

THE WOMEN EMPOWERMENT THROUGH BANKING SERVICES

¹Rekha Gupta, ²Arvind Dewangan and ³R. K. Mittal.

¹Department of Business Administration, HCTM, Kaithal

²Civil Engineering Department, HCTM, Kaithal Haryana, India,

Email: arvinddewangan237@gmail.com

³S. D. P. G. College, Muzaffarnagar (UP)

Abstract:

Meeting the credit needs of women and help them to set-up their micro enterprises is the best strategy to empower them. The purpose of this is not only to provide benefit & employment to the females but it can also become a source of earning for the banks which serves this purpose. By this their interest income, consumer network and contribution to society will increase.

Although some specialized programs have been undertaken to facilitate credit towards small businesses for women with more relaxed conditions but the present paper is concerned with providing loans to the women who are illiterate and residing in the backward regions and areas, but who have got the potential of working. They just need the motivation, guidance and one time start up.

Form the banks point of view it is totally safe to provide loans to such areas because defaults mostly happens in small & big businesses, but it is a tiny business and females are more hardworking & aware about repayment of loan. There is no evidence that women are riskier than men. Even females are ready to pay more charges for bank services either overdraft or discounting or cash credit etc.

The scope of funding of this loan is rural areas where there are very few employment opportunities and work is casual and seasonal laborer in agriculture and construction where ladies may not get the option. Studies have proved that women borrowers make productive use of credit for self employed self farms and recovery of loans for banks to such community is easier as compared to men.

Keywords: 1 Banks 2. Women employment 3. Defaults 4. Returns 5. Women empowerment.

Sub-Area: Banking Sector

Broad Area: Management

Introduction

The concept of micro credit was developed by the Great Economist and Bangladeshi Banker Dr. Muhammad Yunus. He picked up the idea of micro credit from Akhtar Hameed Khan, a world renowned Pakistani social scientist. These loans are given to entrepreneurs too poor to qualify for traditional bank loans. In 1976, during visits to the poorest households in the village of Jobra near Chittagong University. Yunus discovered that very small loans could make a disproportionate difference to a poor person. Jobra women who made bamboo furniture had to take out usurious loans for buying bamboo, to pay their profits to the moneylenders. His first loan, consisting of USD 27.00 from his own pocket, was made to 42 women in the village, who made a net profit of BDT 0.50 (USD 0.02) each on the loan, thus vastly improving Bangladesh's ability to export and import as it did in the past, resulting in a greater form of globalization and economic status. From his experience at Jobra, Yunus an admirer of institution was needed to lend to those who had nothing. While traditional banks were not interested in making tiny loans at reasonable interest rates to the poor due to high repayment risks. Yunus believed that given the chance the poor will repay the borrowed money and hence micro credit could be a viable business model." Across cultures and civilization, Yunus and Grameen Bank have shown that even the poorest of the poor can work to bring about their own development," the nobel citation said. The success of the Grameen Model of micro financing has inspired similar initiatives in over 100 countries throughout the developing world and even in industrialized nations such as the U.S.A .Many micro credit projects lend specifically for women. More than 94% of Grameen loans have gone to women who are said to suffer disproportionately from poverty and are considered more likely than men to spend their earnings in their families.

So the present paper is also an attempt to upgrade the weaker section of society especially to the women to provide them an opportunity to earn for their livelihood with the help of Govt. and Banks by providing a good business to banks and employment to society also. Under the scheme any women interested to start can avail loan from the bank. The main purpose is to motivate to the ladies to start these micro businesses with a very small investment. As our country is full of natural resources. So by utilizing these natural resources one can easily earn for their livelihood.

STEPS FOR SELF-RELIANCE

Women can be suggested to go for the businesses mentioned below:-

Agarbatti:- widely used in every corner of country as well as in world has a great scope of business. Because of nice fragrance there is a wide scope of its sale in all over the country. The main Agarbatti manufacturing centers are Nagpur, Raipur, Pune, Ahmedabad, Delhi, Varanasi, Gaya and Cuttuck. In these cities raw material is easily available and labour is also cheap. If proper planning is done for raw material and production of quality products, Northeast can become area of Agarbatti production serving not only domestic market but entire segment of Farest Buddhist country who are largest importer of agarbatti from India.

As this is the cottage/handicraft industry and it provides employment to weaker section of the society as the activity is carried out manually, provides employment to the society.

Another business can be suggested is of matchbox. Matchbox is one of the most important items. Though it is looked upon as small and insignificant, the raw material required for the manufacture of matches are timber paper, flour paste or glue, and chemicals

of which amorphous phosphorus and potassium chlorate are the most important. Due to the widespread use of cigar, bidi, cigarettes and domestic uses, there are huge demand of matchboxes. A new entrepreneur can well venture into this field, because it has a good future scope.

Another suggested business is candle making. It's a very simple business and its demand is very high. This small business can become a very profitable industry. No electricity is required and no need of big area and huge investment in it. You only need moulds of different sizes. Today, even though electricity is widespread and commonly available even in remote villages there are times when it plays hide-n-seek with us and plunges us into total darkness when is no light, for the first thing which comes to one mind is a candle. It is so common that it is used in every house. Therefore the demand is very high. You can start the business with a very small investment even from home. Investment in moulds requires Rs. 500 to 3000 per mould. Candles can be made either with mould or with machine. At present the demand of candles is very high but their supply always falls short of demand. Hence offering immense scope for profit in this field. Beekeeping is also a business opportunity with social, economic and ecological benefits that requires minimal time, labour and resources. The sunflower is the source of nectar which is essential in beekeeping particularly in producing quality and premium honey. Some of the forest tree species which are good source of pollen and nectars for the bees are narra, calliandra, eucalyptus, oaktree, molare, kamachilli, kakawate, duhat, raintree, African tulip, jacaranda, ipil-ipil, and other forest trees. Cereal crops like corn and plants such as banana, mango, coconut, coffee, cacao, citrus, peanut, tomato and eggplant are favourites of honeybee. Honey and beeswax can be produced from an area of little agricultural value. The Honey bee does not compete for resources with any other agricultural enterprise. Beekeeping can be initiated by either individuals or groups. It allows the farmer to earn additional income to support his family.

Legal/Statutory Requirements- Since the unit proposed can be set up at the household level, with no major investment, no legal formalities are required for setting up the unit. .Environmental Viability-Beekeeping has positive ecological consequences. Bees play an important role in the pollination of many flowering plants, thus increasing the yield of certain crops such as beans, melons, sunflowers and various fruits. Honey is a delicious and highly nutritious food. By the traditional method of honey hunting many wild colonies of bees are destroyed. This can be prevented by raising bees in boxes and producing honey at home.

To empower women entrepreneurship few other suggested businesses are pickles, murabbas, squashes, spices, soya bean bariyan, pan masala, readymade garments, socks knitting and many more.

'Dona making, disposable cups and plates made out of dried leaves & twigs. The leaves from palas tree are plucked and collected in the house by the villager leaves used for 'donas' should not be dry. Usually two leaves are stitched together with thin (Azadiractaindica) neem sticks or bamboo sticks. This process is being done by hand and raw material i.e. leaves of *palas* are collected from jungle by the farmers. At present only donas and patals are being made, one person makes around 200 donas/day. It is a seasonal activity and can not be carried out in summer, due to shedding of leaves by the tree. In this activity no infrastructure is required. Cost of production of dona is almost nil, because only labour can be counted, but as this activity is being carried out for subsistence use and for upper caste on demand, to whom the donas are supplied in exchange of some other item, no proper cost of

production can be calculated. Price of 1000 donas in market = Rs. 60/- This activity is primarily being done by caste 'Nai' in villages and both male and females are engaged in Dona making. A hand press machine used to make dona's platters, cups, thalis, etc. of different sizes and shapes, can be introduced to the villagers to make it an income generation activity. This machine is available with the Khadi Gram Udyog, Bhopal on subsidy. Villagers can be trained by the Khadi Gram Udyog can also be provided by District Industry Centre, Chattarpur, under their scheme of promoting small scale units.

It is expected that with the help of machine one person can prepare 2000-3000 donas in a day, thus caring around Rs. 150-200/day. To make it a community activity, co-operatives on small scale can be set up, managing the manufacturing, storing and marketing of dona's to the near market, combined marketing of produce will minimize the cost of transport per head and will fetch good price if supplied in bulk.

Another business suggested is the preparing thread for tussor silk. the thread will be prepared by the ladies which are a manual item which does not require any much investment and machinery. Raw material for preparing thread will be supplied by the NGO consulting agents door to door. And the finished thread will be supplied by the same from the women to the tussor silk manufacturing industries. In this way ladies can earn their livelihood.

The key to success to any craft business is having regular clients who buy from you. This could mean you need to get your product into some local gift stores so you can sell more and more regularly or simply that you have a few big crafts fair you attend each year when you can be assured you will sell out of all the stock you bring.

“Success after comes to those who have the aptitude to see way down the road”. Relying on the same, Indian women have come a long way and are becoming increasingly visible and successful in all spheres. Majority of women do not undertake entrepreneurial ventures. But, the emergence of women entrepreneurs & their contribution to the national economy speaks volumes of their success. The Indian women have proved their footage in the male dominated business arena. Women entrepreneur should explore the prospects of starting a new enterprise; undertake risks, introduction of new innovations, coordinate administration & control of business & providing effective leadership in all aspects of business.

Nearly 40% of India's population of a billion plus lives in abject poverty. In India, we find that many are poor because of one simple reason — 'lack of regular income'. To add to their miserable plight, over 90% of the rural poor are deep in debt. Unable and unwilling to access banks or to apply for loans, the poor turn to local moneylenders, who charge 60% to 120% interest (per annum) or even more, trapping the poor into extreme poverty. Micro Enterprise Development (MED) is a proven way to strengthen viable, small businesses, resulting in increased household income and savings, and thus, alleviating the crunch of economic poverty. World Vision works alongside enterprising members, helping them realize their economic potential and proving that they have the capacity to build their own, small Micro Enterprise units. World Vision facilitates the formation of Self-Help Groups (SHGs) to save, share and build capacity. Small loans for the businesses are provided and collected through individual members in SHGs. A specialized non-profit company, established under the Indian Companies Act, manages the loans and economic assessment. The non-profit company called 'IMPACT' focusses on MED

in target communities of World Vision. Small loans (ranging from Rs 2,000 to Rs 10,000) are provided for individuals in SHGs, along with training on management, marketing and investments.

As a result of such economic development initiatives, many small businesses expand and become viable. As a result, poor families have enough to feed their children and send them to school. The marginalized poor develop their businesses and manage to live a decent life. This approach is very powerful in lifting communities from economic poverty, ultimately leading the community to be self-reliant and live with dignity. If you decide to partner with World Vision in building economically stronger communities in India, you would be helping to reach out to millions of poor people and adding on to loan funds for communities. These will be disbursed through various MED branches in India.

Now the system of providing loan to these ladies will be set up by the govt. by establishing XYZ bank in the district and its working branches in various towns, tehsils and villages which are easily approachable to these women. Govt will take the help of income tax deptt. And list out people paying annual an amount of Rs, 200,000 and more in the form of income tax. That amount of tax will be provided to the women in the form of loan in a small amount ranging from Rs2, 000 to Rs.10, 000. With the help of NGOs and the interest earned on such amount will go to banks. Thus by this effort of govt. ladies can become self dependent and banks can get business and employment opportunities can increase. and Govt also can collect sales tax by these businesses.

REFERENCES:

Camerer, Colin, . "[Progress and Behavioral Game Theory](#)," [Working Papers](#) 1004, California Institute of Technology, Division of the Humanities and Social Sciences.

Jain N K

" Working Capital Management By Small And Medium Sized Industries In Western Uttar Pradesh." , Management & Accounting Research, April-June, 2001.

Jain N K "Flying Faculty Are Weak Footholds", 'The Economic Times', New Delhi, 6/6/99

" Working Capital Financing by Indian Banks", Management & Accounting Research, April-June, 2000 Volume3, Number 4.

"Corporate Social Responsibility Towards Sustainable Development", Management Edge, Vol. 1, No. 1, July-December,2004.

Kumar, Brajesh! "Blueprint of The Poverty Audit" (Accepted for Publication) NIILM-IPAI Publications, New Delhi.

Kumar, Brajesh! "The State of State Finances in India Consequences and Perspectives", (Communicated) Journal of Economic Studies, London.

Meenakshi. N & Kumar, Arun

! "Recession: The Consumer Disconnect", May, 2003, Indian Management, 94.

! Article "Developing Work Culture through Collective Bargaining at Escorts limited", August, 2004, Journal of Management and Labor Studies, XLRI, Vol. 29, No. 3, 205-224.

Meenakshi. N & Kumar, Arun! How to Scale Brands Up or Down", October, 2003, Indian Management, 54-58.

Mishra Priti Suman

Nandini, Niti! “Bridging The Microcredit Gap” published in Indian Management, the Journal of AIMA in Volume 45 Issue 8 in

! Article on “Increasing Rate of Attrition in BPO” Published in journal of Management and labour studies, XLRI,

Jamshedpur, Vol-32, Feb 2007.

August 2006.

! A Framework for Knowledge Management in B-Schools examines how formal knowledge management can

become a major asset for B-Schools of today. This paper was presented at The National Teachers' Workshop

of AICTE in October 2001.

Mishra Priti Suman

Nandini, Niti! A paper titled “investment Environment and Physical Infrastructure in India” for NIILM's Research Project on Foreign Investments

! Creating Corporate Advantage: ERP Shows the Way is a paper that looks into the benefits a corporate stands

to gain by implementing ERP. This paper was carried by JIMS 8M, Vol. 4, No. 3, Jul to Sep 1999.

! Sweet Turns Bitter is a case study based on the Indian Sugar Industry, which is hit by government controls and

competition from cheap imports. This case study was carried in Prestige Journal For Management and

Research in 2001.

.References:

Ramachandran, K.S

! “Suggested indices of economic efficiency with a human face”, Rajiv Gandhi Foundation, 2006.

! “Social Audit”, Office of the Comptroller and Auditor General of India, 2006.

S. Neelamegham

! “Changing Dynamics of Indian Consumer & Behaviour, Vol. (1), Issue 3, 2006.

Author's Personal Copy