

Analysis of Barriers Faced by Women in Accessing Microfinance

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Abstract

The government is channelling microfinance program to bring women into the mainstream of development. The microfinance program is providing economic resources to empower women. In availing microfinance services women face many challenges. So, it becomes necessary to know those barriers which are coming in the way of women development. Primary data collected from 250 women members of SHGs through an interview schedule. Frequency analysis and bar chart is used to examine the data. The results revealed that women are mostly facing a lack of knowledge, lack of information, in providing document and more rule regulation problem in availing microfinance. The researchers also found the problems such as distance of bank from the village, lack of cooperation from bank officials and high-interest rate are not facing those barriers by most of the women in accessing microfinance. The study will be advantageous for the government, Microfinance institutions, and banks in developing policies for empowering women. The study will also motivate women to take part in the development process by saving and investing money in income-generating activities.

Keywords: microfinance; SHGs, women, barriers, problems.

1. Introduction

Microfinance is the formation of Prof. Muhammad Yunus. He founded Grameen Bank in Bangladesh for uplifting the poor. In ancient times, women were facing gender inequality problems but still, Women are suffering from several challenges in the way to uplift themselves such as gender discrimination, dowry, domestic violence etc. The government has taken few steps to abolish those evils. Microfinance program is the foremost program to empower women through microfinance services such as microcredit, micro saving, micro insurance and training.

Microfinance is a type of banking service that offers the loan, saving, and insurance to entrepreneurs without any security. Microfinance is also known as microcredit but the Microfinance term is broader than microcredit because it not only includes microcredit it also includes micro saving and micro-insurance. Microfinance helps

in engaging in productive activities. Microfinance is provided to poor people to start a business for income generation. Microfinance provides financial assistance to invest in income-generating activities without collateral securities which helps in uplifting their families as well as the countries. In microfinance programs women make a group of 10-20 female members and start saving and internal lending activities. They borrow money from group members and consume them in personal and productive activities.

2. Microfinance Services

Microfinance provides several services such as:

1. Micro-saving - It is a service of microfinance consisting of a small deposit account to small income groups or individual as an incentive to store funds for the future.
2. Micro-credit- It is a service of microfinance which provides the loan to poor borrowers to start the business without any indemnity.
3. Micro-insurance- It is a service provided by microfinance to protect low-income people against risks such as accidents, illness, and natural disaster in exchange for the insurance premium.
4. Training- Microfinance also provides training to SHG members related to income-generating activities skill and banking operation.

The government provides microfinance services to women through the SHG Bank Linkage model and MFI Bank Linkage Model to make women independent and empowered but SHG members face some difficulties in assessing microfinance.

3. Definitions

Microfinance	Schreiner, 2000 Kofi Annan, 2005	"Microfinance defined as a formal scheme designed to improve the well-being of poor through better access to saving and services loans." "Microfinance is an idea whose time has come."
Empowerment Women empowerment	Mayoux, 1998	"Empowerment is also related to the process of internal change."
	The National Policy, 2001	"Increasing the spiritual, political, social or economic strength of women."
Self-Help Groups	NABARD, 1997	"SHG is a small, economically homogeneous affinity groups of rural poor, voluntarily formed to save and mutually contribute to a common fund to be lent to its members as per the group members' decision."

4. Literature Review

Egyir (2010) examined that poor road connectivity, low level of education, shortage of information, dependency on rain, lack of technology and inadequate financial resources are the main problems of group women in Ghana. Whereas, Ashe, Treanor and Mahmood (2011) found that women are not accessing training to start businesses. Further, Mandipaka (2014) lack of education and family pressure are the main challenges which are faced by women entrepreneurs. Again, Vasantha (2014) distributed berries in four factors such as skill, finance, group, entrepreneurial capacity personal barriers. These factors consist of some barriers. The researchers revealed that women are facing a lack of support from group members, the inadequacy of finance, lack of skill, poor entrepreneurial support challenges in SHGs. Further, Sharma and Dayal (2015) examined that women are facing a lack of economic freedom, fear of social security and problematical loan procedure. After it, Mishra (2016) reported that women are having problems related to finance, marketing and training. Further, Nsengimana, Tengeh and Iwn (2017) found that women entrepreneur are facing the problem of high taxes rate, lack of skills, high-interest rates, lack of education and training in Kigali. Whereas, Kiprop and Negetich (2018) analysed that the major challenges are the issue of collateral, family disputes, and loan repayment problem due

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to high-interest rates. Further, Hari Prabhu (2019) found that majority of women are facing inadequate availability of finance and marketing problems.

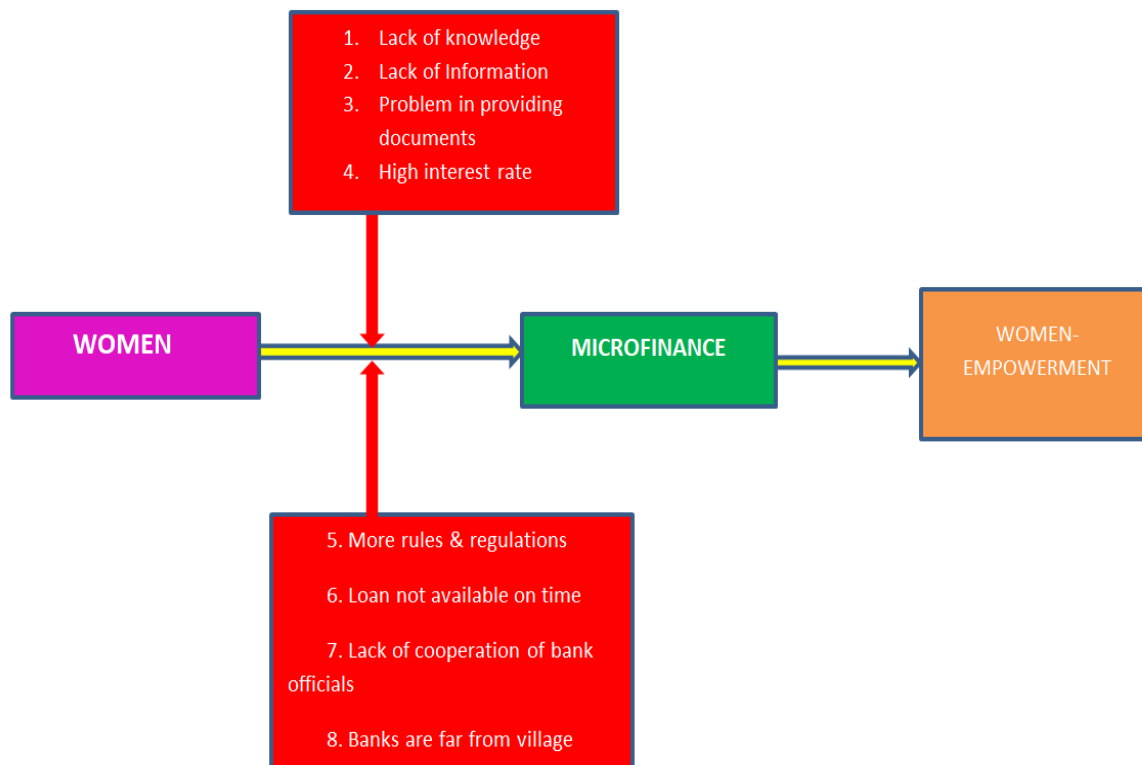
5. The Objective of the Study

1. To analyse the barriers faced by women in accessing microfinance.

6. Conceptual Framework

The conceptual framework is showing the process of women empowerment through microfinance. The conceptual framework suggests that for women empowerment, women availing, microfinance services but they face some barriers in way of women empowerment.

Figure- 1 Conceptual framework



7. Research Methodology

This study is based on empirical data. Primary data is collected by multistage sampling and interviewed 250 rural women beneficiaries of Haryana through an adapted questionnaire. Statements were framed in Likert scale. The scale consists of 8 statements related to barriers faced by women in accessing microfinance. Secondary data is collected from government reports and websites. Frequency analysis and bar chart are used to analyse the data.

8. Analysis and Interpretation

Table-1: Lack of knowledge

S. No.	Options	No. of respondents	percentage
1.	Strongly agree	166	66.4
2.	Agree	79	31.6
3.	Neutral	0	0
4.	Disagree	5	2
5.	Strongly disagree	0	0
	Total	250	100

Table-1 is showing that 66.4% of women are strongly agreed and 31.6% on are agreed for lack of knowledge barrier but only 2% of respondents disagree with a particular barrier.

Table-2: Lack of information

S. No.	Options	No. of respondents	percentage
1.	Strongly agree	146	58.4
2.	Agree	92	36.8
3.	Neutral	0	0
4.	Disagree	12	4.8
5.	Strongly disagree	0	0
	Total	250	100

Table-2 is explaining that above 95.2 % of respondent are strongly agree and agree situation regarding the lack of information problem and only 4.8 % have disagreed with a specific problem.

Table-3: Problem in providing documents

S. No.	Options	No. of respondents	percentage
1.	Strongly agree	104	41.6
2.	Agree	75	30
3.	Neutral	0	0
4.	Disagree	64	25.6
5.	Strongly disagree	7	2.8
	Total	250	100

Table- 3 is showing that 41.6% of women are strongly agreed, 30% are agreed but 25.6% have disagreed and 2.8% are strongly agreed to problem in providing documents.

Table-4: High rate of interest

S. No.	Options	No. of respondents	percentage
1.	Strongly agree	25	10
2.	Agree	59	23.6
3.	Neutral	5	2
4.	Disagree	142	56.8
5.	Strongly disagree	19	7.6
	Total	250	100

Table-4 is describing that most of the percentage of respondents are disagree and strongly disagree but still 23.6 % and 10% agree and strongly disagree on a specific problem.

Table-5: More rules and regulations

S. No.	Options	No. of respondents	percentage
1.	Strongly agree	96	38.4
2.	Agree	110	44
3.	Neutral	0	0
4.	Disagree	35	14
5.	Strongly disagree	9	3.6
	Total	250	100

Table-5 is depicting that most of the respondents are facing problem but 14% have disagreed and 3.6 % are strongly disagreed with more rules and regulations.

Table-6: Loan not available on time

S. No.	Options	No. of respondents	percentage
1.	Strongly agree	98	39.2
2.	Agree	90	36
3.	Neutral	1	4
4.	Disagree	61	24.4
5.	Strongly disagree	0	0
	Total	250	100

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Table-6 is showing that problem of the loan not available on time is not faced by only 24.4% and 4 % of women are in a neutral situation but the rest of the respondents are agreed and strongly agreed with the particular barrier.

Table-7: banks are far from the village

S. No.	Options	No. of respondents	percentage
1.	Strongly agree	1	4
2.	Agree	11	4.4
3.	Neutral	0	0
4.	Disagree	142	56.8
5.	Strongly disagree	96	38.4
	Total	250	100

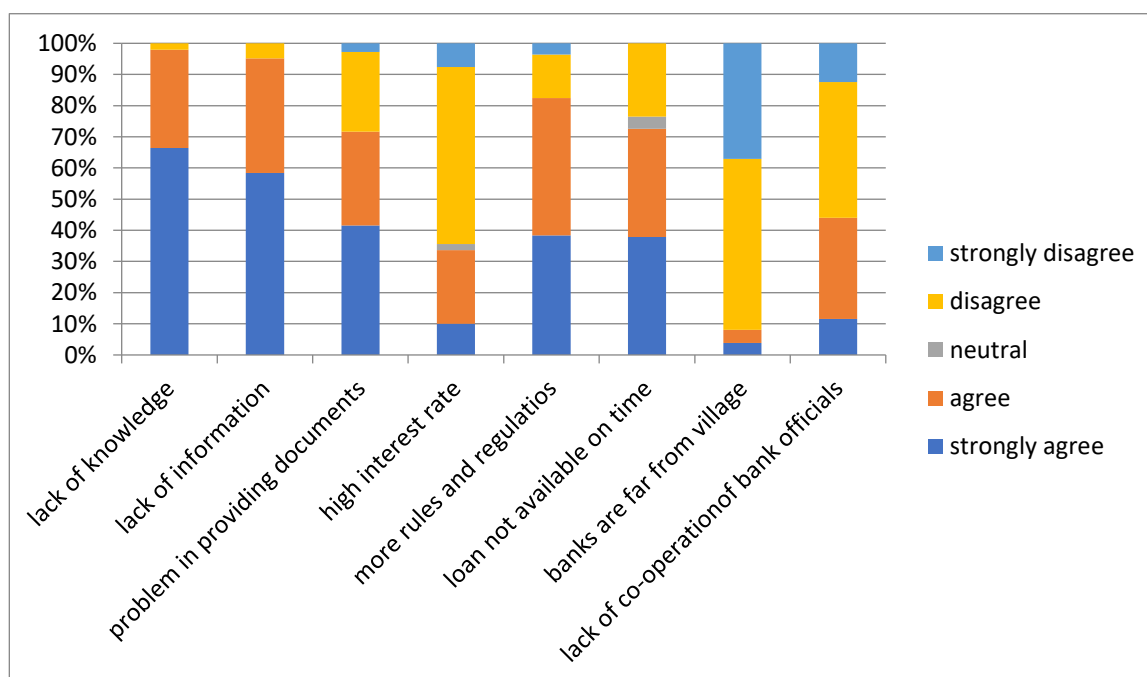
Table-7 is explaining that only 8.4 % of respondents are facing distance problem and the rest 95.2 % of respondents are not facing this problem.

Table-8: lack of co-operation of bank officials

S. No.	Options	No. of respondents	percentage
1.	Strongly agree	29	11.6
2.	Agree	81	32.4
3.	Neutral	0	0
4.	Disagree	109	43.6
5.	Strongly disagree	31	12.4
	Total	250	100

Table-8 showing that 11.6 % of women are strongly agreed, 32.4% are agreed, 43.6 have disagreed, 12.4% are strongly disagreed to face a lack of cooperation of bank official.

Figure-2: Bar chart of barriers faced by women in accessing microfinance



9. Conclusions and Sugestions

The government is channelling microfinance program to bring women into the mainstream of development. Microfinance program are providing economic resources to empower women. In availing microfinance services women face many challenges. So, it becomes necessary to know those barriers which are coming in the way of the development of women. The study analyzes the barriers faced by women in accessing microfinance. The researchers found that mostly SHGs women are facing a lack of knowledge, lack of information, providing documents, more rule regulations and loan not available on time barriers. The study also revealed that most of

the women are not having problems with a high-interest rate, lack of cooperation of bank officials and distance of bank.

Microcredit plays an immense role in empowering women but as per the empirical findings of the current study, women are facing obstacles in availing microfinance services.

Government should offer compulsory training of banking operations, technical and management skill to SHG women for eradicating these challenges in the way of women empowerment.

The study will be advantageous for the government, Microfinance institutions, and banks in developing policies for empowering women. The study will also motivate women to take part in the development process by saving and investing money in income-generating activities.

Future research can be done to analyse the difference in education and barriers faced by women in availing microfinance

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