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Boosting the Potentials of Women - A Case Study of Microfinance in Kerala

Dr. Mariya T. Cheeran

Assistant Professor

School of Management and Entrepreneurship in Kerala University of Fisheries and Ocean Studies, Kerala, India

Abstract:

Financing is the major issue in all entrepreneurial activities. Corporate houses and the rich have collaterals to acquire loans from financial institutions. As far as the rural poor are concerned getting loans from a non exploiting source is critical to their development. The scope of micro-financing is taking the social commitment and group trust as collateral and supplying small loans. The social uplifting of the society is mandatory to maintain this trust as collateral. The present study is to examine the empowerment of women beneficiaries of a microfinance scheme. A comparative analysis of the behavior of two groups- groups of beneficiaries and non beneficiaries of the same group is conducted. The study results show that micro financing scheme has good impact on the empowerment of women.

“The thing women have yet to learn is nobody gives you power. You just take it.” - Roseanne Barr

Keywords: Empowerment, microfinance, self esteem, decision making, leadership

1. Introduction

Uplifting of society is possible through the socio- economic development of family and women empowerment is the basic necessity for family welfare. Empowerment of woman means not only the improvement of the financial status but the positioning in the family and society as a decision maker. Micro financing is observed as a tool to improve the financial capability of the women specifically among low income group. The present study is to understand the effectiveness of the microfinance scheme ‘Mythri’ in empowering the women community in Kadamakkudy Panchayath. ‘Mythri’ is a microfinance programme by ESSS (Ernakulum Social Service Society) for the empowerment of women in certain dimension. The researcher selected one hundred and sixty women for this study out of which eighty are direct beneficiaries of ‘Mythri’ scheme and the rest eighty are not. In particular this study seeks to understand if women participating in a microfinance programme are more empowered than those women who are not. This paper is trying to examine the role micro financing schemes in improving the self esteem of woman and thus increasing the decisions making capability of women participating in this scheme. This paper is arranged as four sections. The section follows introduction review the current literature on this subject which is followed by research methodology in section three. Next section interprets the data collected through the research and the final section gives some pragmatic suggestions on the identified issues.

2. Microfinance and Women Empowerment

Credit facility of rural women is very limited and the availability of collaterals to avail themselves of loan is practically zero. Micro financing is an alternative method of financing of the unprivileged class. Otero (1999) sees microfinance as the provision of financial services to low-income poor and very poor self-employed people. It not only lends money but improves organizing capacity of this weaker class of the society. Schreiner and Colombet (2001) define microfinance as the attempt to improve access to small deposits and small loans for poor households neglected by banks. Robinson (2001) observes microfinance as a new term in the field of development.

Kabeer (2001) observes empowerment as the improvement of one’s ability to make strategic life choices. It is his mental and physical ability to take strategic life decisions. Zimmerman and Rappaport (1988) observes empowerment as the ability of individuals to enjoy social, political, economical and psychological control through the access to information, knowledge, decision making, individual self-efficacy and community participation. Mosedale (2003) opine that women’s empowerment is the process of raising the capability of women to do or engage in the activities or thing which are executable by men but are denied to women due to gender difference. Littlefield, Murdoch and Hashemi (2003) opine that microfinance can empower women to take family and community decision with confidence. It may lead them to become more assertive and confront gender inequalities. They are of the opinion that the credit facility should have the objective to empower clients rather than lending money. Hulme and Mosley (1996) observe that entrepreneurship programme based on microfinance will provide a platform for rural women to join together and become participants in strategic decision making. Chowdhury and Bhuiya (2004) observed that domestic violence against women increased when women joined in a Microfinance programme because men were not ready to accept the change in power relations. It precipitated as violence

against the women participants and disempowered them. Johnson (2004) finds micro financing does not automatically lead to empowerment. Sometimes it produces negative impacts due to increased workloads, increased domestic violence and abuse. According to Mosedale (2003) one group is said to be empowered or not when compared to an identical group who are being disempowered, disadvantaged because power relations shape their choices, opportunities and well-being.

Kerala is considered the most developed state in India with favorable sex ratio, and high levels of literacy and so on. Still the participation of women in political activity, entrepreneurship etc is found to be comparatively low. McFarland (2004) observe that Kerala holds third position in India in the count of micro financing organizations. Kudumbasree¹ offers microfinance programme to marginalized women community in Kerala. McFarland (2004) observe that the majority of religion based micro financing links to Christian churches. 'Mythri' is such programme and it is offered by Ernakulum Social Service Society in Kerala

3. Research Methodology

Ernakulum Social Service Society (ESSS) is a registered charitable society committed to promote, support and sustain the socio-economic and developmental initiatives of the poor and the marginalized through social mobilization, empowerment and decentralisation. It offers a microfinance programme named 'Mythri' for empowering the women members. Review of the available literature proves researchers are different in their opinion regarding the merits of Micro financing schemes. While some says microfinance empower women some others opine that it disempowering women. Literature on 'Mythri' is found to be rare and this leads the researcher to make a study on this subject. The present study is a methodological approach to understand whether this programme improves the position of women in family and society. Present study is empirical in nature based on mainly primary data collected through field survey. Specifically, the research aims to the identification of the most significant parameters of the women's empowerment and the role taken by the microfinance programmes in that context. Eighty members from different units of 'Mythri' in Kdamakkudy Panchayath and Eighty 'Non-Mythri' members from the same Panchayath are interrogated using the same questionnaires and comparison is made to understand the role of 'Mythri' in women empowerment. Random sampling is used for the selection purpose and it was conducted during the month march 2013

4. Comparison of Socio-Economic Background

The socio demographic status of the women is core factor which determines the success of the microfinance scheme and hence the researcher collected data in this regard. It is summarized thus:

Majority of the survey participants are from families of four or five members. Eighty five percentages of the 'Mythri' members are of the age group thirty five to fifty five. Only fifteen percentages are above fifty five and three percent are above sixty five. Even though three percent is negligible, it becomes significant considering the age as a parameter in an underprivileged community. During the field survey the researcher understands this phenomenon and hence care has been taken to include majority of the 'Non-Mythri' members also from the age group, to keep the validity of the comparative analysis of the two classes. Eighty eight percentages of the participants belong to Christian religion and obviously it is due to the influence of the church in the participants. As mentioned earlier, care has been taken to include majority of 'Non-Mythri' members from Christian religion to avoid the influence of religion and church in decision making capacity of the participants. The scheme is open to all religion but the awareness about the programme is limited to parishioners only. It can be inferred that educating the beneficiary class about the programme is necessary for the successful execution of community development schemes. The survey participants are valid specimens to carry out the study because more than sixty percent of the participants have been associated with 'Mythri' for more than eight years. Only twenty percent have less than two years association with 'Mythri'. In addition to that more that eighty percent have tenth or above education. Ninety five percentages of women are married and two percent are widows. One percent is divorcee and two percent are spinsters. An interesting observation is that all the married women opined that husband is the financial controller of the family. The average family income of the 'Mythri' members is around nine thousand five hundred per month and the average income through 'Mythri' scheme is two thousand. The average family income of 'Non-Mythri' members is around nine thousand per month. The participants are reluctant to reveal their savings in 'Mythri' account. One to one personal discussion during the survey hints that this is due to the fear that if their savings status is made open, they may lose the government and non government subsidies they are entitled to otherwise.

5. Comparison of Women Empowerment Dimensions

In this study the women empowerment is analyzed along the following parameters.

1. Decision Making Ability
2. Leadership Quality
3. Community participation
4. Self Esteem

Under each dimension we have a set of question that enables us to measure it. The analysis for each dimension is given below.

¹ Source <http://www.kudumbashree.org/?q=microcredit>

5.1. Decision Making Ability

The decision making ability is measured using questions concerning the utilization of money in various domestic requirements like purchasing daily needs to buying house plots or spending in constructions. Eight percent of the 'Mythri' members take decision independently without the consent of spouses. Thirty two percent of the 'Mythri' members opined that they are part and parcel of all decision making process in the family. While fifty three percent said that they take decision independently in small purchases and investments. While among 'Non-Mythri' members, this percentage is considerably low. Only one percent takes independent decision without the consent of spouses. Only sixteen percentages is found to participate in all decision making process while the percentage in small purchases and investment is found to be thirty seven. The observations lead to the inference that 'Mythri' programme improves the decision making capacity of participants

5.2. Leadership

The 'Mythri' members are getting opportunity to participate in the administrative set up of 'Mythri'. A 'Mythri' committee is set up in each region for the functioning of 'Mythri' programme. Hence more than thirty seven percent of the survey participants from 'Mythri' group have already got a chance to get into the administrative body. Fifty eight percent is interested to participate in such roles. The case is pathetic in the other group. Only twelve percentages has got privilege already to become member in any of such set up. Only fifteen percent are interested to enjoy such a chance if it ever comes. The remaining seventy percent is reluctant to involve in any such opportunity. Thus it is observed that 'Mythri' programme definitely improves the leadership qualities of participants.

5.3. Community Participation

The community participation is measured using three questions. Seventy eight percent of 'Mythri' members are interested in participating in festivals and ritual. 'Non-Mythri' members are also found to show the same rate more or less, in this case say eighty percent. This condition changes drastically when the question is about their interest to organize community functions like trade fairs of local products, seminars etc. Fifty eight percent of 'Mythri' members are interested. While only twenty three percent of the 'Non-Mythri' members are interested in this. Researcher raised an interesting question—do the participants grow bold enough to meet the police personnel during emergency situations—eighty three percent of 'Mythri' members opined that they were capable enough to do it, however this percentage goes down to 45 in the case of 'Non-Mythri' members. Eighty nine percent of 'Mythri' members pay their water, electricity bill on their own this percentage comes down to 43 in 'Non-Mythri' members. This shows that 'Mythri' programme improves the community interaction rate of members.

5.4. Self Esteem

Self esteem of the candidates was quizzed with specific questions and the results are interesting. Seventy four percent of 'Mythri' members show high degree of self respect and self esteem. This percentage is found to be twenty in the case of 'Non-Mythri' members. Eighty four percent of 'Mythri' members opined that they are able to maintain a good relationship with externals and are able to say an emphatic 'no' to anybody they think are fooling them. This percentage is considerably low in the case of 'Non-Mythri'

6. Conclusion

The study results show that 'Mythri' micro financing scheme not only improves the socio economic status but improves the decision making capacity, leadership skills, self-esteem and community participation of the participants. These qualities are essential features of empowerment. Another important finding is that even though the 'Mythri' programme, in its inception was envisaged as a woman empowerment programme, irrespective of religion, the major portion of the beneficiaries are from Christian community. This is mainly due to the lack of awareness among the rest of the community. Hence primary argument here is that micro- financing may succeed only if the participating community is made aware of the benefits of schemes through different awareness programmes. Furthermore, rather than disbursing money and ensuring the repayment, the micro financing programme should have an integrated approach towards empowering the beneficiary community.

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