



## **Are Microfinance Programmes designed to empower women? An Evidence from Indian Self-Help Groups** *Dr. Martina RANI KOPALA*

*Associate Professor-Finance, Vignana Jyothi Institute of Management, India*

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### **Abstract**

*Investing in women, has proven to be the most effective way to increase individual family expenditures on health and education, improve nutrition and food availability and begin the process of tackling the gender inequalities that hinder development in many countries around the world. Hence, the success of microfinance represents a paradigm shift in the development process. Microfinance programmes like Self-Help Bank Linkage Programme (SHG) in India have been increasingly hailed for their positive economic impact and the empowerment of women. The main study of this paper is to analyze the microfinance programmes of Indira Kranthi Patham (IKP), a World Bank funded project of Andhra Pradesh carried out by the Department of Rural Development Agency (DRDA) in terms of its women empowerment goal. This paper contributes by arguing that empowerment and microfinance programmes are closely related as the latter create some impact on the lives of women participants of the programmes. It empirically validates that the microfinance programmes empower women based on the survey conducted in rural villages of Medak District of Andhra Pradesh, the State which stands first in the microfinance activities. However the empowerment are of different types, viz., Personal Empowerment, Economic Empowerment, Familial Empowerment, Social Empowerment and Legal and Political Empowerment. The paper analyzed the personal, economic, familial and Social empowerment factors, on the understanding that social empowerment is from "above" and personal, economic and familial are from "below" using the data collected from the SHG members of IKP. The study found that the women SHG members did not gain personal empowerment much but, enjoying with a small positive impact on the on the economic, familial and social empowerment, however leaving the fact behind that personal empowerment objective with some 'self-development' or 'human-centred' or 'personality development' component may be included while designing a microfinance programme for its sustainability.*

**Keywords:** Personal Empowerment, IKP, Gender Equality, Self-Efficacy, Social Inclusion

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### **I. Introduction**

Transforming lives of the poor is the basic need facing the global economy and there is a perennial search of an intervention to meet this end. One of such intervention is making available small finance to the poor section of the society which is not linked to the formal credit market i.e. more popularly known as micro finance. Micro finance covers credit, savings, insurance, transfer services and other financial products targeted at low income clients. Among all these financial services, micro-credit is more popularly used in many parts of the world as an intervention strategy of poverty eradication, employment generation and small enterprise creation. (Khandelwal 2007) Hence, the microfinance not only covers financial products but also includes support services like thrift, market assistance, technical assistance, capacity building, insurance, social and cultural programmes. Research studies conducted over the years all over the world have shown that microcredit assessable to the poor can pull the downtrodden up to the mainstream of economic activity. (Ahmed et al 2006; Coleman 2006)

Human Resource Development 2003<sup>92</sup> reports that world over, including India, women are the disadvantaged and neglected lot due to various factors like traditions and cultural norms of a society. They have a limited presence in economic activities and are hardly considered in the formulation and implementation of any developmental scheme/programme. India has 37 per cent of world's population earning less than US\$ 1 a day, of which 60 per cent are women. Women in India constitute around half of the population of the country. They

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*I express my sincere thanks to Professor Sadhu Durga Prasad, Associate Professor, Vignana Jyothi Institute of Management, Hyderabad-90 for his contribution towards the statistical analysis portion of the paper.*

<sup>92</sup> <http://hdr.undp.org/en/media/hdr03-summary.pdf>