fame as a powerful device for engaging women, particularly those in rural regions. In addition to the informal sector of finance, the formal and semi-formal sectors, such as commercial banks, NGOs, etc., are very interested in offering microloans to women since they

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see it as a lucrative business venture. By using the micronance services offered by the different financial channels, women are taking part in the micronance trend as well.

Women's empowerment is the primary goal of microfinance. Microfinance is the conveyance of monetary administrations to low-pay clients, for example, customers and independently employed people, who frequently don't approach banks and related administrations. Microcredit, sometimes known as "micronance," is the banking of the unbankable. It makes credit, reserve funds, and other urgent monetary administrations open to a large number of people who are excessively poor to use customary banks, frequently on the grounds that they can't give sufficient insurance. Most microfinance beneficiaries are women.

Women have generally found it challenging to participate in monetary activities, especially in non-industrial countries. Microfinance gives women the financial support they need to launch businesses and take an active role in the economy. It provides them with confidence, raises their standing, and increases their participation in decision-making, promoting gender equality.

Long-standing MFIs even claim that since micronance began, violence against women has decreased, according to CGAP.

The majority of microcredit organisations and institutions in the world concentrate on helping women in underdeveloped nations. Women are a low-risk borrower, according to observations and experience, and they often return their loans for the benefit of the whole family. Another way to look at it is as a strategy to change the traditional link between gender and class and give women greater socioeconomic standing.

According to a recent World Bank analysis, societies that discriminate on the basis of gender suffer from higher levels of poverty, slower economic development, worse governance, and a lower quality of life for everyone. It's because women make up 70% of the world's impoverished, on a global scale. In almost every nation, women have greater unemployment rates than males do, and they dominate the unorganised sector of most economies. They make up the majority of persons in need of microfinance services. This multiplier effect boosts the influence of a micronance institution's activity and benefits future generations when women have access to microcredit loans.

The notion of empowerment

What does the term "empowerment" mean? Nobel Laureate Amartya Sen (1993) states that a person's capability set reflects their flexibility to lead various lifestyles. A person's capacity is influenced by a number of variables, such as their personality traits and their social environment. The complete accounting of individual freedom, however, goes beyond what is possible for daily existence. Can it be argued that we have the freedom to live in a certain manner, i.e. the corresponding capacity, if we lack the guts to make that decision even if we have the option to do so? Sen (1990) also makes the essential point that, regardless of context, one should assess some universally-valued functions that are related to the basics of survival and well-being.

Sen argues that if there are consistent gender variations in these very fundamental functional accomplishments—like enough dietary intake, sound health, and adequate shelter—they might be interpreted as proof of disparities in hidden capacities as opposed to contrasts in wants.

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Personal empowerment that is possible within the current social order is one kind of empowerment. Thus, this form of empowerment would be associated with the freedom to decide for oneself, with more autonomy, and with control over financial resources. People feel more competent of making choices and have the right to do so when they participate more in decision-making, which is what empowerment means (Kabeer, 2001).

In 2002, Malhotra et al. created a table of the most often utilised aspects of women's empowerment using concepts created by many writers in numerous areas of social sciences. These theories argue that women's empowerment must take place along a range of dimensions, including: sociocultural, economic, familial/interpersonal, political legal, and mental, while allowing for overlap. Due of the wide variety of elements that these dimensions address, women may be empowered within one of these sub-domains. They use the "socio-cultural" dimension as an example, which includes a variety of sub-domains of empowerment, such as marital systems, expectations for women's physical mobility, and non-familial social support networks and systems accessible to women. As defined by the World Bank, empowerment is "the procedure of enhancing people's or communities' ability to make decisions and to translate those decisions into desirable activities and findings.

Microfinance and the Empowerment of Women

Microfinance programs reach a great many people overall and not just give women and men access to credits and reserve funds, but also unite them consistently in organized gatherings. Despite the fact that they are not "sorcery slugs," they could make a critical commitment to advancing orientation fairness, women's strengthening, being supportive of unfortunate turns of events, and building a common society. These projects can possibly begin a progression of "temperate twistings" of financial strengthening, further developed prosperity for women and their families, and more extensive social and political strengthening by helping women procure pay. Men's perspectives and ways of behaving might be tested and fundamentally changed through the utilization of microfinance projects and associations, which is an urgent move toward achieving orientation balance.

Most microloan programmes target women in an effort to empower them. Different fundamental motives for seeking women's empowerment exist. Some contend that since they are among the most vulnerable and impoverished people, assisting women should be a top concern. According to a more feminist perspective, having wider access to financial services opens up opportunities for greater empowerment. These groups openly see microfinance as a tool for advancing the independence and rights of women.

Finally, in line with the goal of financial viability, more and more microfinance organisations favour women members since they consider them to be better and more dependable borrowers.

Women have been demonstrated to profit from self improvement gatherings that utilization microcredit as a middle person, with a portion of these advantages having gradually expanding influences. Through resource advancement, pay and utilization smoothing, the arrangement of crisis help, and the strengthening and encouraging of women by affording them control over resources, they play critical roles in bringing down the weakness of poor people.

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Literature Review

Using frameworks created by several writers in various fields of social sciences, Malhotra (2002) compiled a list of the most often utilised aspects of women's empowerment. These hypotheses contend that ladies' strengthening should occur along various aspects, including monetary, sociocultural, familial/relational, lawful, political, and mental, while considering cross-over.

Increased resources for women have been linked to improved family health, particularly for young children (Mayoux, 1997; Kabeer, 2001; Hulme and Mosley, 1997). According to a more feminist perspective, having wider access to financial services opens up opportunities for greater empowerment. These groups openly see microfinance as a tool for advancing the independence and rights of women.

Can Microfinance Empower Women?, Ranjula Bali Swain, 2007. Women are in the process of empowering themselves, according to SelfHelp Groups in Rajasthan, and NGOs that help them with financial services and specialised training are better able to have a beneficial influence on women's empowerment.

Susy Cheston and Lisa Kuhn came to the conclusion that microfinance can possibly impact women's strengthening in their article named "Empowering Women via Micronance."

Does microfinance empower women? by Ranjula Bali Swaina and Fan Yang Wallentin, published in September 2009, asks this question. Proof from self-improvement gatherings in Rajasthan's examination showed that SHG members are empowered by taking part in microlending programmes because they are more likely to challenge prevailing gender conventions and culture that limit their capacity to grow and make decisions.

As per Batliwala (1994), there are three methods for engaging women: the coordinated advancement approach, which focuses on women's requirements for food and business; the financial improvement approach, which expects to work on women's monetary standing; and the cognizance approach, which bunches women into gatherings to address the main drivers of abuse.

According to Mayoux (1997), micronance programmes do not always benefit women. Women who start their own businesses benefit from increased workloads and payback obligations in addition to modest income gains. Sometimes the family's male members utilise their loans to start businesses, while women wind up working for minimal pay as unpaid family carers. She adds that in certain instances, women's brief greater autonomy has resulted in the cessation of male assistance.

Research Objectives

The following are the study's main objectives:

1. To research the contribution of microfinance to women's empowerment
2. To research the effectiveness of SHGs in Chittorgarh District.
3. To examine how SHG members who are women are empowered.
4. To provide recommendations for improving women's financial empowerment via microlending.

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Research Methodology

Data sources:

The exploratory character of the research and its use of both primary and secondary data. Secondary data was gathered from a variety of periodicals, works in progress, working papers, reports from NGOs, etc. The research area's eld survey provided the primary data.

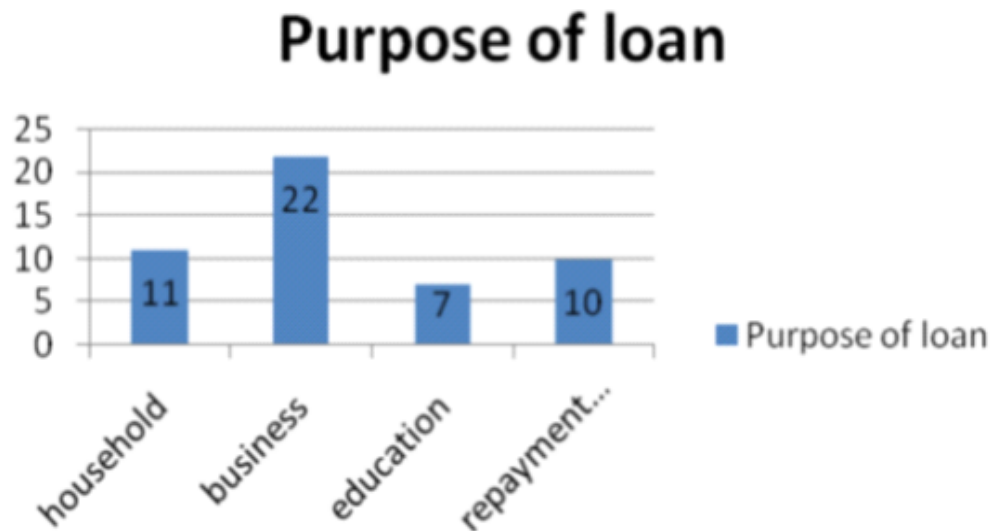
Sampling Area: To get insight into the benefits and difficulties experienced by women in SHGs, a field survey was carried out in the Jaipur region of India.

Sample Size: To perform the current research, 50 samples from 3 SHGs in the study region were taken into consideration.

The women SHG members' information was gathered using a systematic interview schedule that had been created. The agenda includes both closed-ended and open-ended questions. Simple correlation coefficient, percentage analysis, and other statistical techniques are utilised to analyse the data.

Data Analysis and Findings

88% of participants thought microfinance has more significantly lowered their poverty levels. Therefore, the aim of the loan is limited to the following 4 reasons: home, education, repayment, and 22% of the beneficiaries utilise the loan to establish or grow an existing company. It's important to notice that 10% of responders took out loans to pay off previous debt. However, 7% of the responders borrow money for their children's education, demonstrating their knowledge.



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The key findings are as follows.

1. It is found that microfinance further developed the proficiency levels of the respondents and furthermore worked on their mindfulness on youngster schooling.
2. Greatest number of respondents acknowledged that microfinance has brought monetary advancement straightforwardly and by implication and Hence, there is bliss and harmony in the family.
3. Women are getting monetarily and socially engaged later getting microfinance as 88% of the respondents revealed that destitution level has decreased by partaking in microfinance program.
4. More than 96 % respondents said that they play a significant job in navigation and they were counseled for making significant choices of the family. This is a significant element of monetary strengthening.
5. There is a significant improvement in the pay of the respondents subsequent to joining SHG.

Conclusion

Accordingly, it can be inferred from the aforementioned research that microfinance is crucial to the social, psychological, and economic empowerment of women in Rajasthan. The availability of microloans and their effective use have been demonstrated to have a significant influence in the empowerment of women. According to the study's empirical findings, microfinance has a significant impact on the financial situation, capacity for making decisions, level of knowledge, and sense of self-worth of the women who participate in the self-help group linkage programme in Ghaziabad.

Microfinance is widely recognised as a critical strategy for achieving and sustaining long-term, sustainable economic development. Rethinking the fundamental presumptions and implementing the modifications are necessary if impoverished people are to be reached on a large scale with popular items on an ongoing basis. Microfinance is now working to enhance flexibility and continuity while maintaining the convenience of the informal sector.

Although numerous studies done at various levels come to different findings, it is clear from the current research that, notwithstanding obstacles, microfinance is capable of assisting the underprivileged in upgrading their standard of living and improving women's empowerment.

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