



ROLE OF MICRO-FINANCE IN THE EMPOWERMENT OF TRIBAL WOMEN

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ABSTRACT

Empowerment of Tribal women is one of very important issue in developing countries. As Tribal women are integral part of society, her status and participation in decision making as well as economic activities is very low. Microfinance plays very important role in improving Tribal women decision making by contributing in economic activities. Over the years various efforts have been made by many Government and Non-Government organizations to promote women empowerment especially in rural areas. One such effort is the microfinance intervention. Microfinance institution aims to provide credit to the poor who have no access to commercial Banks. In general, this institution receives financial support from western donors, NGO's or commercial Bank, who lend to microfinance institutions often against below market interest rates. Many leading public and private sector banks are offering schemes exclusively designed for women to set up their own ventures. Even the unorganized sector has been heading into microfinance movement. The rise of the microfinance industry represents a remarkable accomplishment taken within historical context. It has overturned established ideas of the poor as consumers of financial services, shattered stereotypes of the poor as not bankable, spawned a variety of lending methodologies demonstrating that it is possible to provide cost-effective financial services to the poor, and mobilized millions of dollars of "social investment" for the poor (Mutual, et al. (1996). It must be emphasized too that the animating motivation behind the microfinance movement was poverty alleviation. Not only that, but microfinance offered the potential to alleviate poverty while paying for itself and perhaps even turning a profit "doing well by doing good." This potential, perhaps more than anything, accounts for the emergence of microfinance. onto the global.

Keywords: Micro finance, Empowerment of women, Industries, NGOs.

Introduction:

It is often said that India lives in its villages. According to our latest census about 70 per cent of the total population used to live in villages, and do their agricultural activities. Several years of relentless industrialization almost concentrated around the bigger cities, have not naturally changed the overall picture. The rural India is still a reality. India's overall development is not possible without the rural areas. Working Tribal women contribute to national income of the country and maintain a sustainable livelihood of the families and communities, throughout the world. The main aim of microfinance is to empower women. Microfinance is the provision of financial services to low-income clients, including consumers and the self employed, who traditionally lack access to banking and related services. Microcredit, or microfinance, is banking the unbankables, bringing credit, savings and other essential financial services within the reach of millions of people who are too poor to be served by regular banks, in most cases because they are unable to offer sufficient collateral. Women make up a large



proportion of microfinance beneficiaries. Traditionally, women (especially those in underdeveloped countries) have been unable to readily participate in economic activity. 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. According to CGAP, long-standing MFIs even report a decline in violence towards women since the inception of microfinance. The most of the microcredit institutions and agencies all over the world focuses on women in developing countries. Observations and experience shows that women are a small credit risk, repaying their loans and tend more often to benefit the whole family. In another aspect it's also viewed as a method giving the women more status in a socioeconomic way and changing the current conservative relationship between gender and class. They are rarely financially independent and often they are more vulnerable members of society. About 70% of world's poor are women. Yet they have no access to credit and other financial services. Therefore, microfinance often target women. Microfinance is a critical tool to empower women from poor household. So, particularly women can get benefit from microfinance institutions as many microfinance institutions target only women, to empower them. Here in this paper a small effort has been made on the empowerment of women through the tool Micro-finance.

Review of Literature:

Indira Devi, (1987) identified that the impact of employment of women is clearly seen in their dominance in tasks related to control of money and freedom in spending etc. while education of wives initiated the process of change in decision-making, the employment furthered it by altering the male dominance in decision making.

Manpower Journal (1990) discusses the development of women as human resource under various heads; they are the indicators of women's equality, women's economic position, economic growth, economic rights, economic participation, occupational distribution, women's social status and observations on economic participation.

Rita Sood (1991), women who belong to lower middle income and lower income families are normally taking up job essentially due to economic necessity. Some of the women employees expressed the view that they are working for their emotional satisfaction rather than due to economic necessity

Malhotra (2002) constructed a list of the most commonly used dimensions of women's empowerment, drawing from the frameworks developed by various authors in different fields of social sciences. Allowing for overlap, these frameworks suggest that women's empowerment needs to occur along multiple dimensions including: Economic, socio-cultural, Familial/ interpersonal, legal, political, and psychological.

According to Krishna (2003) empowerment means increasing the capacity of individuals or groups to make effective Development and life choices and to



transform these choices into desired actions and outcomes. It is by nature a process and/or outcome.

Ranjula Bali Swain (2007) "Can Microfinance Empower Women? Self-Help Groups in India" concluded many strides have been made in the right direction and women are in the process of empowering themselves and NGOs that provide support in financial services and specialized training, have a greater ability to make a positive impact on women empowerment.

Objective of the paper:

The objective of my paper is to highlight the impact of on rural women in Andhra Pradesh

1. To study the role of micro finance in Tribal women empowerment
2. To analyze the dimensions of Socio-Economic status of Tribal women empowerment through SHGs.
3. To measure empowerment of Tribal women indecision making through SHGs.

Methodology:

The paper is based on primary and secondary data. Multi-stage random sample method is too used for the present study. The data is sourced from directorate of Economics and statistics publication to arrive at the trend in area.

Concept of Empowerment:

The capability of a person depends on a variety of factors, including personal characteristics and social arrangements. However, the full accounting of individual freedom goes beyond the capabilities of personal living. For example, if we do not have the courage to choose to live in a particular way, even though we could live that way if we so chose, can it be said that we do have the freedom to live that way, i.e. the corresponding capability? Another important point made by Sen (1990) is that for measurement purposes one should focus on certain universally-valued functioning, which relate to the basic fundamentals of survival and well-being regardless of context. Taking the example of universally valued functioning like proper nourishment, good health and shelter, Sen asserts that if there are systematic gender differences in these very basic functioning achievements, they can be taken as an evidence of inequalities in underlying capabilities rather than differences in preferences. Empowerment can range from personal empowerment that can exist within the existing social order. Thus this kind of empowerment would correspond to the right to make one's own choices, to increased autonomy and to control over economic resources. Empowerment signifies increased participation in decision-making and it is this process through which people feel themselves to be capable of making decisions and the right to do so (Kabeer, 2001). Malhotra et. Al (2002) constructed a list of the most commonly used dimensions of women's empowerment, drawing from the frameworks developed by various authors in different fields of social sciences. Allowing for overlap, these frameworks suggest that women's empowerment needs to occur along multiple dimensions including: economic, socio-cultural, familial/interpersonal, legal, political, and psychological. Since these



dimensions cover a broad range of factors, women may be empowered within one of these sub-domains. They give the example of “socio-cultural” dimension which covers a range of empowerment sub-domains, from marriage systems to norms regarding women’s physical mobility, to no familial social support systems and networks available to women. The World Bank defines empowerment as “the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes.

Statement of the Problem

In olden days women were restricted to take part in any social activities and not given roles in decision making in her family. The situation was even more worsening in rural and remote areas. Now the situation has been changed. She is given freedom to do what she wishes. In today’s scenario more women are engaged in income generating activities. This is because of NGO and other financial institution came forward to provide microfinance to poor women. They believe that a woman is the small credit risk and often benefits the whole family. The main aim of Microfinance is to empower Tribal women. This induced the researcher to focus more on the empowerment of rural tribal women who participates in the microfinance.

Microfinance and Tribal Women Empowerment

Micro-finance programmers not only give women and men access to savings and credit, but reach millions of people worldwide bringing them together regularly in organized groups. Although no ‘magic bullet’, they are potentially a very significant contribution to gender equality and women's empowerment, as well as pro-poor development and civil society strengthening. Through their contribution to women’s ability to earn an income these programmers’ have potential to initiate a series of ‘virtuous spirals’ of economic empowerment

Result and Discussion:

Table-1
Distribution of SHGs members to their Dimensions- Economic Status.

Dimensions	Category	Number	Percentage
Education Status	Illiterate	5	16.6
	Can read only	20	66.6
	Can read &Wright	4	13.3
Caste	Back ward caste	30	100
Occupation	Agriculture as primary occupation	29	96.9
Family type	Nuclear family	22	73.3
	Joint family	8	26.6
		12	60.1
House owned	Own	1	3.3
	Rented	27	90
	Others	1	33



Material Possession	Low	1	3.3
	Medium	29	96.6

Sources; Primary Data

This section deals with the results obtained among SHG members with respect on individual observation. It is obvious from table-1 that out of seven dimension studies for assessing the socio-economic status of SHGs members, majority of the respondents were illiterate (16.6) % belonged to back ward caste 100% had Agriculture as primary occupation 96.9%. Most of them belonged to nuclear 73-3% family and maintained family size of up to five members.

Conclusion:

Thus it can be concluded from the above study that microfinance is playing a vital role in the social, psychological as well as economic empowerment of women in India. Microfinance loan avaiement and its productive utilization found to be having a profound role and impact on women empowerment. The empirical findings of the study suggests that microfinance has a profound influence on the economic status, decision making power, knowledge and self worthiness of women participants of self help group linkage program in A.p. The rural area Self Help Groups are performing well. The study concludes that microfinance bro the rural area Self Help Groups are performing well. The study concludes that microfinance brought psychological and social empowerment than economic empowerment. Impact of micro finance is appreciable in bringing confidence, courage, skill development and empowerment. The SHG members feel free to move with their groups and leaders. It leads them to participate on various social welfare activities with good co operation. While interacting with the respondents, it is noticed that some members are expecting the NGO to come up with more training sessions in income generating activities. All they need is a way to develop their skills and talents by participating in various training programs ugh psychological and social empowerment than economic empowerment.

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