

MICRO-FINANCE AND WOMEN EMPOWERMENT: ROLE OF NON-GOVERNMENT ORGANISATIONS

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INTRODUCTION:

Scientific discoveries and revolutions initiated global economic transitions leading to rapid structural changes. A major concern in the Development Economics is to find an answer as to why do different countries or different states within a country grow differently leading to different degrees of income inequalities and poverty. Clark (1995), Diamond (1993), Renshaw (1994), among others, commented that non-governmental organizations (NGOs) are, increasingly promoted as the panacea for correcting all the iniquities and problems encountered when governments in the developing regions of Asia, Latin America and Africa, pursued objectives of rapid economic growth.

Economic transition, in many of these countries, has been characterized by a withdrawal of the government, from many sectors of the society, thus fostering a civil society. This connotes a combination between government and market that embraces many types of voluntary organizations is believed to promote citizen involvement and help create a political culture and social capital, necessary to sustain democracy. Many governments impacted by structural adjustment and economic uncertainties, see NGOs as low-cost providers of services as they themselves are unable or unwilling to provide. The current situations seems to be bringing these three sectors namely, government, private sector and civil society, together in a more meaningful and effective partnerships. The civil society supplements governmental efforts in rural and socio-economic development and transformed their approach from reactive intervention towards a more pro-active approach on developmental issues.

Participation and decentralization are closely related to each other. Successful decentralization required some degree of local people's participation. Grass root level participation is a theme of longstanding debate that has engaged development theorists, more specifically in developing countries. In developing countries, which consist of dual economy, rural development is a comprehensive exercise designed to transform rural economies, so that they would be equipped with the means to generate income, employment and other facilities needed by the rural poor. Institution building is an important process of development. In the changing context, right kind of institutions need to be worked out that require people's participation, which is essential to provide good governance.

The ultimate aim of participation of people particularly women is the empowerment of women. Capacity building at the grass root level is a pre-requisite of empowerment. Empowerment essentially means decentralization of authority and power which aims at getting participation of deprived sections of people in decision-making process. Thus the empowerment of women cannot be imposed from above. It must grow from the bottom upwards (Wrong, D.H. Power 1995)

Voluntary sector has focused on economic empowerment of rural and poor women. The potential of micro-enterprise development, as a strategy for poverty, alleviation is recognized, in many research studies. Many NGOs are instrumental in building a network of micro-enterprises in rural areas and are providing counseling services to women entrepreneurs.

Micro-financing is another form of direct intervention, in enterprise development. Micro-credit activities by nature involve women, even the means by which micro-credit reaches the poor families are through women's groups. The Self-Help Groups help women network and a mass collective power. Self-Help Groups members save money every week and women empowerment through credit takes place as a result of the enterprise start using the credit. Thus Micro finance serves as a powerful tool in rural development. Savings and credit activities bind the group of women together into a cohesive unit and provide a forum for

building people's capacities for both poverty-alleviation and empowerment. NGOs have their intervention on micro-economic development through micro-credit financing.

The paper is an attempt to analyze the impact of NGOs' programmes on women empowerment through micro-financing.

Objectives:

1. To evaluate the micro-finance activities in grass root level.
2. To analyze the impact of micro-finance activities on women.
3. To evaluate the role of NGOs in promoting Self-Help Groups and thereby empowering rural women.

Methodology: The study is undertaken in Dakshina Kannada District in Karnataka of South India. Both primary and secondary data are used. Secondary data is collected from sample NGOs' reports and other documents. Primary data is enumerated from a field survey in the study region. Two sample NGOs are selected and five Self-Help Groups promoted by each NGO are selected as sample Self-Help Groups.

NGOs' role in promoting Self-Help Groups are analyzed in terms of time series data of the representative sample NGOs and in terms of growth of Self-Help Groups promoted over the years, growth in financial transaction, growth in their field staff and growth in the investment activities. Further qualitative aspects of organizational and operational strength of NGOs are analyzed.

Based on the research study, the results are analyzed and interpreted highlighting the role of NGOs in promoting Self-Help Groups, micro-financing activities and thereby women empowerment especially in rural areas compared to other promoters like government and banks.

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