

# The Impact Of Microfinance In Women Entrepreneurship With Particular Reference To Kancheepuram District Of Tamilnadu.

D.sreepriya

*,Asst.Professor,PG&Research Dept of Commerce,Patrician College.*

## ABSTRACT

Micro Finance is growing as a powerful instrument for poverty alleviation in the new economy. Most of the microfinance programmes has come up with the clear goal of reducing poverty and empowering women. In addition, an increasing number of microfinance institutions (MFIs) prefer women members as they believe that they are more responsible and trustworthy. The woman plays a significant role in the economic development of any country. This is a considerable factor with great emphasis on any developing scenario. Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. The Government of India has defined women entrepreneurship as “an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women. Women contribute and support the economy extensively in different ways by being employed in many different sectors. Many successful businesses are run by women some of whom are very skilled in entrepreneurial activities. Some of these women are well educated and are aware of correct application of theory in business. It is a known fact that many of the most successful and world's largest enterprises are owned and run by women today. In developing countries, some women are running small enterprises many of which have proven to be successful. Women entrepreneurs in both developed and developing countries are socially powerful in terms of education and making a positive impact on the society. It is important to study how women in business and their skills can be utilized to achieve a sustainable economy in a developing nation. Research has shown that investing in women offers the most effective means to improve health, nutrition, hygiene, and educational standards for families and consequently for the whole of society. Thus, a special support for women in both financial and non - financial services is necessary. 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 present work is an attempt to study the role of microfinance as an effective instrument in promoting women entrepreneurship in India. Women still face numerous challenges in accessing education and health services, as well as economic development. The women empowerment is a critical element in the world and special attention is given to the women in the nations.

## INTRODUCTION

Women still face numerous challenges in accessing education and health services as well as economic development. The term “Women Entrepreneurship” means , an act of business ownership and business creation that empowers women economically, increases their economic strength as well as position in society. Hence women-entrepreneurs have been making a considerable impact in all most all the segments of the economy which is more than 25% of all kinds of business. In the last few decades, the attitudes of people have changed, and women entrepreneurs are considered significant in economic development and wealth creation. Women

entrepreneurs also recognized as social icons to motivate women in developing countries. The significant number of woman headed businesses and their productive activities, particularly in the industry sector make them a force to be reckoned with and empower them in the overall economic development of their nations. Whether they are involved in small or medium scale production activities, or in the informal sectors, women's entrepreneurial activities are not only a means for economic survival, but they also have positive social repercussions for the women themselves and their social environment. The MSME sector contributes to

44.7 million enterprises. It creates employment for more than 80million jobs, this being the second largest after agriculture. It contributes 45 per cent of the total industrial manufacturing and above 40 per cent of India's total exports. The microenterprise and micro -finance widely accepted development strategy for poverty reduction. This responsibility has been equally taken up by government, commercial banks and civil society. The role of SHGs in providing micro -finance has been enormous in last one decade. Self-help groups with micro finance are effective in reducing poverty, empowerment women and creating self-sufficiency in rural development. Karnataka, and Tamil Nadu are such examples where women entrepreneurship and micro-enterprises have grown due to extensive support of SHGs. They have provided micro-finances, capacity building programmes by training women, and have nurtured them with their financial support. Today, the reserve bank of India (RBI) also understands the role and importance of SHGs in financing, and has extended medium sized loans to women entrepreneurs in support with NABARD. women still face numerous challenges in accessing education and health services, as well as economic development

#### ***Microfinance as an Instrument for Women's Empowerment***

Microfinance is emerging as a powerful instrument for poverty alleviation in the new economy. In India, microfinance scene is dominated by Self Help Groups (SHGs) – Bank Linkage Programme, aimed at providing a cost-effective mechanism for providing financial services to the “unreached poor”. Based on the philosophy of peer pressure and group savings as collateral substitute, the SHG programme has been successful in not only in meeting peculiar needs of the rural poor but also in strengthening collective self-help capacities of the poor at the local level leading to their empowerment (Suguna, 2006). Microfinance for the poor and women has received extensive recognition as a strategy for poverty reduction and for economic empowerment. Increasingly in the last five years, there is questioning of whether microcredit is most effective approach to economic empowerment of poorest and, among them. Women Development practitioners in India and developing countries often argue that the exaggerated focus on microfinance as a solution for the poor has led to neglect by the state and public institutions in addressing employment and livelihood needs of the poor (Marguerite and Robinson, 2001). Credit for empowerment is about organizing people,

particularly around credit and building capacities to manage money. The focus is on getting the poor to mobilize their own funds, building their capacities and empowering them to leverage external credit. Perception women is that learning to manage money and rotate funds builds women's capacities and confidence to intervene in local governance beyond the limited goals of ensuring access to credit. Further, it combines the goals of financial sustainability with that of creating community owned institutions (Alka Srivastava, 2006). The concept of women's credit was born on the insistence by women-oriented studies that highlighted the discrimination and struggle of women in having the access of credit. However, there is a perceptible gap in financing genuine credit needs of the poor especially women in the rural sector (Celine Sunny, 2006). The Government measures have attempted to help the poor by implementing different poverty alleviation programmes but with little success. Since, most of them are target based involving lengthy procedures for loan disbursement, high transaction costs and lack of supervision and monitoring. Since the credit requirements of the rural poor cannot be adopted on project lending approach as it is in the case of organized sector, Various case studies show that there is a positive correlation between credit availability and women's empowerment (Dinney Mathew, 2005). Devaluation of women commences at birth with the preference for male offspring and continues through a childhood of conditioning to the submissive and later on, the subservient role required of them in the marital home. A woman is never viewed as a person in her own right but always as someone's daughter, wife or mother especially in rural areas. The beauty of women entrepreneurs is the motivation for other women to come up and participate with equal opportunities and maintain their enterprises. Across the world maximum start ups have failed due to financial problems faced by women entrepreneurs, but today due to SHGs, trust has been built amongst the women entrepreneurs to realize and make their dreams come true. Therefore, this type of growth is truly an inclusive growth in India

#### ***Objectives of the Study***

- 1.To understand the level of improvements in the living standards, empowerment, capacity building and managerial abilities among the Women Entrepreneurs.
- 2.To suggest the suitable measures to improve the and Women Entrepreneurs Microfinance for further development of the rural women.
- 3.To identify the problems and constraints faced by the Women Entrepreneurs in the microfinance

**Hypotheses of the Study**

1. There is no significant association between the marital status of the respondents and overall level of empowerment of women.
2. There is no significant variance among the educational qualification of the respondents and overall level of awareness on microfinance.
3. There is no significant variance among the annual income of the respondents and overall level of empowerment of women.
4. There is no significant relationship between the age of the respondents and their perception towards overall level of awareness on microfinance.

**Statistical Techniques Applied**

After the fieldwork, the data have been carefully scrutinized and edited in order to ensure accuracy, consistency and completeness. Most of the analyses are based on the responses presented in the form of frequency tables. The data tabulated are systematically processed and interpreted based on the objectives formulated. Statistical tools such as percentage, mean, SD, 'Z'- test, Chi-square test, ANOVA, Correlation, and Regression were considered for statistical analysis.

**Empowerment of Women**

This Empowerment Women inventory has been developed by researcher. There are 32 statements covering four areas: Economic Empowerment, Social Empowerment, Political Empowerment and Psychological Empowerment.

**Interpretation:** Higher score on the dimensions indicate better perception of Empowerment of Women.

Scoring procedure: Each item on the scale is rated on a 5 point-Likert type classification ranging from 1 (Highly Disagree) to 5 (Highly Agree). The scale yields a total score, the value of which ranges from 32 to 160 with higher scores indicating more favorable perception towards Empowerment of Women. The higher score indicates the higher level of favorable perception towards Empowerment of Women and the lower score indicates the lower level of perception towards Empowerment of Women. The following table explains the level of Empowerment of Women.

**Table No: 1.1**

**Association between the Age of the respondents and perception towards various dimensions of Empowerment of Women**

| S. No | Age  | Various dimensions of Empowerment of Women |              |              | Statistical Inference   |
|-------|--|--|--------------|--------------|---|
|       |  | Low  | Medium       | High         |   |
| 1.    | <b>Economic Empowerment</b>                  | <b>n=106</b>                               | <b>n=133</b> | <b>n=254</b> | X <sup>2</sup> = 15.909<br>df = 6<br>0.10<0.05<br>Significant     |
|       | Upto 25 years                                | 11   | 18           | 34           |   |
|       | 26 – 45 years                                | 58   | 78           | 133          |   |
|       | 46 – 55 years                                | 28   | 30           | 57           |   |
|       | More than 55 years                           | 9  | 7            | 30           |   |
| 2.    | <b>Social Empowerment</b>                    | <b>n=104</b>                               | <b>n=169</b> | <b>n=220</b> | X <sup>2</sup> = 18.712<br>df = 6<br>0.000<0.01<br>Significant    |
|       | Upto 25 years                                | 8  | 25           | 30           |   |
|       | 26 – 45 years                                | 55   | 101          | 113          |   |
|       | 46 – 55 years                                | 30   | 30           | 55           |   |
|       | More than 55 years                           | 11   | 13           | 22           |   |
| 3.    | <b>Political Empowerment</b>                 | <b>n=93</b>                                | <b>n=150</b> | <b>n=250</b> | X <sup>2</sup> = 3.143<br>df = 6<br>0.791>0.05<br>Not Significant |
|       | Upto 25 years                                | 15   | 15           | 33           |   |
|       | 26 – 45 years                                | 49   | 80           | 140          |   |
|       | 46 – 55 years                                | 21   | 40           | 54           |   |
|       | More than 55 years                           | 8  | 15           | 23           |   |
| 4.    | <b>Psychological Empowerment</b>             | <b>n=116</b>                               | <b>n=155</b> | <b>n=222</b> | X <sup>2</sup> = 13.791<br>df = 6<br>0.039<0.05<br>Significant    |
|       | Upto 25 years                                | 16   | 23           | 24           |   |
|       | 26 – 45 years                                | 66   | 80           | 123          |   |
|       | 46 – 55 years                                | 22   | 36           | 57           |   |
|       | More than 55 years                           | 12   | 16           | 18           |   |
| 5.    | <b>Overall level of Empowerment of Women</b> | <b>n=99</b>                                | <b>n=103</b> | <b>n=291</b> | X <sup>2</sup> = 23.469<br>df = 6<br>0.000<0.01<br>Significant    |
|       | Upto 25 years                                | 15   | 14           | 34           |   |
|       | 26 – 45 years                                | 56   | 60           | 153          |   |
|       | 46 – 55 years                                | 20   | 20           | 75           |   |
|       | More than 55 years                           | 8  | 9            | 29           |   |

It is evident from the Table 4.51 that there is a significant association between the monthly savings of the respondents about various dimensions of empowerment of women such as Economic Empowerment, Social Empowerment, Political

Empowerment and Psychological Empowerment. Further there is a significant association between the monthly savings of the respondents with regard to perception towards overall level of empowerment of women ( $2=24.688$ ,  $P<0.01$ ). It means that monthly savings of the respondents influences the level of perception towards overall level of empowerment of women. It is concluded from the table that those who have saved Rs.100 per month have had high level of favorable perception towards overall level of empowerment of women.

**Table No: 1.2**

**Karl Pearson's Co-efficient of correlation between the age of the respondents and perception towards various dimensions of perception towards awareness on Micro Finance**

| S. No | Age   | Correlation Value | Statistical Inference     |
|-------|---|-------------------|---------------------------|
| 1.    | Awareness on group constitution             | 0.400             | $P < 0.01$<br>Significant |
| 2.    | Awareness on Accounts and Book Keeping      | 0.376             | $P < 0.01$<br>Significant |
| 3.    | Awareness on managerial aspects             | 0.385             | $P < 0.01$<br>Significant |
| 4.    | Awareness on Banking aspects                | 0.236             | $P < 0.01$<br>Significant |
| 5.    | Overall level of awareness on Micro-Finance | 0.211             | $P < 0.05$<br>Significant |

$H_0$  = There is no significant relationship between the annual of the respondents and their perception towards overall level of empowerment of women.

$H_A$  = There is a significant relationship between the annual income of the respondents and their perception towards overall level of empowerment.

It is inferred from the Table 1.2 that there is a significant relationship between the annual income of the respondents and various dimensions of empowerment of women such as Economic Empowerment, social Empowerment Political Empowerment and Psychological Empowerment. Further there is a significant relationship between the annual income of the respondents and perception towards overall level of empowerment of women. It means that annual income of the respondents influences the level of perception towards overall level of empowerment of women.

### **Awareness on Microfinance**

The study understood that half of the respondents have had high level of perception towards various dimensions of awareness on microfinance such as Awareness on group constitution (48.3percent), Awareness on Accounts and Book Keeping (56.4percent), Awareness on managerial aspects (48.7 percent) and Awareness on banking aspects (52.1 percent). However half (52.1percent) of the respondents have had high level of perception towards overall level of awareness on Microfinance. This supports the idea put forward by Surjit Singh, (2015) has revealed that the microcredit is provided as per the requirements of the beneficiaries.

### **Empowerment of Women**

It is understood from survey that half of the respondents have had high level of perception towards various dimensions of empowerment of women such as Economic Empowerment (51.3percent), Social Empowerment (44.6 percent), Political Empowerment (50.7 percent) and Psychological Empowerment (45.0 percent). However, half (59.0 percent) of the respondents have had high level of perception towards overall level of empowerment of women. This is consistent with the survey reviewed by Indrabhushan Singh and Usha Kumari (2007) has highlighted that empowerment of women involves many things like property rights, economic opportunity, political representation, personal rights, and social equality. high income generating activities suitable for women, encouraging women to take up part-time jobs while being in the house itself, development of their entrepreneurial abilities, development of infrastructure facilities and supportive services and formal and non-formal education are some measure suggested by the authors to strengthen women's empowerment and rural development.

### **CONCLUSION**

The objectives of the Govt are development of women, promotion of saving habit, improved access to various development schemes of the Government and bank schemes, development of leadership qualities, improving status of women in the family and the society. This study was aimed at analyzing the role of microfinance activities to eradicate poverty in rural areas and the upliftment of women. The present study is an attempt to analyse the socio-economic development of the women in Kancheepuram district. The development of women entrepreneur in Kancheepuram district shows a tremendous growth over the years in all respects. The roles played by the

banks are phenomenal in the development and uplift of the women folk in Tamilnadu. The significant percentage of women were developed positively. Women's participation enabled them to discover their inner strength, social, economic, contribution in poverty alleviation and empowerment of women in rural areas of our country. Women are the vital al women and but also to the families and the commu

important infrastructure and their empowerment would hasten the pace of social development. Women empowerment is a way to contribute to the economic growth and the overall development of society. The empowerment of rural women leads to benefit not only to individual.