ABSTRACT

The development of the country is possible only if women folk are also developed. It has been observed that the social, economic and political status of women in rural areas remains very low. Recently, microfinance programme has been introduced for poor of the society targeting especially the women. This study assesses the impact of microfinance on poverty, employment and empowerment of women in rural areas of Punjab.

Impact has been measured by comparing the participants of the programme with the non-participants. The comparison is based on the primary data collected from field through an especially prepared schedule. A comparison of programme participants and non-participants shows that microfinance programme has increased the individual and household incomes of the participants along with reduction in income inequalities. It has escaped them from financial vulnerability and has reduced their level of poverty. A multiple regression technique is applied to find out the determinants of poverty.

The study reveals that microfinance programme has been successful in diversifying the economic activities in rural areas. The increase in the engagement of participants in the economic activities has increased their level of employment.

The results of the study also show that microfinance programme has empowered women economically, socially, psychologically and politically. It is also found that the mature group participants are more empowered as compared to the young and middle age group participants. For measuring women empowerment a Composite Empowerment Index is constructed with the help of 21 indicators. A multiple regression technique is applied to find out the determinants of women empowerment.

The present study discusses the limitations confronting the efficient functioning of microfinance activities. The study also discusses the challenges and prospects of this programme. On the basis of findings of the study, some suggestions have been given to improve the programme effectiveness and to remove the various problems associated with the design and implementation of the programme.

Key Words: Microfinance; Self Help Group; Women Empowerment; Income; Poverty; Employment.