

## ROLE OF MICRO FINANCE FOR THE EMPOWERMENT OF FEMALE ARTISANS IN INDIAN HANDICRAFT INDUSTRY

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### ABSTRACT

The objective of this paper is to define the role of micro finance for the empowerment of women workers in the handicraft industry. This paper is mainly based on the secondary data which is collected from Microfinance books, journals and from different social and academic websites. The mentioned study established micro finance as the life and blood of economic activities. Finance play an important role in the growth and development of handicraft industry which is labour intensive and needs less investment for generating women empowerment because many women are engaged with this eco-friendly industry.

**KEYWORDS:** Handicraft Industry, Empowerment, Microfinance

### INTRODUCTION

Empowerment is a “multi-dimensional social process that helps people gain control over their own lives (United Nations Economic Commission for Europe). It is a process that fosters power in people, for use in their own lives, their communities, and in their society, by acting on issues that they define as important” (Page and Czuba, 1999). Empowerment in this context means women gaining more power and control over their own lives. On the other hand (NABARD) has defined microfinance as “*provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban and urban provided to customers to meet their financial needs; with only qualification that (1) transactions value is small and (2) customers are poor.*” Women have always been an important part employing microfinance for the upliftment of their own and the condition of their families. Handicraft is the sector which employs large number of female artisans by using their own raw material for the production of handicraft goods by using simple tools. This industry is spread all over the country which produces different delightful crafts and is also famous in the world markets. This trade employs male artisans also but they work seasonally or as part time workers. In this context only female craft workers wholly and solely depend on this work to earn their livelihood.

### RESEARCH METHODOLOGY

The data for the present study has been collected from secondary data. Books, journals, published papers and different social and statistical web sites of India are also used.

### Importance of the Study

With the escalating population of India, the level of unemployment and poverty increased which enlarged the gap

between the rich and poor and also augmented the gender inequality that is why there is a need to give full attention to the handicraft sector which employs large number of women workers. It is the solid key to reduce the gap of gender income and empower the women and micro finance play a vital role in both the cases. In this context, the current study accounts to manipulate following questions.

- What is the role of handicraft industry in the empowerment of rural handicraft women workers?
- What are the positive suggestions for women empowerment through handicraft sector?
- What is the importance of micro finance in the handicraft sector for the empowerment of women?

#### Objectives of the paper

- To have the overall view of the women empowerment in India
- To know the role of microfinance as the corn stone in the handicraft industry for increasing the economic status of women in India
- To give some suggestions for the empowerment of women in India

#### MAIN IDEA

Microfinance plays a vital role in the eradication of poverty and also makes new channels and opportunities for the growth of an economy. Microfinance provides basic support for the empowerment of women to earn their livelihood by establishing the small cottage industries which become the source for many families for their square meals.

Microfinance is currently getting much fame due to its immediate results in every state. The below (table 1) shows some facts and figures from last two years of micro finance loan.

**Table 1: Loan Portfolio (in Crore) Outstanding Across States/UTs – 2013 & 2014 (Deceasing Order)**

States/UTs	2014	2013	Growth (%)
Karnataka	5934	4595	29%
West Bengal	4078	3408	20%
Tamil Nadu	3656	2892	26%
Andhra Pradesh	3368	3835	-12%
Maharashtra	2757	1742	58%
Uttar Pradesh	2526	1603	58%
Bihar	1669	1036	61%
Madhya Pradesh	1470	1139	29%
Odisha	1389	855	62%
Assam	1370	982	40%
Delhi	789	260	203%
Kerala	749	547	37%
Gujarat	739	601	23%
Rajasthan	648	535	21%
Jharkhand	376	353	7%
Chhattisgarh	337	373	-10%
Tripura	312	253	24%
Haryana	220	215	2%
Uttarakhand	202	206	-2%
Punjab	195	140	39%
Mizoram	180	141	28%

States/UTs	2014	2013	Growth (%)
Manipur	147	105	40%
Meghalaya	44	64	-32%
Arunachal Pradesh	43	47	-9%
Pondicherry	39	41	-5%
Goa	13	20	-34%
Sikkim	15	11	34%
Chandigarh	5	4	37%
Nagaland	4	1	320%
Dadra& Nagar Haveli	2	1	108%
Andaman	1	1	6%
Himachal Pradesh	0.8	0	121%
Jammu & Kashmir	0.7	0.1	

Source: Refer Bharat Microfinance Report 2013

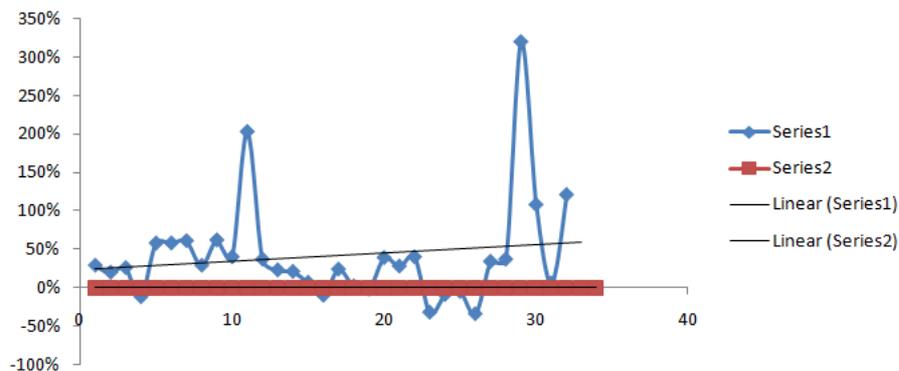


Figure 1

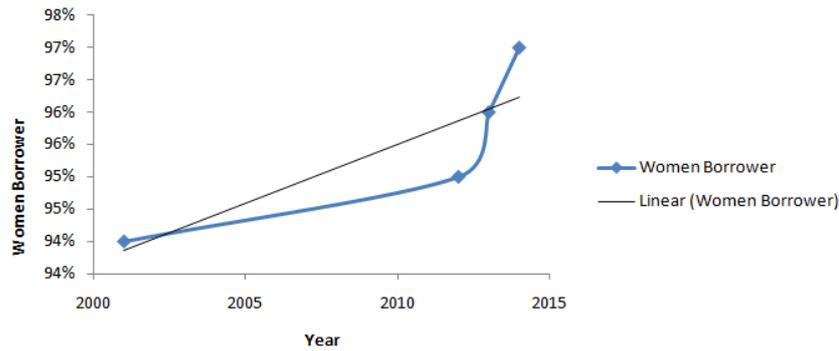
According to the figure 1 we can clearly comprehend that some states show positive growth rate and few show negative. In average we see lot of percentage of states getting benefits from the micro finance loan in India. States like Delhi, Odisha, Bihar, Maharashtra, UP have significantly increased their micro finance lone size during 2013-14 compared to the previous year. On the other hand Andhra Pradesh, Goa, Uttarakhand, Chhattisgarh, Pondicherry, Arunachal Pradesh and Meghalaya show the negative trend of financial loans.

The growth rate of micro finance is higher in the Western and Eastern regions. Outreach proportion of urban clientele is increasing year on year (44% for 2013-14) as against the rural population. Women borrowers constitute 97% of the total clientele of micro finance institutes.

Table 2: Women Borrower

Year	Women Borrower
2001	94%
2012	95%
2013	96%
2014	97%

Source: Refer Bharat Microfinance Report 2014



**Figure 2**

The above figure 2 shows that there is an increasing trend of taking loans by the female borrowers. This loan is for both consumption and investment purposes. The study reveals that due to responsibility of home, family and children, the female do not possess the courage to invest this money in some big and outdoor projects or business. Often it is seen that the micro finance funds are invested in cottage or small scale industries, among them, handicraft sector is often exploited by female borrowers.

Micro finance in handicraft industry plays a very important role in the empowerment of women workers in India. In India much female work force is engaged with this sector especially from rural areas. Women empowerment through this sector by the help of micro finance enlarges the job opportunity for the women who are restricted to go outside for job to earn their livelihood.

Throughout the years, woman was considered only as a housewife whose job was to cook food and care about the children and the husband. Now time has changed, the women in many sectors are seen as owners or head of many business units in our country. Financial sector gets all this credit for the empowerment of women ownership in different business sectors. In handicraft sector the approach is to somehow different because this sector is labour intensive and passionate job which women artisans get naturally. The crafts which are made by female artisans are sweater wowing, basket making, carpet wowing etc. For the establishment of their own units to generate their economy, the female artisans need to invest and here the micro finance is playing key role for them, with the help of which there is seen an upliftment of the women artisans in Indian handicraft industry.

## SUGGESTIONS

- There should be proper encouragement for the women artisans in each and every region of the country.
- We have to change the negative attitude about the women workers in every sector of economy not only in handicraft sector.
- There should be availability of raw material and finance for the female artisans and also some subsidy on funds to clean the track for the women empowerment.

## CONCLUSIONS

In developing countries like India women empowerment is one of the important buzzing issue nowadays. In this modern era the socio economic decisions are not still taken by women independently. In our country the women is known

for the house caring, who are not allowed to go outside without permission and it's often seen that these house wives do some little jobs inside their homes which is low capital intensive and high labour intensive known as handicraft. So taking the handicraft the way and the micro finance as the means to achieve, the women empowerment in our country can be enhanced. It's seen that if there is proper use of funds in this sector there is much potential of this sector to generate the women employment by very low investment.

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