

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

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5.1 Introduction

Microfinancing is considered as a tool to eradicate poverty and empower the underprivileged section of the society. Microfinancing is mostly availed through Banks or MFIs by a group of people known as Self Help Groups (SHG). The present study is conducted in rural areas of Haryana with the objective of analysing impact of microfinancing on economic, social, psychological and political empowerment of women living in rural Haryana. A total of 737 women respondents availing microfinancing through SHG-Bank Channel (336 women) and SHG-MFI channel (401 women) were surveyed using a structured questionnaire in rural areas of six districts namely Sonapat, Panipat, Karnal, of Karnal Division and Gurgaon, Palwal, Faridabad of Gurgaon Division of Haryana, covering 153 villages, during the period from July to December 2016. The study concluded that microfinancing does impact the empowerment of rural women in the state of Haryana be it economic, social, psychological or political empowerment. The major empowerment that has been found by the researcher is in the economic domain. Out of the two microfinancing channels surveyed, the SHG-Bank channel was found to have a much greater positive impact on the empowerment of women in the state of Haryana. Demographic factors were also studied to know their impact on all the four types of empowerment of women in rural Haryana.

5.2 Objectives and Results

Objective 1: To study microfinancing activities undertaken in rural Haryana under different schemes.

The study shows that microfinancing activities are undertaken in rural areas of Haryana under various schemes of the central government and Haryana state government such as Pradhan Mantri Jan Dhan Yojna (PMJDY), Pradhan Mantri Awas Yojna (PMAY), Deen Dayal Upadhyaya Antyodaya Yojna National Rural Livelihood Mission (DAY-NRLM) (Aajeevika), Pradhan Mantri MUDRA (Micro Units Development and Refinance Agency) Bank Loan Scheme, Pradhan Mantri Garib Kalyan Yojana Pradhan Mantri Kaushal Vikas Yojana (PMKVY) (Skill India), Pradhan Mantri Kaushal Rin Yojana (Skill Loan Scheme), Deen Dayal Upadhyaya Grameen Kaushal Yojna (DDU-GKY), Beti

Bachao, Beti Padhao, Sukanya Samriddhi Account Yojana (Girl Child Prosperity Scheme), Atal Pension Yojna, Support to Training and Employment Programme for Women (STEP), Aapki Beti Humari Beti, Haryana State Rural Livelihood Mission (HSRLM), Priyadarshini Awaas Yojna (PAY), Scheme for promotion of WSHG.

It is observed through survey that mostly availed schemes in rural Haryana are Haryana State Rural Livelihood Mission (HSRLM) (46.8%) followed by Pradhan Mantri Jan Dhan Yojna (PMJDY) (33.5%) and Aapki Beti-Humari Beti (14.8%).

Objective 2: To measure economic empowerment of women availing microfinancing in the rural areas of Haryana.

In the study nine indicators are taken to measure the economic empowerment of the rural women in Haryana. The nine indicators are used in the study are increase in family income, increase in family saving, dealing with financial crisis, reduced dependence on private money lenders, discretion on spending a portion of women's income, control over loans, saving bank account in name of women, ownership of household assets and equal property rights. Using descriptive analysis, it is found that two most important indicators are 'Microfinancing helps to deal with financial crisis' and 'Microfinancing reduces dependency on private money lender' with a mean score of 3.877 and 3.8 respectively.

Further, using mean scores it is evident that Microfinance leads to economic empowerment of the women in rural areas of Haryana. 71.6% of the rural women availing microfinancing under study are found to be economically empowered.

There are two channels through which women are availing microfinancing one is SHG-Bank channel and other is SHG-MFI channel. The study shows 95.5% of women availing microfinancing through SHG-Bank channel are empowered as compared to only 51.4% of women availing microfinancing through SHG-MFI channel.

The result emphasis the results of the previously carried out studies (Harper, Malcom 2002) comparing SHG-Bank linkage program and microfinancing through SHG-MFI channel that most of the women availing microfinancing through SHG-Bank channel are

economically empowered than the women availing microfinancing through SHG-MFI channel.

Further, demographic factors such as age, education, family income, purpose of loan, Loan size, loan cycles are studied in relation to economic empowerment of women. Based on Anova test result, it is found that age and education are not important factor in economic empowerment of women availing microfinancing in rural Haryana. Further using 'Independent sample t-test' result, purpose of loan is not found to be a significant factor in the economic empowerment of the women.

Using Anova test, Family income is found to be an important factor in economic empowerment of women availing microfinance in rural areas of Haryana. For microfinance users, women with a low family income (less than `10000) feel more empowered economically as compared to women who belong to higher income group (income above `10,000). Number of loan cycles also have a significant impact on economic empowerment of women availing microfinance in rural areas of Haryana. As number of loan cycles increases the economic empowerment also increases. Loan size is also proved to be a significant factor in economic empowerment of women using microfinancing. Women with a smaller loan size of 'less than `10,000' are found to be more economically empowered than women who have taken loan between `10,000 to 25,000 and above `25000 categories. Women who have taken loan between `10,000 to `25,000 are more empowered economically as compared to women who have taken loan of more than `25,000.

Objective 3. To measure social empowerment of women availing microfinancing in the rural areas of Haryana.

In the study fourteen indicators are used to measure social empowerment of the rural women of Haryana which are improvement in Mobility i.e. Women can move independently to other places without the support of male members of the family , Free expression of views in the family and group, to be able to discuss freely with bankers / Government officers/NGOs and others, increased Level of participation of women in Household decision making with respect to Savings, expenses and children's education,

to be able to protest against social evils such as Liquor /alcohol use, domestic Violence by husband or other family members, dowry, Female Foeticide, Gambling, Child marriage, improvement in knowledge of their legal rights. Using descriptive analysis, it is found that the most important indicators of social empowerment are 'Women's participation in protests against Child marriage' and 'Women are able to express their views freely in the family and in the group'.

Further, using mean scores it is evident that Microfinance leads to social empowerment of the women in rural areas of Haryana. 57.1% of the rural women availing microfinancing under study are found to be socially empowered.

The study further shows that while almost all (98.8%) the women availing microfinancing through of SHG-Bank channels are socially empowered, only 22.2% of women availing microfinance through SHG-MFIs channel are empowered socially.

Further, demographic factors such as age, education, family income, purpose of loan, Loan size, loan cycles are studied in relation to social empowerment of women.

Based on Anova test results, Age is found to be an important factor in social empowerment of women availing microfinancing in rural areas of Haryana. Younger women feel more empowered socially than middle aged women as a result of availing microfinancing.

Education is also a significant factor in social empowerment for microfinancing users. Women who are less educated feel more socially empowered after the intervention of microfinance as compared to women who are highly educated.

Purpose of loan is found to be a significant factor in social empowerment. Social empowerment of the women who are availing microfinancing for consumption purpose is higher than social empowerment of women who are availing microfinancing for production purpose.

Family income is also found to be a significant factor in social empowerment of women availing microfinance in rural areas of Haryana. For microfinance users, women with very low family income (i.e. less than `5,000) is more empowered socially as compared

to women who belong to middle income group (5,000 – `10,000) and high-income group (Above `10,000).

Number of loan cycles is also found to be a significant factor in social empowerment of women availing microfinance in rural areas of Haryana. As number of loan cycles increases the social empowerment of women availing microfinancing also increases.

Loan size has a significant impact on social empowerment of the women availing microfinancing. Women with very small loan size (Less than `10,000) are more empowered socially than women with comparatively medium loan size (10,000-`25,000) and larger loan size (Above `25,000).

Objective 4: To measure psychological empowerment of women availing microfinancing in the rural areas of Haryana.

In the study , seven indicators are used to measure psychological empowerment which are improvement in self-confidence and self- esteem of women, increase in courage to face problems in the family and in the society, develops skills to start micro enterprise, improvement in knowledge and awareness regarding Health, Sanitation , Balanced food and Nutrition , improvement in knowledge regarding importance of Child education, improvement in knowledge and awareness regarding financial assistance from banks ,say over decisions related to number of children, use of family planning measures. Descriptive analysis of these indicators shows that the most important indicators of psychological empowerment are 'Women have a Say over decisions related to number of children, use of family planning measures' and 'Improvement in self-confidence and self- esteem of women'.

Further, using mean scores it is evident that Microfinance leads to psychological empowerment of the women in rural areas of Haryana. 56% of the rural women availing microfinancing under study are found to be psychologically empowered. Further study shows that while almost all (98.8%) respondents availing microfinancing from SHG-Bank channel are psychologically empowered, only 20.2% of the women availing

microfinancing through SHG-MFI channel are empowered. So SHG-Bank channel has helped more in making women psychologically empowered.

Further, demographic factors such as age, education, family income, purpose of loan, Loan size, loan cycles are studied in relation to psychological empowerment of women. Based on Anova test, it was found that age has a significant effect on psychological empowerment of women availing microfinancing in rural areas of Haryana. Elderly women are more psychologically empowered as compared to middle aged women. However, young women also become psychologically empowered because of intervention of microfinance.

Education is a significant factor in psychological empowerment of women. Women who are illiterate or less educated feel more psychologically empowered as compared to women who are highly educated because of intervention of microfinancing.

Loan purpose is also an important factor in psychological empowerment of women. Psychological empowerment of women who are availing microfinancing for consumption purpose is higher than women who are availing microfinancing for production purpose.

Family income is also a significant factor in psychological empowerment of women availing microfinance in rural areas of Haryana. Given the intervention of microfinancing, women from very low-income group have been more benefited in terms of psychological empowerment as compared to women from high income group.

Number of loan cycles also have a significant impact on psychological empowerment of women availing microfinance in rural areas of Haryana. Women, who continue to take new loan after completion of previous loan cycle, they tend to become more empowered psychologically.

Loan size has a significant impact on Psychological empowerment of the women availing microfinancing. Women with smaller loan size (Less than ₹10,000) are more empowered psychologically as compared to women with comparatively larger loan size (More than ₹10,000).

Objective 5: To measure political empowerment of women availing microfinancing in the rural areas of Haryana.

Political empowerment of women is measured by five indicators in the present study, which are Increase in awareness about politics in women, casting votes independently without the direction of husband/male members in the family, participation in Gram Sabha meetings, participation in Government welfare schemes/programmes and contesting elections for Gram Panchayat / Village welfare Societies. Using descriptive analysis, it is found that the most important indicators of political empowerment are 'Women are able to cast votes independently without the direction of husband/male members in the family' and 'Increase in awareness about politics in women'.

Further, using mean scores it is found that Microfinance leads to political empowerment of the women in rural areas of Haryana. 50.5% of the rural women availing microfinancing under study are found to be politically empowered. There are two channels through which women are availing microfinancing one is SHG-Bank channel and other is SHG-MFI channel. The study shows that while almost all (93.5% respondents availing microfinancing from SHG-Bank channel are psychologically empowered, only 20.2% of the women availing microfinancing through SHG-MFI channel are empowered.

Further, demographic factors such as age, education, family income, purpose of loan, Loan size, loan cycles are studied in relation to psychological empowerment of women.

Education is found to be a significant factor in political empowerment. For microfinance users, women who are illiterate or less educated are more politically empowered than women who are highly educated.

Loan purpose is found to be important factor in political empowerment of women. Women, who are availing microfinancing for consumption purpose are more empowered politically as compared to women who are availing microfinancing for productive purpose.

Family income has a significant impact on political empowerment of women availing microfinance in rural areas of Haryana. Women from very low-income group (less than ₹5,000) have been more benefited from microfinance intervention, in terms of political empowerment as compared to women from medium income (between ₹5,000-₹10,000) group as well as high income (Above ₹10,000) group.

Number of loan cycles have a significant impact on political empowerment of women availing microfinance in rural areas of Haryana. The test result shows that women who have repeated loan more than 4 time are more empowered politically than women who have completed 1-2 loan cycles and 3to 4 loan cycles.

Loan size is significant impact on Political empowerment of the women availing microfinancing. Women with smaller loan size (Less than ₹10,000) have seen more improvement in their political empowerment as compared to women with comparatively larger loan size (Between ₹10,000- ₹25,000 and above ₹25,000 conditions).

Age has a significant effect on political empowerment of women availing microfinancing in rural areas of Haryana. Elderly women are more politically empowered as compared to middle aged women. However, young women also become politically empowered because of intervention of microfinance.

5.3 Recommendations

- Sensitizing rural women about various government schemes which are promoting education and financial literacy, facilitating skill development, vocational training, apprenticeship and technical education. The government has come up with such schemes in recent years in this direction like Pradhan Mantri Kaushal Vikas Yojna (2015), Pradhan Mantri Kaushal Rin Yojna (Skill Loan Scheme) (2015) etc.
- There is a need to increase the awareness amongst women in rural areas to maintain an account with banks so that they can avail benefit of various welfare and microfinancing schemes promoted by state and central government. For this local bank shall organise 'Microfinance Meal' and women folks be invited to such Melas by keeping some incentive like surprise gifts etc. In such Melas awareness

about the microfinancing and welfare schemes of govt can be given and if any queries are there, same can be solved or answered.

- UGC, MHRD should encourage educational institutions/universities to include a course on microfinancing sensitisation in poor people in rural and urban areas which will provide exposure to students and help to create awareness in rural people about importance of personal savings and these small saving can contribute towards meeting credit requirements of group members and how it leads to economic, social, psychological and political empowerment of poor rural women.
- Once women become member of the Self-Help Groups. Then during SHG's weekly meeting's they should be encouraged to discuss social issues and political issues along with financial matters. They should be encouraged to participate in recreational activities also such as folk dance, folk singing. This would lead to progressive improvement in their overall empowerment.
- MFIs, Banks should work in association with local governing bodies such as gram panchayat to train women to participate in more stabilise livelihood activities. They should be given knowledge of alternate livelihood activities in more organised manner at village level and block level in collaboration with NGO's, Government agencies such as NRLM, DRDA's (District Rural Development Agencies) etc. More efforts are requiring towards capacity building of rural women. Collaborations could also be made between local industry associations such as collaboration with NDDB (National Dairy Development Board) can result in to dairy farming at centralised level by women of SHG's.
- SHGs should be promoted by NGO's or government bodies who have a social welfare motive and a sense of responsibility towards social upliftment of the people. For example, in Haryana more districts should be covered under HSRLM (Haryana State Rural Livelihood Mission) for developing new SHG and maintenance of old SHGs. They should also train group members for bookkeeping. They work on social mobilisation of members.
- More and more branches of banks should be opened in rural areas so that rural people can have easy and timely approachability for banks. Banks should be

more rural people friendly. Minimal documentation should be done for microfinancing users. Banking officials should be trained to deal with rural, illiterate people more politely and should be ready to offer help in completing necessary documentation. Banks should have more friendlier channels to reach to local rural women. For this, local rural women can have hired as banking correspondents' or bank Shakthi's, who can help women in rural area to be connected to bank

- Microfinance can also lead to social, psychological and political empowerment of women along with economic empowerment if microfinancing is provided through friendlier channel, flexibility in terms of loan w.r.t., duration of loan repayment, rate of interest, additional loan. It is suggested that more and more banks branches should be opened in rural areas so as to increase reach of rural women to banking facilities in the Haryana.
- The idea of Microfinancing should also be complemented with social empowerment of women. So, MFI's also should have well trained staff to understand varied requirement of Women and provide microfinancing to satisfy those requirements.
- All these policy measures, if are implemented will aim towards economic, social, psychological empowerment of women in India through microfinancing which is ultimately the aim of the whole world. If women's will develop than their children's will develop, families will develop and the whole nation will develop.

5.4 Future Scope of Study

- The study has been limited to a few villages in only six districts of Haryana. Therefore, the study can be extended to whole of Haryana and comparative analysis can also be done with any other state of India.
- More dimensions of women empowerment can be found and can be researched upon to study the impact of microfinancing on these dimensions of empowerment of rural women.
- Panel data study can also be done to see the quantitative empowerment of rural women.