

## Empowerment of women through micro-finance: Comparative study of Hindu and Muslim SHGs

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### ABSTRACT

One of the most popular goal of most of the development programmes and especially of microfinance programmes is empowerment of women. Empowerment can be judged at various levels such as at individual level, family level and collective level. Within these different types of empowerment and levels of empowerment, there is growing interest to study and analyse the “power within” which mainly focuses on the empowerment at individual level. Microfinance has become an important component of development, poverty reduction and economic regeneration strategy around the world. Micro finance has proved to be an effective tool for women empowerment. Over the last few years, “people’s participation” and ‘empowerment’ have become the buzzwords in rural development and local planning. In this context, Self-help Group (SHG) has emerged as the most successful strategy, in the process of participatory development and empowerment of women. Formation of SHG is a viable alternative to achieve the objectives of rural development and to get community participation in all rural development programmes. SHG is also a viable organized set up to disburse micro credit to the rural women and encouraging them to enter into entrepreneurial activities. Self-help groups have been funded under this SJSRY scheme for women empowerment in urban areas. All the SHGs (under SJSRY) are women groups for the study. The study focuses on Urban Hindu and Muslim women SHGs belonging to Chennai district. This study makes an attempt to know to what extent SHGs are able to attempt women empowerment.

**KEY WORDS :** Microfinance institutions (MFIs), Self-help groups (SHGs), Swarna Jayanthi Shahri Rojgar Yojana (SJSRY).

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One of the most popular goal of most of the development programmes and especially of microfinance is empowerment of women. Empowerment is closely related to the concept of power which can be understood in terms of “Power to”, “Power within”, “Power with” and “Power over”. Empowerment can be judged at various levels such as at individual level, family level and collective level. Within these different types of empowerment

and levels of empowerment, there is growing interest to study and analyse the “power within” which mainly focuses on the empowerment at individual level. Empowerment which means becoming powerful is a process by which individuals, groups and communities are able to take control of their circumstances and achieve their goals. It enables them to work towards helping to empower themselves in educational, economical, psychological, social and political aspects.

Microfinance has become an important component of development, poverty reduction and economic regeneration strategy around the world. Micro finance has proved to be an effective tool for women empowerment. Microfinance includes micro credit, micro savings, micro insurance and micro pension etc. Micro credit has extension of small loans to the poor to enable them to take up income generating activities. Microfinance has evolved as an economic development

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