

## **Role of Microfinance in Women Empowerment: A Comparative Study of Rural and Urban Groups In Kancheepuram District**

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### **ABSTRACT**

In India, the emergence of liberalization and globalization in early 1990's aggravated the problem of women workers in unorganized sectors from bad to worse as most of the women who were engaged in various self-employment activities have lost their livelihood. Microfinance is emerging as a powerful instrument for poverty alleviation in the new economy. In India, Microfinance scene is dominated by Self Help Group, Commercial Bank Linkage Programme as an effective mechanism for providing financial services to the "Un – reached Poor". This has been successful not only in meeting financial needs of the rural poor women but also strengthen collective self-help capacities of the poor women, leading to their empowerment. Women empowerment is vital for decision making on economic issues for the family as a whole. In reality, there is prevalence of unequal gender norms among the women in India in urban and rural area. The objective of the study is analyse the role of microfinance and compare the empowerment of women in urban and rural setting in Kancheepuram district.

**Key Words:** Micro Finance, Economy, Women Empowerment, Employment, Economic, Rural, Urban

### **1. INTRODUCTION**

In every economy women play an essential part. When women are given equal partnerships as with men then only a nation would have overall improvement and pleasant growth. Empowerment of women is crucial to bind the women labor in the main stream of economic development. Empowerment of women is a complete notion. It is multi-dimensional in its approach and covers economical, personal, social/cultural, familial, psychological and political aspects. Of all the aspects of women development, economic empowerment is of paramount significance in order to achieve an eternal and bearable advancement of society. Provision of microfinance is a key source for achieving women empowerment. Microfinance provides women with the financial backing they need to start business ventures and actively participate in the economy. It gives them confidence, improves their status and makes them more active in decision making, thus encouraging gender equality. Hence the study is important to know to role of microfinance institutions in women empowerment.

## **2. OBJECTIVES OF THE STUDY**

- To understand and analyze the role of microfinance in women empowerment among the rural and urban women in Kancheepuram district.
- To understand the demographic profile of members.
- To give suggestions for the improvement of performance of microfinance toward women's empowerment.

## **3. REVIEW OF LITERATURE**

Women empowerment is a multi-dimensional process, Malhotra, Schuler &Boender (2002) constructed a comprehensive framework of women empowerment with a broad range of factors, including economic empowerment, socio-cultural empowerment, familial/interpersonal empowerment, legal empowerment, political empowerment and psychological empowerment as shown in Table 1. Malhotra, Schuler &Boender (2002) assert that after adopting empowerment as goal three of MDG's , neither the World Bank or any other development agency have developed a universal method of measuring empowerment due to variation in the nature and significance of empowerment across different disciplines.

Aghion & Morduch (2005, p.179) conclude that microfinance is basically women banking. Women constitute a significant portion of microfinance clientele and beneficiaries. Yunus (2001) reported that 95 percent of Grameen's clients were women and increased marginally to 96 percent by the end of 2011 (Arindam, Laha & Kuri, 2014). According to Harris (2009), about 71 percent of total borrowers in the world are women and 84 percent of poorest borrowers too are women, contrary to the assertion that microfinance does not reach the very poor (Mosley & Hulme, 1998; Coleman, 2006). Microfinance institutions target women because of their low default rate (Kevane & Wydick, 2001; Sarumathi and Mohan, 2011; Al-Mamum, Wahab & Su, 2014). Most microfinance programmes globally were built to empower women. Aghion & Morduch (2005) maintain that microfinance empowers women through changes in household choices and bargaining power, by increasing overall resources, affecting the returns on human capital and influencing the attribute and norms. As noted above, women are among the poorest, vulnerable and under privileged hence empowering them must be a priority.

## **4. RESEARCH METHODOLOGY**

A community based cross-sectional study was conducted among the rural and urban group Kancheepuram district. The study population comprised of women in reproductive age group (15-45 years) residing in the study area. Only married women in the study area who were willing to participate in this study were included. Sample size was estimated to be 200 in each group using the proportion of women taking part in household decision making reported as 84% . Simple random sampling method was used to conduct house to house survey to interview the women after the informed consent with a standardized semi-structured questionnaire developed from Women empowerment . Data was entered and analyzed . Chi Square test and logistic regression were used for statistical analysis.

## 5. LIMITATION OF THE STUDY

- The present study has involved a detailed study of role of microfinance in women empowerment in urban and rural setting in Kancheepuram district only.
- The samples were collected from the women in rural and urban areas of Kancheepuram district. The sample consisted of 200 women from rural and urban areas.

## 6. ANALYSIS

**TABLE NO 1 SOCIO-DEMOGRAPHIC CHARACTERISTICS OF THE PARTICIPANTS IN BOTH GROUPS**

CHARACTERISTICS	RURAL GROUP N=200  N%	URBAN GROUP N=200  N%
AGE AT MARRIAGE		
<18 YEARS	46(23)	32(16)
TYPE OF FAMILY		
NUCLEAR	54(27)	28(14)
JOINT	146(73)	172(86)
RELIGION		
HINDU	104(52)	120(60)
CHRISTIAN	44(22)	36(18)
MUSLIM	24(12)	44(22)
OTHERS	---	---
EDUCATIONAL STATUS		
ILLITERATE	54(27)	28(14)
PRIMARY SCHOOL	10(5)	26(14)
MIDDLE SCHOOL	30(15)	26(10)
HIGH SCHOOL	106(53)	114(57)
HIGHER SECONDARY	---	12(6)

GRADUATE	---	---
SOCIO-ECONOMIC STATUS		
UPPER	14(7)	6(3)
MIDDLE	58(29)	74(37)
LOWER	128(64)	120(60)
OCCUPATION		
UNEMPLOYED	134(67)	86(43)
EMPLOYED	66(33)	114(57)

The mean age among the participants in the rural group was 26.74±6.45 years and that in the urban group was 30.4 ± 7.35 years. Table 1 depicts the socio-demographic characteristics of the participants. Majority of women in both groups were educated up to high school level while 27% were illiterates in rural while 14% in urban group. The most common reason for school dropout was denial by parents and housework in both the groups followed by poverty in the family. About 67% were homemakers in rural group while 43% in urban wherein majority of them were willing to work but could not due to family responsibility of taking care of small children, elderly and due to household work. About 33% were below poverty line in rural while 21% in urban were below poverty line. Age at marriage below 18 years was observed 23% in the rural group while 16% in the urban group. About 38% of women in rural group and 25% in urban group were not involved in the decision making related to their marriage. Table 2 depicts the participation of women in decision making regarding different aspects in their family life. About 73% of women had participated in making household decisions in the rural group while 87% had participated in the urban group and the difference observed was statistically significant  $p < 0.05$ . Only 29% of women in rural group had a say in financial decisions in the family against 44% in the urban group which was statistically significant.

**TABLE NO 2 PARTICIPATION OF WOMEN IN DECISION MAKING IN BOTH GROUPS**

DOMAINS	RURAL N=200	URBAN N=200
HOUSEHOLD DECISIONS (YES)	146(73)	174(87)
FINANCIAL DECISIONS (YES)	58(29)	88(44)
HEALTH SEEKING BEHAVIOUR	84(42)	136 (68)

Age of the women had a role in their participation in household decisions. Older the age, the women had higher level of participation in decision making in both groups than the younger age group which was statistically significant  $p < 0.001$ . Factors like educational status, employment and awareness on empowerment were statistically significant that determine the difference between the empowerment among the women in rural and urban groups.

## **DISCUSSION**

Empowerment of women involves the process of upliftment of social, economic and political status of women who are traditionally underprivileged in our male dominated society. In Western societies, the women enjoy equal rights and status with men in all aspects of life while gender disparities and discriminations are prevalent in India even today. This situation varies from state to state in our nation. The overall level of empowerment of women has improved to 84% This study has shown that the empowerment of women is observed to be better in urban setting than the rural area in Kancheepuram district .Overall empowerment of women in decision making with respect to household decisions, financial decisions, was observed to be better in urban setting than the rural setting in Kancheepuram district.

## **7. CONCLUSION**

Women empowerment is better in urban setting than rural setting. There is a strong need to create awareness and training in rural setting for better productive life. Thus better education, awareness, better economic status and employment of women in urban setting has aided in better empowerment of women than the rural setting. Hence there is a strong need to improve the educational status, employment opportunities, awareness on the empowerment of women and the schemes offered by the Government in order to empower women for upliftment and development of our society.

## **8. SCOPE FOR FURTHER RESEARCH**

The Further study can be conducted in the following areas

- Role of microfinance in women empowerment in other districts of the state.
- Empowering women in other areas of decision making and also in self-employment.

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