

## Microfinance: A Life Changer for Rural Women in India (A Research Study Conducted With Reference To Bhandara District in Maharashtra State)

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**Abstract:** India is a developing country, 68.84% of Indian population resides in villages (According to Census 2011). Being an agrarian economy, majority of the population depends upon agriculture to earn a living. On an average, women make up about 43% of the agricultural labour force in developing countries. The gender inequality exists in demographic composition of a society depicted by the socio-economic conditions of female population, poverty, their literacy rate, employment opportunities, life expectancy etc. Census 2011 depicts that female population accounts for 48.5% of the total Indian population. Women need helping hands to improve their condition, they have no access to credits, they are unaware of financial terms/ products etc. Women are the most deprived ones in this Indian male dominated society. Microfinance emerged as a ray of hope for rural women, microfinance has made up with women's expectation and provided them an opportunity to prove themselves and the society that they can play a pivotal role when it comes to earn a living, financial literacy, savings etc. Microfinance provides them financial assistance at their doorstep. This research study is a demure attempt to explain how microfinance has brought positive changes in lives of rural women of India and to answer why microfinance can be termed as a life changer for rural women.

**Keywords:** Microfinance, life changer, rural women.

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### I. Introduction:

Microfinance is made from combining two words micro and finance. Micro means small and finance means money. So, Microfinance is a type of financial service which provides small loans to low income individuals, who have limited or no other means of getting financial help. Majority of microfinance institutions target women as their primary customers. Microfinance in India works on group lending system called SHGs i.e Self Help Groups. SHG consists of group of women borrowers ranging from 5 to 10/15/18 etc. It is the sole responsibility of each group members to pay the instalments on time. Services to women are offered at their doorstep, which is one of the crucial feature in success of microfinance in India and it becomes convenient for rural women to avail microfinance services. Instalments are collected weekly, fortnightly or monthly from women. Microfinance is reaching the unreached poor of our nation who have been sidelined since ages. Feminization of poverty also exists in the society; women are the worst victims of poverty. Poverty affects larger number of women than men. Causes of poverty in India are poor agriculture, growing population, gap between rich and poor, corruption etc.

Rural women have very limited sources, no access to credit, they are not involved in decision making in family, and they suffer a lot when it comes to their nutrition, health and sanitation. They are sidelined not only at homes but also in society. Their opinions are not considered even when it comes to family planning. They are exploited. They face domestic violence. Worst victim of society are women.

Microfinance provides loans to these women in rural areas, which genuinely need the financial help to move ahead. Financial help by Microfinance provides a medium to women to start their own business and earn a living for themselves and family. Below is the list of some major business activities which rural women carry out:

- Tailoring.
- Running grocery shop.
- Selling fishes.
- Running crèches.
- Running daily needs shop.

- Running garment shop.
- Running beauty parlours.
- Running tea stalls.
- Bee keeping.
- Selling homemade dairy products.
- Selling fruits, vegetables.
- Poultry farming.
- Making papads.
- Making and selling pickles.
- Selling spices.

**Objectives Of The Study:**

- 1) To analyse the role of microfinance in household decision making power of rural women.
- 2) To investigate into the changes microfinance has brought in the lives of rural women.
- 3) To study the penetration of microfinance services with reference to rural women.

**Area Of The Study:**

The research study has been carried out in selected five villages of Bhandara district of Maharashtra namely: Khapa, Kodamendhi, Koka, Nawegaon and Pimpalgaon.

**Distribution of sample is listed below:**

Sr. No.	Name of the Village	Sample
01.	Khapa	20
02.	Kodamendhi	20
03.	Koka	25
04.	Nawegaon	25
05.	Pimpalgaon	20

**II. Research Methodology:**

- Research methodology explains the complete process of research. For the current research study, both primary and secondary data were used.
- Primary data was collected randomly from 110 women respondents availing microfinance services between the years 2014-2017. A Structured questionnaire was used for collecting data; various questions related to microfinance services, income, decision making power, standard of living, medical facilities, reduction in domestic violence, penetration of microfinance etc were asked to respondents and their views were collected.
- Secondary data was used to study the available literature on the related topic, so as to know what kinds of studies were carried out earlier in the past and to find out the need for future studies.
- Sample size - 110.
- Sampling method used: Simple Random Sampling.
- Sampling tool: MS EXCEL.
- Five point Likert scale (Strongly Agree, Agree, Can't say, Disagree and Strongly Disagree) was used for collecting view points of respondents.

**III. Data Analysis And Interpretation:**

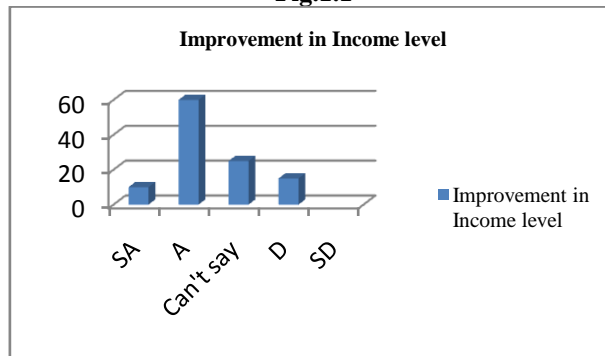
This fragment of study deals with interpreting the collected data in a tabular form, which becomes easy for any viewer to understand the conducted study. Tabular interpretation has been done through MS EXCEL. All 110 women respondents availing microfinance services were asked to fill up the questionnaire on five point Likert scale.

The primary data collected from women respondents and then filled in EXCEL sheets to draw meaningful inferences. Result has been shown through bar charts.

The five point Likert scale used in analysis; in which SA signifies strongly Agree, A: Agree, Can't say, D: Disagree and SD: Strongly Disagree respectively.

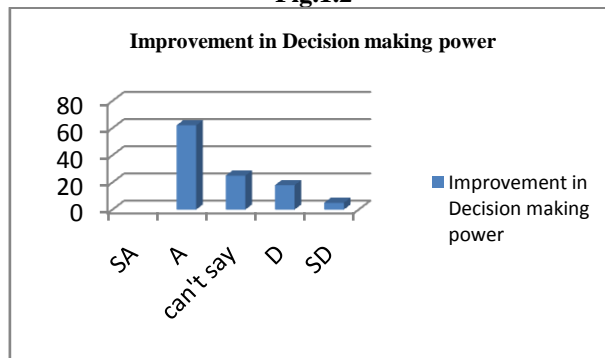
1) Improvement in income level.

Fig.1.1



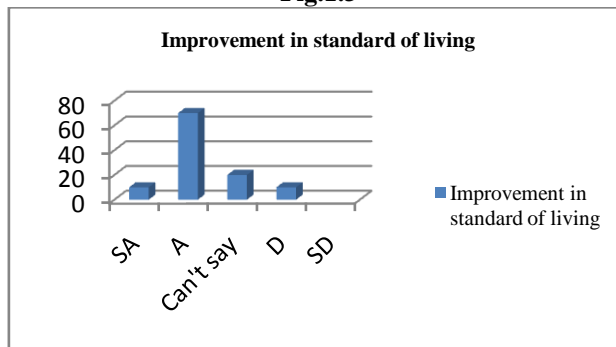
2) Improvement in Decision making power.

Fig.1.2



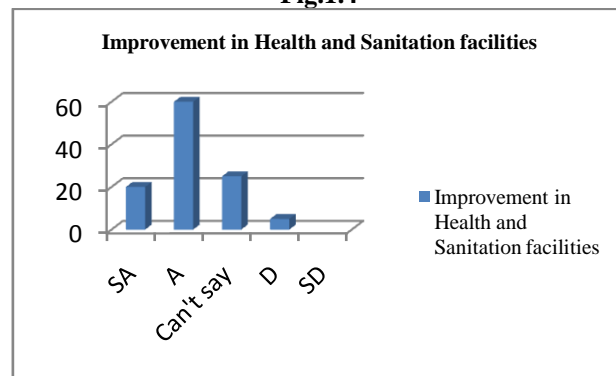
3) Improvement in standard of living.

Fig.1.3



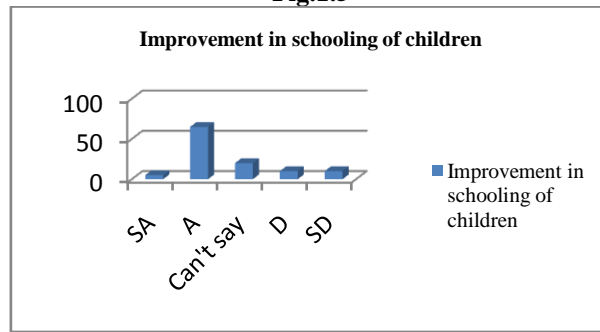
4) Improvement in Health and Sanitation facilities.

Fig.1.4



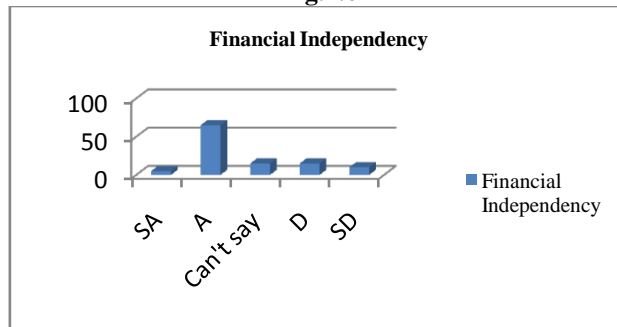
5) Improvement in Schooling of children.

Fig.1.5



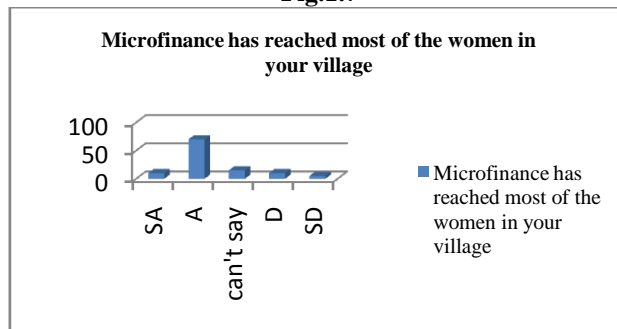
6) Financial Independency

Fig.1.6



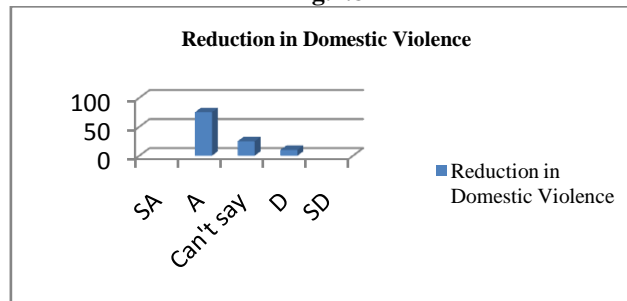
7) Microfinance has reached most of the women in your village.

Fig.1.7



8) Reduction in Domestic violence

Fig.1.8



IV. Results And Discussions:

- Fig.1.1 clearly signifies the positive responses of women for improvement in income level.
- Fig.1.2 shows that almost 54% women have found themselves strong in taking decisions after being associated with microfinance.
- Fig.1.3 depicts that around 72% of women agreed that microfinance has raised their living standard.

- Fig.1.4 signifies that more than 70% of women are now able to afford better health and sanitation facilities.
- Fig.1.5 shows that majority of women agreed that microfinance has improved schooling of their children.
- Fig.1.6 more than half of the respondents feel financial independency after being part of microfinance, earlier they were totally dependent on their husbands.
- Fig.1.7 shows that almost 63% of women said that Microfinance has reached most of the women in their village.
- Fig.1.8 depicts that majority of the women said that after being financially independent, they were tired of facing domestic violence and now; microfinance has been an effective tool in reducing domestic violence.
- In this study, questions related to age, income group and educational qualification were also asked. Among 110 women respondents 20 belong to age group of 20-30 years, 55 belong to age group of 31-40 years and remaining 35 belong to age group of above 40 years.
- Most of the women above 40 years of age were illiterate, still they were earning around 3K per month on an average, rest respondents were literate some were below SSC, while some were below HSSC, earning an amount between 2K-6K per month.

### **V. Conclusion:**

- This paper has made a sincere attempt to study the microfinance's role in changing lives of rural Indian Women. No doubt, microfinance is playing a giant role in changing lives of rural women.
- Microfinance has provided them an opportunity to use their skills by providing finance in establishing business activity and earn a living to become financially independent.
- From the above data interpretation, it can be clearly concluded that Microfinance have been proving itself helpful in improving income level, decision making power, confidence level, living standard, financial independency of rural women to a huge extent. These women have found a ray of hope in microfinance, as they get financial assistance without any collateral and as they have started earning, better recognition in family, community and in village as well are experienced by them.
- Most of the women seem to be quite happy with microfinance services and they confessed that they feel empowered not only financially but also psychologically, socially, legally and politically. They enjoy better status in family, society and village as well.
- Women are now involved in taking major decisions for home, they enjoy better standard of living and they have started saving for themselves. Schooling of their children has also improved.
- It was not possible to reach every single woman in villages, so the study was limited to 110 women respondents, who represent women of their village, as most of them belong to same society, have same financial status.
- Penetration of microfinance was also studied while conducting this research, majority of the women agreed that microfinance has reached most of the women in their village, they have branch office of microfinance in their village.
- Involvement of women in microfinance is also influencing other rural women to associate with it.
- Thus, as microfinance is changing lives of women in rural areas, women are also coming in front to grab such opportunities and microfinance needs more effort to reach every single woman to make them financially literate, financially independent. Future of rural women seems to be bright, thus of microfinance, which is a great news for such a developing economy who can trust women population to move ahead.
- Thus, it can be concluded that, microfinance came out as a life changer for rural women by providing them financial assistance, explaining them financial products, making them entrepreneurs (no matter a business is small or big) by providing proper training and helping them in use of financial and available resources. Women are now able to use their skills to earn a living.
- More Penetration of microfinance is needed in rural areas and thus microfinance is playing its crucial role. It is just a mean, not an end.

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