

A STUDY ON EMPOWERING WOMEN THROUGH MICRO FINANCE IN BANGALORE

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Abstract

Micro Finance is a banking service/activity which provides financial assistance/loans to individuals, unemployed and groups as a whole. Micro Finance through Self Head Group (SHG) is the powerful and suitable way of reaching financial assistance to the people directly in rural areas for rural development. Empowerment of women is the main aim of micro finance, because it leads to the sustainable development of the nation. This paper aims to the empowering of rural women through micro finance. This study was held in the rural areas of north Bangalore. Women's are well in managing the money so the micro finance is mostly giving loans to SHGs in rural areas. The data collected from the respondents through a proper and structured questionnaire and the secondary data is collected from publishing reports, government reports and other documents. In this research various statistical tools is used for better analysis and interpretation of the data collected from both primary and secondary data. Results reveal that indicators of women empowerment are household economic decision making, legal awareness, mobility, economic security and family decision making. Paired samples t test is used to know the difference in women's perception before joining microfinance program and after joining microfinance program. The findings of this study reveal that microfinance is a powerful tool that enhancing women empowerment in various means household economic decision making, legal awareness, mobility, economic security and family decision making.

Keywords: Microfinance, Women empowerment, SHGs, Economic security; Household economic decision making

Introduction

Microfinance by and large concurs that ladies ought to be the essential focal point of administration conveyance. Proof demonstrates that they are more averse to default on their advances than men. Industry information from 2006 for 704 MFIs coming to 52 million borrowers incorporates MFIs utilizing the solidarity loaning approach (99.3% female customers) and MFIs utilizing singular loaning (51% female customers). Micro Finance is also known as Microcredit. It is a type of financial service bringing by the banks and other Non-Banking financial intuitions by providing credit, savings and other essential financial services within the reach of millions of poor people where banks may serve because they didn't have any collateral for their loans. Micro finance depends on commence that the poor have aptitudes which remain unutilized or underutilized. It is certainly not the absence of abilities which make needy poor individuals; philanthropy isn't the response to neediness. It just encourages destitution to proceed. It makes reliance and removes the person's drive to get through the mass of neediness. Releasing of vitality and imagination in every individual is the response to neediness. Microfinance has emerged as a powerful tool for women empowerment in the new economy. In India, microfinance distribution is mainly dominated by Self Help Groups (SHGs) –Bank Linkage Programme. It aims at providing a cost effective mechanism for providing financial services to the poor section of the society. Efforts on women empowerment will help society to get rid of social evils. There is a long way to take people away from poverty but SHGs can become significant tool to achieve this objective through microfinance programs. Microfinance helps poor people including women in getting employment, increasing confidence, enhancing communication skills and in other aspects as well. Women gain greater control over resources like material possession, intellectual resources like knowledge, information, ideas and decision making at home, community, society and nation through involvement in these microfinance programs.

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Review of literature

(Arif et al., 2017; Hameed et al., 2019a, 2019b) The aim of microfinance institutes is to support women micro-enterprise through training or skill development programs and social capital development. Microfinance institutes are also providing other financial services like credit. However, this study is limited to non-financial services such as training and social capital.

Hameed et al., (2017), training has significant positive effect on micro-enterprise success. Moreover, literature demonstrates that training has positive influence on enterprise success.

Kapila et al., 2016, Women-empowerment is known as the process of equipping women to be economically independent, self-reliant, having positive esteem which allows them to defend any challenging circumstances and to contribute to various development activities.

Jamal et al., 2016 It is a process in which women get more control over different resources. However, women-empowerment is low in developing countries. From previous few decades, microfinance institutes providing various services to alleviate poverty and enhance women-empowerment.

Hussain et al., 2013 training/skill development programs enhances the income through women micro-enterprise success which increases the women's economic as well as social empowerment.

Dandedjrohoun et al., 2012 which enhances the women decision-making power. Additionally, it increases the satisfaction level among individuals.

Dhiraj Jain, and Bhagyashree Jain, (2012) in their study on, "Does Microfinance Empower Rural Women?-A Empirical Study in Udaipur District, Rajasthan", the survey was conducted on around 100 respondents from various SHGs of Udaipur district, Rajasthan and the analysis was done to study the empowerment of women through microfinance. The results strongly demonstrate that on an average, there is a significant increase in women empowerment of the Self Help Groups members. However, social backwardness, indebtedness and presence of other microcredit programs in the same or nearby villages have a significant positive influence on women's participation in this program.

Sanjay Kanti Das (2012) in his study entitled, "Micro Finance and Women Empowerment: Does Self Help Group Empowers Women?", the study is restricted to only three districts of Assam (better known as Barak Valley). In this paper, an effort is made to analyse the meaning of the term 'empowerment'- its different concepts, issues and indicators. Further, efforts are also taken to examine the influence of membership of SHGs and gender inequality, to assess the involvement of SHG member in decision making in the family and to study membership of SHGs and improvement of women position in the patriarchal family system in the study area and finally, to study the relation of SHG members and development of leadership qualities. It is observed from the study that impact on decision making pattern i.e. participation ranks first followed by power element i.e. economic empowerment. Building of awareness and capacity ranks the third while the Indicators of 'Entitlement' ranks fourth and so on. Therefore it is obvious that SHG have a positive impact on women members particularly in empowering them. In fine Self Help Groups is undoubtedly considered as an empowerment model.

Glaub & Frese, 2011; Bischoff et al., 2013 Furthermore, training has significant influence on women awareness.

Harrison & Mason, 2007; Ibru, 2009 It is the process of teaching different skills to women because the women in developing countries have low level of education. Training increases the success rate of women micro-enterprise which generates the income. Income enhances the economic and social empowerment.

Akanji, 2006; Cheston & Kuhn, 2002; Kuzilwa, 2005, Training is an important microfinance factors which offers skills as well as experience to the women entrepreneurs.

Objectives of the study:

1. To study micro finance awareness in the rural areas of Bangalore.
2. To study the impact of the SHG works in rural areas of Bangalore.
3. To analyze the empowerment of women psychologically, economically and socially the problems that women face in getting SHG loans.
4. To suggest the SHGs to empowering women in Bangalore.

Research methodology:

The study is undertaken in the rural areas of North Bangalore region. Both primary and secondary data are used. Primary data is collected by the researcher from a field survey in the study region. Secondary data is collected from various NGOs and other financial institutions in Bangalore. The following areas are covered for data collection. 1. Playa village. 2. Begur 3. Jala hobli. 4. Muthugadahalli. 5. Devanahalli. 6. Udayagiri.

Population or universe is the aggregate number of qualities from among the examples is gathered. Inspecting might be characterized as the way toward getting the data around a whole population by looking at just a piece of it. Test estimate is the quantity of perceptions that is incorporated into a measurable example. The example estimate is imperative measure to be viewed if the exploration is under gone up against a population. The example size ought to be proper with the goal that the after-effects of the examination are additionally fitting or precise. The example size could be extensive or little relying on the necessity of the exploration thinks about. An example unit is a little unit in which a huge appropriation is isolated into little dissemination like a populace is separated into little example. Every unit is viewed as a different individual unit under examination. In this study for connivance of research cluster sampling and area sampling is taken. In this study six villages is selected for the collection of primary data and population size for each village is 20 households are taken for the study. So the total population size for six villages is 120. From this it is framed out the sampling size and method for collecting sample. Cluster sampling and area sampling is followed in making this study. Since the members are large in number so they are divided into groups and randomly selected for data collection. Sample size From 120 population size 101 samples have been collected for the research from all the six areas of Bangalore region. In the study both primary data and secondary is used for the collection of data. Primary data: Primary data is the data collected by the researcher by conducting a field survey. It is otherwise called unique information. It is normally gathered by the analyst when he/she has some knowledge of the auxiliary information identified with the issue. It is generally gathered through utilization of the survey, perception, telephonic meeting, and individual meeting. In this investigation essential information was gathered with the assistance of poll. A rundown of inquiries were confined and were given to the respondents so as to gather a few information that were utilized to decipher the outcomes. Tools for data collection: A structured questionnaire was prepared by the researcher and used for collecting data from the rural SHG women members who are engaged in micro enterprises through microfinance. The analysis and interpretation of the study is conducted with the help of various tables, pie charts and graphs. Regression and correlation, pie charts. The data collected from primary and secondary data are analyzed with technical analysis. In technical analysis the bar graph charts is used.

Limitations of study:

- The study is limited to the rural areas of Devanahalli of North Bangalore in Karnataka state.
- Hence the output of the study is not applicable to urban areas and other rural areas of Karnataka state.
- The information is collected from the people who are directly or indirectly connected to the micro finance.
- Some of the people from whom data is collected are uneducated.

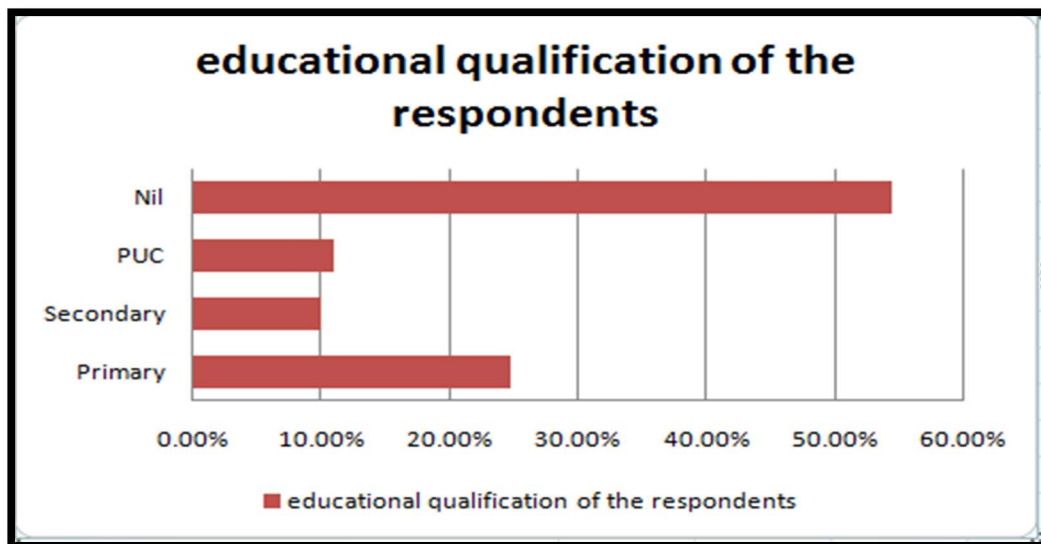
- The data is collected from the sample respondents taken for the study. From the villages:
 1. Playa village. 2. Begur 3. Jala hobli. 4. Muthugadahalli. 5. Devanahalli. 6. Udayagiri.

Data Analysis and Interpretation

1. Educational Qualification of the respondents

Educational Qualification	No: of Respondents	Percentage
Primary	25	24.75
Secondary	10	9.90
PUC	11	10.89
Nil	55	54.46
TOTAL	101	100

SOURCE: PRIMARY DATA



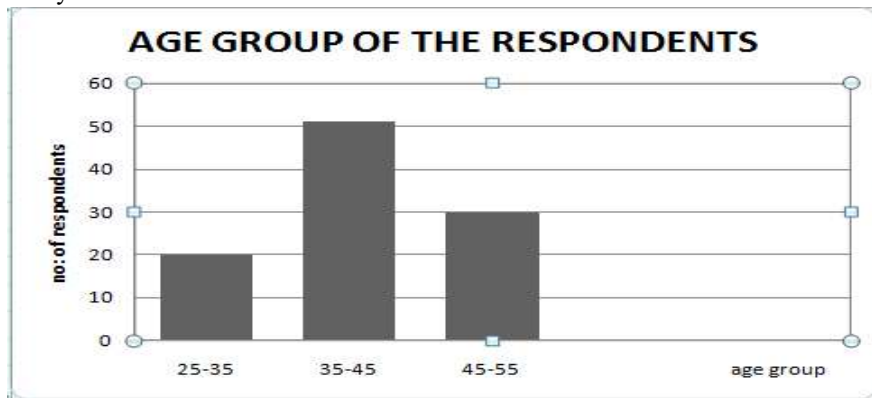
Analysis and Interpretation In the above table it is showing the educational qualification of the respondents. From the above table most the women who is taking micro finance or SHGs loans are uneducated. From the information it is clear that 55.46% (55 respondents) respondents are uneducated and 24.75% (25 respondents) are primary level educated people, 9.90% (10 respondents) are educated up to secondary level. Only 10.89% of the respondents are educated more than PUC. The above graph indicates educational qualification of the respondents. From the above graph most of the respondents are illiterate

2. Age group of the respondents:

Age Group	No: of Respondents	Percentage
25-35	20	19.80

35-45	51	50.50
45-55	30	29.70
TOTAL	101	100%

Source: Primary Data

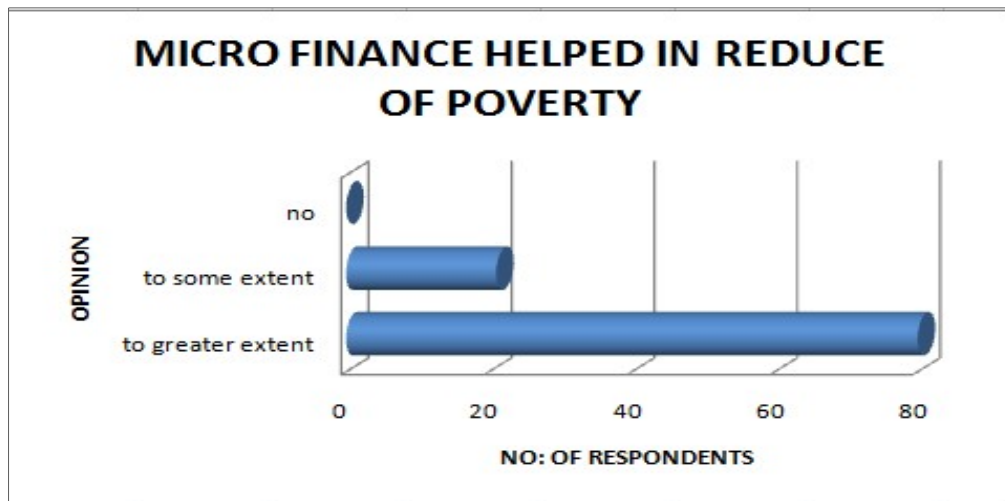


Analysis and Interpretation: Out of total respondents 50.50 percent of the women belong to 35-45 age category, and next 29.70 percent belong to 45-55, and the rest 19.80 percent belong to 25-35 age category. The above graph showing the interpretation of the age group of the respondents.

3 No. of respondents are aware of SHGs and micro finance:

OPINION	NO: OF RESPONDENTS	PERCENTAGE
Yes	63	62.38
To some extent	28	27.72
No	10	9.90
TOTAL	101	100%

Source: Primary Data



Analysis and Interpretation: In the total respondents of 101, 63 respondents (62.38 percent) of the sample respondents are aware of the micro finance and SHGs, 28 respondents (27.72 percent) of the respondents know to some extent and the reaming 10 respondents (9.90 percent) are not aware of SHGs and micro finance. The above graph indicates the awareness of the micro finance the first bar shows the more awareness of the micro finance.

4. whether micro finance helped in reducing poverty level

OPINION	NO: OF RESPONDENTS	PERCENTAGE
To a greater extent	80	79.20
To some extent	21	20.80
No	0	0
SOURCE: PRIMARY DATA TOTAL	101	100%

Source: Primary Data

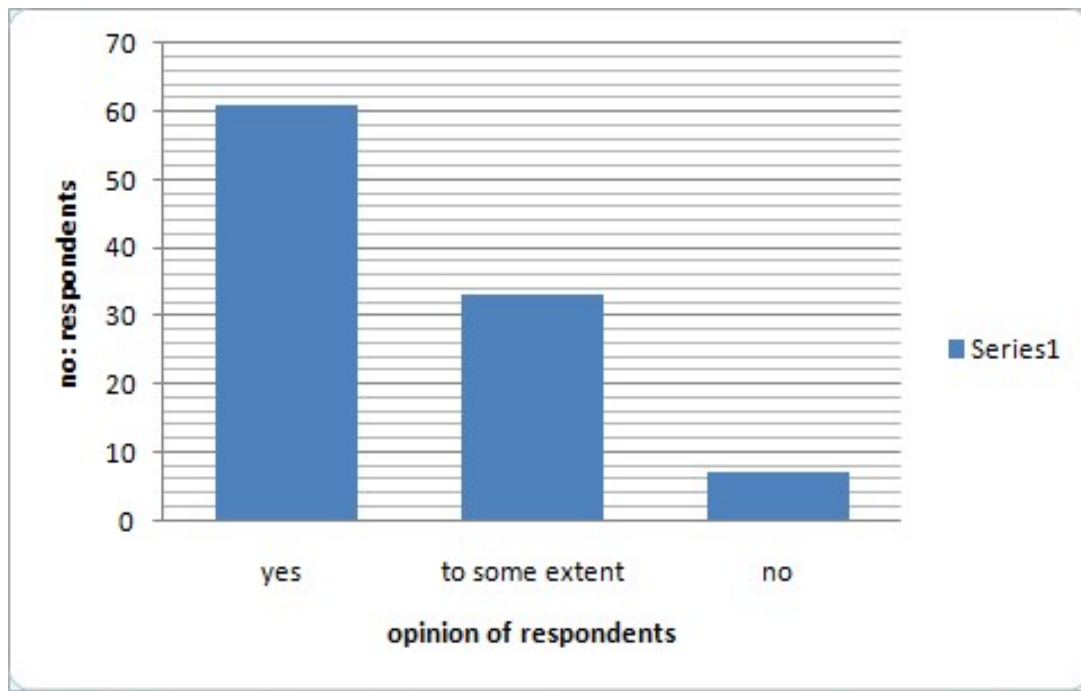
Analysis and Interpretation: The above table explains that how much the micro finance loans helped the respondents to reduce the poverty level. Because the main objective of the micro finance is to reduce the poverty and empower the women. The following graph indicates whether the micro finance helped in reducing their poverty level. 79.20% of the respondent is helped with micro finance in reducing poverty level

5. Taking financial decision in the family:

OPINION	NO: OF RESPONDETS	PERCENTAGE
Yes	61	60.40
To some extent	33	32.67

No	7	6.93
TOTAL	101	100%

Source: Primary Data



Analysis and Interpretation: Out of 101 respondents 61 respondents (60.40%) said that they can take their own financial decision in their family. 33 respondents said that to some extent only and reaming 7 respondents said that they can't take the financial decision in the family by their own. The above bar graph indicates the respondents can take the financial decision in their family. It shown that more than 60 respondents can take financial decisions freely

These variable impacting are Poverty (P), lack of education (LE), Mobility (M) and Decision Making in family (DM). All items are measured using 3 point likert scale from disagree to agree.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.703
Bartlett's Test of Sphericity	Approx. Chi-Square	1403.41**
	Df	105
	Sig.	.000

** p< 0.01

KMO and Bartlett's Test Results for Women Empowerment Scale

Variable 1		Variable 2		Variable 3		Variable 4	
lack of education (LE)		Mobility (M)		Poverty (P)		Decision Making (DM)	
Variable	Loading	Variable	Loading	Variable	Loading	Variable	Loading
LE2	.885	M9	.85	P1	.804	DM	.805
	.877	M11	.9	P6	.753	7	.813
LE4	.565	M12	.73	P3	.716	DM	
	.813		.5			10	
LE 5			.76				
			.4				
LE 8							
Eigen Value	3.7	1.8		1.4		1.2	
Percent of Variance	20.57	13.37		13.01		9.94	
Total Variance	73.34						

As, the KMO value is greater than 0.5 and the significance level for Bartlett's test value is 0.000 which shows that the value is significant at 1 per cent level of significance, therefore it is appropriate to apply factor analysis. Factor analysis result of women empowerment is shown in The first factor lack of education LE2, LE4, LE5, LE8, are .885 .877,.565,.813 respectively the Eigen Value is 3.7 Mobility M9, M11 , M12, .859 .735.764 respectively Eigen value is 1.8 Poverty P1,P6, P3 are .804 , .753, .716 and Eigen value is 1.4 Decision Making DM7, DM10 is 0.805, 0.813 and Eigen value is 1.2.

Table 3: Reliability test for the Variables impacting the of Women Empowerment

Factor	Variables	Cronbach alpha
Lack of education (LE)	LE2, LE4, LE5, LE8	.89
Mobility	M9, M11 , M12	.71
Poverty	P1,P6, P3	.79
Decision Making	DM7, DM10	.80

Reliability: To establish internal consistency, Cronbach's alpha value for reliability was calculated. All values were above 0.60, which may be considered as reliable. Value of Cronbach alpha is shown in above table.

Paired Sample Statistics for impacting variables

	Paired Differences					T	df	p value
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Lack of Education	.502	.791	.054	.396	.609	9.31*	210	.000
Mobility	.214	.454	.031	.153	.275	6.90*	210	.000
Poverty	.358	.480	.032	.422	.293	10.92**	210	.000
Decision Making	.277	.344	.023	.323	.231	11.82**	210	.000

** $p < 0.01$

Paired sample t test results for factor lack of education (LE) are shown in Std deviation 0.791, Mobility are shown as .214, Poverty 0.358 decision making 0.277. The paired sample t test analysis indicates that for item lack of education (LE), the mean score of women perception after participation in microfinance program (M=.502) was significantly greater than the mean score before participation in microfinance program at 1% significant level. For mobility, the mean score for women perception after participation in microfinance program (M=.214) was significantly greater than the mean score before participation in microfinance program at 1% significant level. For LE8, the mean score for women perception after participation in microfinance program was significantly greater than the mean score before participation in microfinance program at 1% significant level. For Poverty, the mean score for women perception after participation in microfinance program 0.358 was not significantly greater than the mean score before participation in microfinance program at 5% significant level.

Paired Samples Test for Impacting Variables

Variables	Mean	N	Std. Deviation	Std. Error Mean
Lack of Education	2.43	101	.591	.040
Mobility	2.41	101	.589	.040
Poverty	2.33	101	.578	.039
Decision Making	1.98	101	.676	.046

Lack of Education mean score is 2.43 the Std deviation of the .591 with the Std error of .040. Mobility mean score is 2.41 the Std deviation of the .589 with the Std error of .040. Poverty mean score is 2.33 the Std Deviation of the .578 with the Std error of .039. Decision making mean score is 1.98 the Std Deviation of the .676 with the Std error .046.

Key Findings:

- Dominant part of the respondents communicated as a result of miniaturized scale back projects, they have mindfulness about condition. . From the data it is clear that 55.46% (55 respondents) respondents are uneducated.

- Majority of the respondents 50.50 percent of the women belong to 35-45 age category.
- In the self improvement gathering, women have opportunity to express their thoughts, perspectives and sentiments and they are not confronting any troubles or impulses from any others in the gathering. 63 respondents (62.38 percent) of the sample respondents are aware of the micro finance and SHGs.
- 79.20% of the respondent are helped with micro finance in reducing poverty level
- 61 respondents (60.40%) said that they can take their own financial decision in their family.
- There is surprising improvement in coordination and collaboration among the gatherings while taking the choices.
- Poverty, lack of education, Mobility and Decision Making in family are the various parameter impacting in microfinance and taking the microcredit .
- SHGs are helping in order to over the Poverty, lack of education, Mobility and Decision Making in family.
- Women constitute almost 60% of the rural
- The total unemployed in the country, these numbers only take into account those looking for work, the actual number of unemployed will be much higher

Conclusion

Empowering women is the main social objective of microfinance programs. It is difficult to evaluate the effectiveness of microfinance, program on women empowerment because measurement of women empowerment is a difficult task. In most of the studies women empowerment is measured as latent variable. This study also measures women empowerment as latent variable. The Self Head Groups that situated in country regions are working in a decent way. The examination reasons that microfinance acquired a few changes lives of rustic ladies like mental and social strengthening than financial strengthening. It is obvious thing that there is an effect of small scale back in creating characteristic characteristics of ladies like certainty, strength, ability and so forth all these created and strengthening of the lives of provincial ladies. The SHGs individuals are openly moving with their gathering individuals and pioneers and furthermore with authorities. It assisted a great deal them with participating in different exercises with great energy and excitement. It is seen, while cooperating with the respondents, that a few individuals are anticipating preparing programs from concerned experts. They will take part in various programs to build up their abilities and gifts.

SUGGESTIONS

- The first and foremost suggestion is to take measures to increase the literacy level of the members in SHGs.
- If they educated so that they can make their own decisions and can manage the loan amount properly and can increase their income.
- Take measures to convey the microfinance and SHG loans in the rural villages.
- And creating awareness among the people and make them to use the loan amount for an efficient way.
- That it will create a positive impact among the people and enhance the people to make efficient use of the service
- Providing insurance facilities to the members may help to increase the members joining in SHG groups.
- Giving motivation to the women members so that to take decisions by their own in their family.
- Take measures to increase the loan amount to the group members.
- Need to provide training and skill development activities to improve their knowledge.

- Create awareness among the rural areas about the micro finance and shg loans so that everyone makes use of it.
- By joining in SHG group most of the respondents had developed psychologically, economically and socially also.

Managerial Implication

Microfinance banks need to be heavily regulated. Microfinance institutions typically are regulated with a much softer hand. They work with their clients, not just as lenders, but as coaches for their small business enterprises. Microfinance institutions incur higher operating cost because of their business model which is the door step service delivery model which they incur because of staff training and smaller loan sizes. Microfinance Sector, in order to survive in the long term must continue striving towards financial sustainability, but while doing so, closely monitoring the outreach to ensure the poor's gain. Some microfinance institutions have proved that this is possible and those MFIs should be used as role models. The industry must also be better at representing itself. As by now the term microfinance is too ambiguous and investors hesitate from investing, as the organizations lack standardization and accreditation. The regulating authorities in each place play an important role in the progression of recognizing microfinance as a genuine sector. Microfinance demonstrates promising results associated with social benefits to various client populations. As such, it holds a variety of implications for government and other policymakers as they consider innovative ways to reduce poverty and human suffering around the globe.

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