

## **Microfinance: Myth or Panacea for Women's Empowerment**

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### **Abstract**

In this research paper, emphasis has been given to understand decision taking ability of women involved in self-help group activities in their socio-economic, political and intra and inter household relations. The study is based on primary survey undertaken across social groups in Malda district in West Bengal. Conventionally, the concept of poverty includes only consumption and income approach. But this understanding only considers absolute rather than relative poverty. It has been claimed to include the concept of dignity and decision taking freedom to measure poverty. The relative aspect of poverty identified poor people as agent who fight against existing socio-economic norms with their limited assets. The relative aspect of poverty identified poor people as agent who fight against existing socio-economic norms with their limited assets. Gender equity is the magical stick to reduce poverty and push the economy towards sustainable development. That is why there both strategic as well as inherent reason to recognize that empowerment is an element to reduce poverty. Microfinance is recognized as a most pivotal instrument to reduce poverty and empower women. It is very difficult to measure women's empowerment because it depends on many interrelated aspect of human life. Empowerment is a dynamic rather static in nature. Women may differently experience the flavor of freedom or change in their life. Most of the time poor women are facing financial crunch. This financial crisis restricts women to take affirmative role regarding economic decision in their families as well as in the communities. To ease this situation, microfinance may act as a positive contributor. The concept of empowerment cannot be a homogeneous aspect. It depends on many financial and non-financial factors. So only provision of credit alone will not be able to alter power and gender relations. Non-economic factors, such as group bonding, reduced asymmetry of information, social networking, self-esteem, bargaining power, decision making autonomy are playing pivotal role to push women towards the path of empowerment. Group wise movements reduce the chances of asymmetry of information and enhance the confidence among women participants that create positive significant transformation in decision-making arrays.

**Key Words:** Poverty, Gender, Decision making Power, Empowerment

### **Introduction**

Empowerment is a multifaceted progression through which women can understand their individual existence and negotiating capabilities. Empowerment contains participation in decision making, equal access to productive resources and capability to stand against inequities and enhancement of confidence and self-esteem. Empowerment is a process by which deprived and underprivileged women can acquire power to make choices in their life. The concept of empowerment includes three inter connected dimensions, namely; resources, agency and achievements. These three interconnected aspects empower women by giving them the knack to make choices, the freedom to make self-governing decisions, and the opening to identify and develop their strategic capabilities. Empowerment directly related to power struggle. Components of power are "Power within", which enable women to rationalize their desire and strategies for change; "Power to", implies skill enhancement and access productive resources to fulfill their want; "Power with", where women are able to understand and articulate their collective opportunity and also to exploit that to gain knowledge to link with other institutions for change; and "Power over", that transforms the existing inequities which hinders women's desire and capability to achieve them. Poor women most of the time are not able to understand their capabilities to negotiate with economic and social inequalities and hindrances. To overcome this problem, microfinance should have two domineering qualities. One is, social utilization of resources and collective agency approach and other

is, social mobilization process that needs to be complemented by economic security.

To be economically viable, women should have the opportunity to overcome their financial rigidities, because lack of collaterals, women are facing financial crisis. To reduce poverty and to make a pathway towards empowerment, access to credit plays the most important catalyst.

In this present context, financial inclusion through microfinance is categorised as a most pivotal instrument to reduce gender based poverty and empower women. From the 1990s, microfinance considered as an instrument that instigate economic development and minimizing gender gap. Microfinance may help women to challenge existing patriarchal hierarchies and exploitative gender relations which in turn create road towards sustainable development. In India, Self Help Groups (SHGs) – Bank Linkage Microfinance Programme act as a financial inclusion mechanism to address the financially excluded rural women for supporting them to make pathways towards empowerment. One of the most important features of self-help group is savings which act as collateral substitute. The bonding among the group members has been successfully mitigating the severity of crisis faced by marginalised women, but at the same time their participation in community level gives impetus to strengthening their decision making capability.

The structures play a critical role in gauging how well the model performs among diverse communities and various social groups, specifically focusing on women from scheduled castes and scheduled tribes. Empowerment is a multilayered concept predisposed by factors such as social norms, somatic set-up, and the arrangement of social, cultural, and economic prospects. This research article targets to sight see the effect of microfinance and self-help group models on women's empowerment. The study is grounded on a primary survey conducted in Malda, West Bengal, encompassing various communities and social groups.

## Literature Review

Study by Sarmah, G. N and Das, D. K. (2012) highlighted the positive impact of microfinance and self-help groups on socio- economic status of marginalized women in terms of involvement in income generating economic activities and upgradation of standard of living in Lakhimpur District of Assam.

Arora, S. and Meenu (2012) in their study highlighted the success story of microfinance and self-help group to address financial contingencies of the rural women with respect to their preference for institutional and non-institutional sources of credit, their perception regarding financial requirement and level of fulfillment of financial needs. Rural women from three districts of Punjab gained regular good saving habits. Most of the beneficiaries were using institutional micro credit for their income generating activities, consumption that reveals the bargaining capability of rural women to negotiate with formal institution for credit.

Maurya, R. (2011) elaborated different aspects of empowerment of women through microfinance. Their study emphasized the importance of collaborative mechanism which consists of appropriate supply of financial products and services complemented by a proper distributional strategy, financial consciousness and inter connection among financial sources, government and other civil society organization for successful financial inclusion.

The study by Samuel, J. et al. (2011) observed affirmative role of microfinance on the rural women through regression analysis with respect to income, savings and employment opportunities. But conflict among group members along with faulty savings procedures and lack of skill enhancement training acted as hindrances for overall development.

According to the study of Regi, E. M. (2011), microfinance channelised through neighborhood groups in Kerala helped women to increase their income from income generating activities which in turn enhance their status in family and community. Such positive push gave women to gain control over productive resources, freedom of communication, capability to take household decision independently.

Vetrivel, S. C. et al. (2010) pointed out that microfinance could able to fulfill financial requirements of self-help group members and enhances their capability to negotiate with their familial and social issues which paved the way toward empowerment.

Sharma (2007) strived to observe the underlying impact of microfinance on women's empowerment, specifically focusing on the autonomy in economic decision-making and the disruption of existing patriarchal prevalence within households and between them. Self-help group program gave the poor women power to fight against gender discrimination, involve in familial decisions, and utilize productive economic resources, communication ability to address social issues and freedom of movement. Women exercised "Power within", which enable women to rationalize their desire and strategies for change. As a result, they took part in most important issues like family planning and parenting.

Study of Sahu and Das (2007) revealed gloomy picture of functioning of self-help group microfinance program. Most of the cases loans used for unproductive purposes like household consumption, festivals and for repayment of earlier loan amount because of their lower skill level to initiate profitable income generating activities. This paper also emphasized benefits of non-economic factors like increased self-esteem, systematic savings habit, involvement in community affairs which helped them to move towards empowerment.

But randomized survey by Duflo (2013) highlighted no noticeable change caused by microfinance program in terms of developmental indicators like education, health, employment and empowerment.

Swain (2007) study based on primary data collected for two time periods for group and non-group members to measure their status to address the issue related to poverty, vulnerability and empowerment of group members. Result of this study revealed noticeable difference in terms of freedom of mobility, self-consciousness, decision making ability both in household and community for group members. Group members exercised components of power, like, "Power within", which enable women to rationalize their desire and strategies for change; "Power to", implies skill enhancement and access productive resources to achieve their desire; and "Power over", that transforms the existing inequities which hinders women's desire and capability to achieve them. They participated in most important issues like family planning and parenting, buying and selling of properties, girl child's education. "Power over" that transforms the existing inequities which hinders women's desire and capability to achieve them, gave the group members that opportunity to stand against gender discrimination and social evils like dowry, polygamy, domestic violence, child marriage. "Power with", where women are able to understand and articulate their collective opportunity and also to exploit that to gain knowledge to link with other institutions for change helped other group members to experience program benefits.

Above mentioned research work identifies direct association between microfinance program and empowerment to some extent. Microfinance channelized through self-help groups or neighborhood groups enable women to increase employment opportunities, access productive resources to generate income, enhancement of self-confidence, self-esteem, and increase in bargaining power both inside and outside the household, to reduce poverty and most importantly reduce gender discrimination and upgrade status of women in family and society.

Further investigation will be directed to learn whether the leading influence on empowering women lies in economic factors such as income, loan amount, and the number of loans, or if non-economic factors such as age, education level, and duration of membership, training, and political participation play a more significant role. This study aims to address a gap in the existing literature by examining the effects of the Self-help Group Bank Linkage program on women's empowerment in West Bengal.

### **Objective:**

1. The effect of microfinance on women's empowerment across social groups.
2. The combined effect of microfinance and self-help groups to enhance self-esteem and self-confidence for women across social groups.
3. The causality between financial and non-financial factors in empowering women across social groups.

### **Methodology**

The research is empirical in nature. The data collected from field using questionnaire method. The survey covered both quantitative and qualitative approach to measure empowerment. The primary data comprised of responses of self-help groups functioned by NABARD (National Bank for Agriculture and Rural Development).

### **Selection of Districts**

The district selection was grounded on the concentration of social groups (Muslim, Scheduled Caste, and Scheduled Tribe), as designated by the Census Report of 2011. The choice of sample districts was purposeful, line up with the embattled microfinance program conducted by NABARD in specific districts of West Bengal, India. Report revealed the significant in concentration of Muslim population in Malda (51.28%). Caste wise segregation of population highlighted concentration of Scheduled Caste (20.9%) and Scheduled Tribe (7.9%) population besides Muslim population in Malda. To understand the intra variation of resource availability and choice making capability, Malda district is selected. Besides census data, the paper considers also major human development indices of Malda district.

**Table 1: Status of Malda District by Major Developmental Indices**

Name of District	Human Development Index	Gender Development Index	Education Index	Health index	Income Index
Malda	0.44 (17)	0.39 (17)	0.48 (17)	0.49 (17)	0.36 (13)

Sources: Econ. Review (WB)

**Selection of Blocks and Villages**

Villages and blocks selection of is made depending on the cluster of Muslim, Scheduled Caste and Scheduled Tribe population in Malda. Cluster sampling technique is used to find out villages and blocks. .

**Table 2: Selected Blocks and Villages of Malda District**

Malda District	Muslim, SC and ST
Block	Gazole, Bamongola, Kaliachak I
Village	Khoslabari - All SC, Bhandaripara-All SC, 1 No colony - Muslim 90% Hindu 10%, Baganpara-All Muslim, Dhamua- All ST (Santal), Dighalkiyari-All SC and Bmongola --- ST

Source: Primary Field Survey, 2020

**Selection design of respondents**

The primary field study included 400 married women from Malda district, with a specific goal of scrutinizing the association between the availability of microfinance facility and decision-making capabilities regarding economic, social, political, and familial issues within intra and inter household dynamics across various social groups. The ability to make decisions is important as it related to empowerment of women by enhancing their negotiating power in sundry aspects of their daily activities within individual and community domains. Decision-making is a power struggle by households and their members in various facets of their personal and collective experiences.

**Operational definitions of survey variables and Construction of Empowerment index**

The research places emphasis on three primary factors driving empowerment: (a) decision –making capabilities regarding monetary, children, and societal aspects; (b) resource utilisation; and (c) the liberty to move. Furthermore, the existing literature on empowerment underscores the positive outcomes associated with political engagement, skill development through training, and the cultivation of self-esteem and self-confidence. Women's empowerment is a multi-faceted concept, and various variables are utilized to construct indices and identify determinants. The survey variables are divided into two groups. Firstly, 10 gages are formulated as scale variables to construct the empowerment index. In this analysis, all operational measures of empowerment transform the data into dichotomous variables. Secondly, independent variables are employed to investigate whether financial factors (income, loan amount, and number of loans) or non-financial factors (age, education level, duration of membership, training, political participation) have a more substantial impact on empowering women.

**Empowerment indicators**

**(a) Economic decision making indicator:**

Power to control earnings, authority over loans facilitated by self-help organizations, and control over savings, control over how loans are used, and control over purchases are all examples of economic decision making tools. A score of two is given if the responder makes her own decisions; a score of one is given if she has joint control; and a score of zero is given if she has no control over the economic decision-making indicators.

**(b) Household decision making indicator:**

It indicates the ability to voice opinions and carry out decisions pertaining to family, child welfare, reproductive health,

and sociopolitical issues. A score of two is given if the responder makes the decision alone; a score of one is given if she has joint control; and a score of zero is given if she has no control over the factors that influence family decision-making.

**(c) Personal autonomy indicator:**

Respondent receives a score of two if she chooses to move freely and is able to make decisions about her own health care; she receives a score of one if she has joint control over economic decision-making indicators and a score of zero if she has no control over any of them.

Here, women's empowerment is measured using the Index Approach. Answers to questions about household, economic, and physical mobility are weighted and added together to create an aggregate score in the index approach.

**Design of Questionnaire**

Primary survey was organized into the distinct thematic groups:

- (1) Resource: economic power and control over funds; (2) Finance: power to control household borrowing and capability to borrow from informal sources; (3) Transaction management: power to take, implement spending decision for household; (4) Purchasing: capability to take decision autonomously regarding household purchasing issues; (5) Mobility and networks: freedom of physical movements; (6) Activism: community involvement; (7) Fertility and Parenting: decisions regarding for family planning and child rearing; (8) Household attitude and Self Perception: self-confidence and status within household.

**Empirical Model**

Binary Logit model is used to determine the empowerment. Women's empowerment is dependent variable which may depends on independent variables age, education, income level, loan amount, duration of membership and political participation. It is based on participants' self-perception of empowerment. In this analysis, a value of 1 is assigned if a participant perceives herself as empowered, and 0 if not. The Logit method relies on the logistic curve, ensuring that the dependent variable (the probability of a positive response) falls between 0 and 1 for all regression values. The probability function, a non-linear function following a logistic curve, is used in this study to express the likelihood of empowerment among women in Self Help groups (Pi).

$$P_i = P_i (Y_i = 1) = E (Y_i / X_i) = 1 / (1 + e^{-(a + bX_i)})$$

Where, Xi's are the Independent

variables used to understand comparative impact of these factors on women's empowerment. Women Self-help group members Empowered = 1 if respondent is empowered = 0 if otherwise the qualitative analysis is carried out using the statistical package SPSS 16.

**Findings & Analysis**

Findings from primary field survey can be summarized in the following table

**Table 3: Age Wise Distribution of SHG Members in Malda District**

Age	Malda		
	(Muslim)	(SC)	(ST)
≤ 20	0 (0.0)	1 (1.0)	2 (2.0)
21 ..... 30	74 (37.0)	32 (32.0)	29 (29.0)
31 .....40	92 (46.0)	47 (47.0)	45 (45.0)
41 ..... 50	34	20	22

Age	Malda		
Social Groups	(Muslim)	(SC)	(ST)
	(17.0)	(20.0)	(22.0)
Above 50	0 (0.0)	0 (0.0)	2 (2.0)
Total	200 (100.0)	100 (100.0)	100 (100.0)

Source: Primary Field Survey, 2020

The majority of female respondents fall within the 31-40 age group, with the 21-30 age group following closely behind. The establishment of Self-Help groups among women is more commonly observed in the younger and middle-age demographics.

**Table 4: Education Wise Distribution of SHG Members in Malda District**

Education Level	Malda (Muslim)	Malda (SC)	Malda (ST)
Illiterate	77 (38.5)	64 (64.0)	70 (70.0)
Primary (1-5)	99 (49.5)	32 (32.0)	25 (25.0)
Middle (up to class X)	24 (12.0)	4 (4.0)	5 (5.0)
Higher (up to class XII)	0 (0.0)	0 (0.0)	0 (0.0)
Graduation and above	0 (0.0)	0 (0.0)	0 (0.0)
Total	200 (100.0)	100 (100.0)	100 (100.0)

Source: Primary Field Survey, 2020

Literacy rate is lower in Malda for the respondents of different social groups.

**Table 5: Duration of Membership of SHG Members in Malda District**

Duration of Membership (years)	Malda (Muslim)	Malda (SC)	Malda (ST)
2	7 (3.5)	4 (4.0)	4 (4.0)
3	32 (16.0)	15 (15.0)	15 (15.0)
4	44 (22.0)	20 (20.0)	25 (25.0)
5	53 (26.5)	32 (32.0)	30 (30.0)
6	63 (31.5)	24 (24.0)	17 (17.0)
7	1 (0.5)	5 (5.0)	9 (9.0)

Source: Primary Field Survey, 2020

The duration of membership significantly influences the empowerment of women. The essence of Self-Help Groups is centered on a critical aspect of human psychology – the sense of self-value. Longer periods of membership correlate with increased resilience in terms of decision-making right. As a result respondents are more agile to handle issues independently. “Power within” helps the women respondents to negotiate more realistically and confidently different monetary and non-monetary factor in their daily life. Membership acts as a shell to protect internally the members. Empowerment is a collective approach and mature groups cherish the flavor of this collective taste of freedom.

### Loans, Use, Yields and Repayment Loans

The average loan amounts in the sample villages were comparatively lower than those in the control group (Microfinance Institutions), and they unveiled distinction across the sampled villages. Formation of SHG takes time and at the same time as the savings act as collateral to get loan bank, it is also a lengthy procedure. The entire structure of disbursement depends on quality of leadership, financial discipline and structure among SHG members, and attitude of bank officials. The group members are getting small amount of loan for short period of time. The most important thing is that the rate of interest on loan amount is much lower than that charged by moneylenders. SHG members initially borrow to meet small, short, consumption purpose. Over the time with more confidence and self-realization, they move towards bigger, long-term loan for production purposes.

**Table 6: Amount of loan taken by Self-Help group members in Malda District**

Loan amount	Malda (Muslim)	Malda (SC)	Malda (ST)
1000 .... 10,000	122 (61.00)	27 (27.00)	50 (50.00)
11,000 ..... 20,000	71 (35.5)	61 (61.00)	35 (35.00)
21,000 ..... 30,000	7 (3.5)	12 (12.00)	15 (15.00)
31,000..... 40,000	0 (0.00)	0 (0.00)	0 (0.00)
41,000..... 50,000	0 (0.00)	0 (0.00)	0 (0.00)
Total	200 (100)	100 (100)	100 (100)

Source: Primary Field Survey, 2020 Financial inclusion is most pivotal to move towards sustainable development but at the same time change of mind set of the economically poor women about their potential is much more sensitive issue. The traditional structure of patriarchal society along with fear of non-repayment of loan cumulatively creates pressure on women to take large amount of loan. But as the duration of membership, internal trust among members and their maturity level increases, they are able to take loan more confidently.

But the problem is different with respect to availability of loan. Primary field survey highlighted consequences of multiple memberships. In Malda, substantial MFI clients were already members of some Self Help Group formed under NABARD’s SHG-Bank Linkage Programme.

### Use of Loan

In Malda district, survey was conducted among Muslim women, Scheduled Caste women and also Scheduled Tribal Women.

### Muslim Respondent in Malda District

47.5 per cent of Muslim respondent used loan for their children’s education and health, house renovation and restoring, 1692

marriage, festival and other contingencies.

**Table 7: Purpose of Family Expenditure**

Purpose of Expenditure	No. of Respondents	Percentage
children's Health & Education	66	69.47
repairing and reconstruction of their houses	7	7.38
wedding ceremony	10	10.52
Festivals	12	12.63
Total	95	100

Source: Primary Field Survey, 2020 Involvement in self-help group, women participants are gaining power to invest in children's health and upliftment of children's educational status. Now they are more resilient in taking decision regarding familial uses because of their financial base.

**Chart1: Graphical Representation of Purpose of Family Expenditure**



Source: Primary Field Survey, 2020

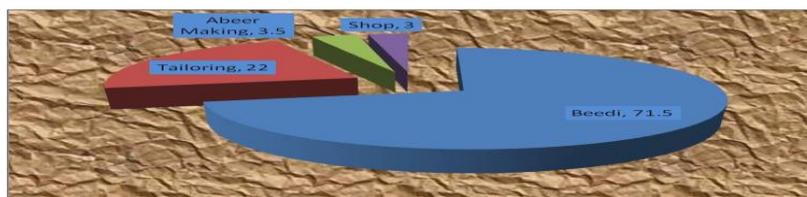
Women participants are now in a position to start their journey from imaginary world to real world as Self Help group microfinance programme enables them to help them to accomplish their concern towards family. 71.5 per cent involved in Beedi making business, 22.0 per cent engaged in tailoring 3.5 per cent respondents engaged in coloured powder making and 3.0 per cent of the respondents have their own shop.

**Table 8: Work profile of Muslim Respondent in Malda**

Type of Work	Percentage
Beedi	71.5
Tailoring	22.00
Abeer Making	3.5
Shop	3.00
Total	100

Source: Primary field survey, 2020

**Chart2: Work profile of Muslim Respondent in Malda**



Source: Primary Field Survey, 2020

### Scheduled Caste Respondent in Malda district

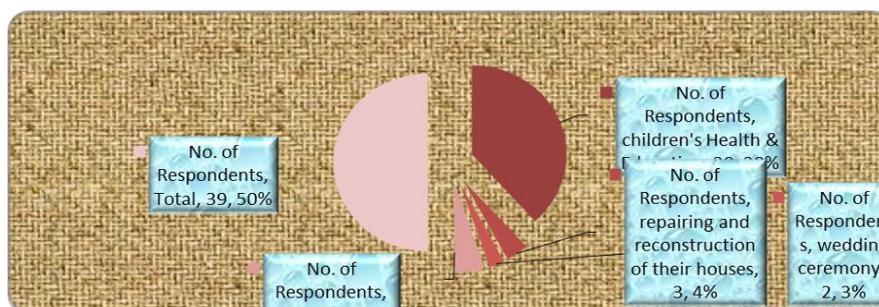
39.0 per cent respondents used loan for children’s education and health, house renovation and restoring, marriage, festival and other contingencies. Group activities give the respondents feeling of self-confidence and source of income. As a result, now they are able to take responsibilities of children’s health and upgradation of children’s educational status. They gain the power to take decision regarding financial issues. Financial inclusion through self-help groups gives them stimulus to realize some sort of security in their life.

**Table 9: Purpose of Family Expenditure**

Purpose of Expenditure	No. of Respondents	percentage
children's Health & Education	30	76.92
repairing and reconstruction of their houses	3	7.69
wedding ceremony	2	5.13
Festivals	4	10.26
Total	39	100

Source: Primary field survey, 2020

**Chart 3: Graphical Representation of Purpose of Family Expenditure**



Source: Primary field survey, 2020

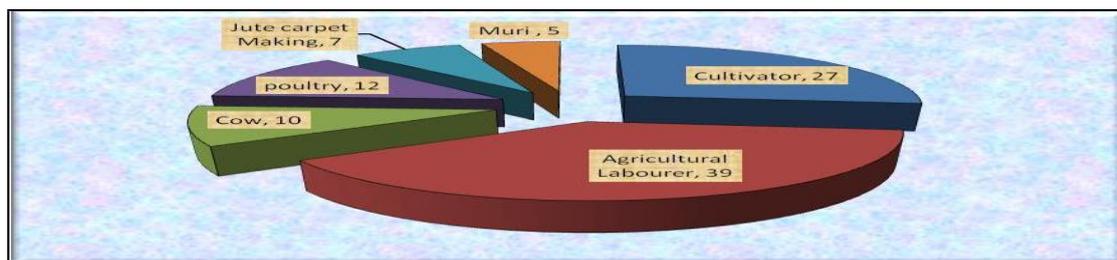
Work profile revealed their involvement in different work activities. 27 per cent engaged in cultivation activities and 39 per cent respondents worked as an agricultural workers, 12.0 per cent involved in poultry business, 7 per cent engaged in making jute carpet, 10.0 percent respondents bought cow, and 5 per cent engaged in puffed rice making.

**Table 10: Work profile of SC Respondent in Malda**

Type of Work	percentage
Cultivator	27
Agricultural Labourer	39
Cow	10
poultry	12
Jute carpet Making	7
Puffed Rice	5
Total	100

Source: Primary field survey, 2020

**Chart 4: Graphical Representation of Work profile of SC Respondents in Malda**



Source: primary field survey, 2020

35.0 per cent respondents used loan for children’s education and health, house renovation and revamping, familial issues, and other contingencies. Out of these 65.71 per cent of participants make use of loan for children’s health and education. Now they are more independently take decision regarding these issue due to financial support. More than

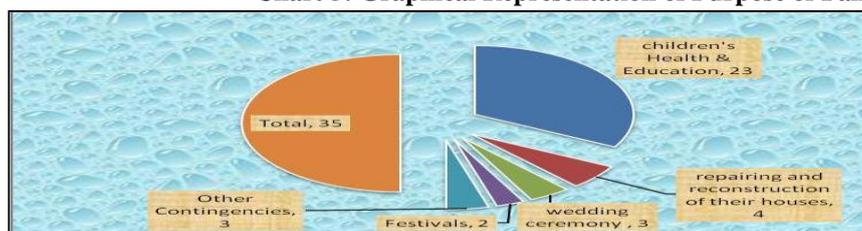
11.43 per cent of borrowers used loan for repairing and reconstruction of their houses. One thing must be noted that this financial support channelized through the Self-Help Groups give them impetus to achieve some sort of comfort in their life. 8.57 per cent of the respondent used loan to support partially their family members for wedding ceremony and 5.72 percent of respondents for festival purposes and 8.57 per cent for other contingencies.

**Table 11: Purpose of Family Expenditure**

Purpose of Expenditure	No. of Respondents	percentage
children's Health & Education	23	65.71
repairing and reconstruction of their houses	4	11.43
wedding ceremony	3	8.57
Festivals	2	5.72
Other Contingencies	3	8.57
Total	35	100

Source: primary field survey, 2020

**Chart 5: Graphical Representation of Purpose of Family Expenditure**



Source: primary field survey, 2020

Of these borrowers, 19.0 per cent engaged in cultivating food crops and 44.0 per cent respondents worked as an agricultural workers, 5.0 per cent involved in poultry business, 13.0 per cent engaged in fishery business, 3.0 percent respondents making alcohol supplied in the local market, and 16.0 per cent respondents showed the courage to lease a mango orchard.

Before joining Self Help group they were engaged in only agricultural activity, which is less remunerative and for some respondent seasonal source of income also. This programme gave them opportunity and courage to start new business besides agricultural activity. Individually they were not as much capable to carry out such business activity but group bonding and financial support channelized through group gave them that psychological strength and decision making autonomy to move forward and start new ventures which is more profitable. In other wards these activities are more

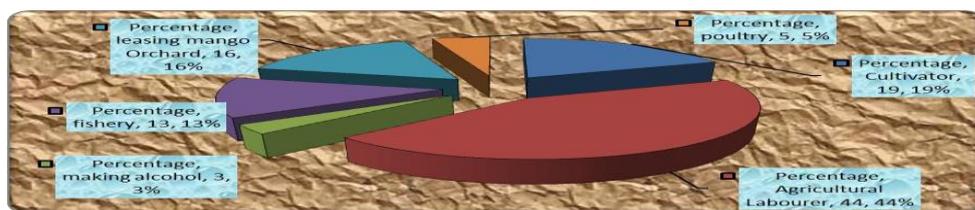
income generating which increase their bargaining power within and outside the household.

**Table12: Work profile of ST Respondent in Malda**

Type of Work	Percentage
Cultivator	19
Agricultural Labourer	44
making alcohol	3
fishery	13
leasing mango Orchard	16
poultry	5
Total	100

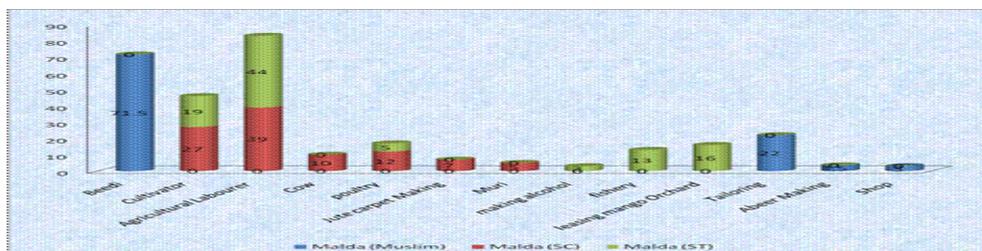
Source: primary field survey, 2020

**Chart 6: Graphical Representation of Work profile of ST Respondents in Malda**



Source: primary field survey, 2020

From the field survey it was clear that Scheduled caste and scheduled tribe women were more responsive to this self-Help Group Microfinance Programme than Muslim Women. **Chart 7: Graphical Comparison of Work profile of Muslim, SC & ST Respondents in Malda**



Source: primary field survey, 2020

SC and ST women tried to engage themselves in more remunerative work than the Muslim women. Most of the Muslim respondents engaged in traditional beedi making profession in which there is a more scope for exploitation by beedi traders. Due to lack of educational background and asymmetry of information regarding the wage of beedi making, they were making beedi at a very low wage. But on the other hand, 27.0 per cent SC respondents in Malda are involved in cultivation and 39.0 per cent participants functioned as an agricultural labourer, 12.0 per cent involved in poultry business, 7.0 per cent producing jute carpet, 10.0 percent respondents bought cow, and 5.0 per cent involved in puffed rice making.

Of the ST borrowers in Malda, 19.0 per cent engaged in cultivation and 44.0 per cent respondents worked as an agricultural workers, 5.0 per cent involved in poultry farming,

13.0 per cent engaged in fish farming business, 3.0 percent respondents making alcohol supplied in the local market, and 16.0 per cent respondents showed the courage to lease a mango orchard.

Though educational status of both SC and ST women were very low, socio cultural freedom gave them impetus to involve in different ventures which are more remunerative and less exploitative. From the field survey it may be concluded that there persists intra discrimination which is the effect of socio cultural phenomenon in Muslim community which act as a constraint for women to break traditional barriers and to move with more courage and self-

confidence.

### Repayment of Loans

In the Self Help group and microfinance model, savings act as collateral to get loan from bank at around 9% to 13% reducing rate of interest. The group is collectively accountable to the bank for refund. Because of group liability and interdependent attitude, repayment rate is high. Group credits mitigate the fear of individual burden and reduce the moral hazards by creating monitoring system in the group which in turn works as a signaling to address the problem of moral hazard.

### Empowerment

Empowerment is very difficult to measure. It is a dynamic process rather than static concept. The transition between incapability to capability, no choice to choice and no decision making to decision making power are indicators of empowerment and thus very difficult to measure this transitional phase. Understanding of power relations which deeply rooted in the economic and social values is most important concept to identify actual meaning of control. Empowerment is a process by which deprived and underprivileged women can acquire power to make choices in their life. The concept of empowerment includes three inter connected dimensions, namely; resources, agency and achievements. Basically, empowerment is a collective approach. So when the process of microfinance system put emphasis on parameters related to this collective approach leads the poor to the pathway of empowerment. But when this process gives stress on profit making consequences, automatically its impact also create negative effect on society in general and women in specific. The concept of empowerment is multidimensional and all the dimensions are interlinked. The literature reviews suggest that three most important influencing factors of empowerment are (a) decision making capability with respect to financial, child related and social issues; (b) power to control resources and (c) freedom of movement. Besides these, existing literature on empowerment highlighted the importance of political participation, acquisition of new skill through training, sense of self-esteem and self-confidence. The list of variables with respect to empowerment indicators are using to construct women empowerment. The main purpose is to assess this financial inclusion method on the wellbeing of members at an individual as well as community level. Impact evaluation put emphasis on the determination of loaning facility provided through Self-Help Groups lead to higher income and savings, lower reliance on local money lenders, escalation of power dynamics with respect to decision-making authority, assertive role in public domain and solidarity and sense of mutual support.

Table 12: Empowerment Indicators in Malda District

Indicators	Malda (Muslim)	Malda (SC)	Malda (ST)
<b>Economic Decision Making Indicator</b>			
Autonomous Control Over Income	42(21)	27(27)	30(30)
Joint Control Over Income	100 (50)	55(55)	54(54)
No Control Over Income	58 (29)	18(18)	16(16)
Autonomous Control Over Loan	35(17.5)	24(24)	27(27)
Joint Control Over Loan	102(51)	56(56)	56(56)
No Control Over Loan	63(31.5)	20(20)	17(17)
Autonomous Control Over Savings	50(25)	33(33)	36(36)
Joint Control Over Savings	111(55.5)	54(54)	54(54)
No Control Over Savings	39(19.5)	13(13)	10(10)
Autonomous Control Over Use of Loan	34(17)	23(23)	26(26)
Joint Control Over Use of Loan	110(55)	59(59)	58(58)
No Control Over Use of Loan	56(28)	18(18)	16(16)
Autonomous Control Over Purchasing Capacity	58(29)	35(35)	37(37)
Joint Control Over Purchasing Capacity	110(55)	54(56)	54(54)

No Control Over Purchasing Capacity	32(16)	11(11)	9(9)
<b>Family Decision Making Indicator</b>			
Autonomous decision regarding children's health & education	27(13.5)	26(26)	27(27)
Joint decision regarding children's health & education	131(65.5)	61(61)	62(62)
No decision regarding children's health & education	42(21)	13(13)	11(11)
Autonomous decision regarding family planning	0(0)	0(0)	0(0)
Joint decision regarding family planning	158(79)	86(86)	92(92)
No decision regarding family planning	42(21)	14(14)	8(8)
<b>Personal Decision making Indicator</b>			
autonomous decision regarding own health care	24(12)	21 (21)	23(23)
joint decision regarding own health care	138(69)	65(65)	69(69)
No decision regarding own health care	38(19)	14(14)	8(8)
Go to market/health care centre alone	81(40.5)	65(65)	68(68)
Go to market/health care centre with other	53(26.5)	23(23)	22(22)
Go to market/health care centre with husband	66(33)	12(12)	10(10)

Source: primary field survey, 2020

Microfinance, self-help group model challenges socio-cultural and patriarchal traditions. It addresses intra and inter household gender conflict. One thing may be noted that conflict cannot. Conflict can be recognised as the contestation and resistance against traditional exploitative norms. This study put emphasis on intra and inters decision making process. Group involvement gives the women participants to accept the patriarchal challenge and enhance their bargaining power. The primary survey highlights the dynamic nature of household at an individual level and focusing on their well-being and community association. Particularly for women participants, taking loans doesn't disconnect them from their household responsibilities; instead, it adds further responsibilities with group members and the bank. It increases their adjustment as well as negotiating in livelihood strategies to meet loan obligations, resulting in shifts in gender relations and power dynamics. Women's empowerment, as demonstrated in business engagements, isn't just a women's issue but a broader development concern.

Table 12: Empowerment Index and Socio-Economic Factors

Name of District	AGE	Education	Duration of Membership	Training	Political Participation	Income Level	No.of Loan	Amount Of Loan
Malda (Muslim)			1.788 (.048)	2.643 (.048)		1.006 (.000)		
Malda (SC)			2.135 (.039)	3.675 (.048)		1.003 (.017)		
Malda (ST)			2.495 (.019)	4.433 (.033)		1.006 (.007)		

Source: primary field survey, 2020

Statistical analysis highlighted that duration of membership, training and income level are statistically significant.

## Conclusion

The result obtained from primary survey put emphasis on the importance of group activity to empower women. When microfinance channelised through SHGs, positive shift in the attitude of the women towards decision making ability is observed. Decision making capability gives them the power to recognize their inner capability to fight against all evils they faced in their life. . From existing literature it is confirmed that Microfinance is an instrument which may or may not be accelerate this empowerment process and reduce the level of relative poverty. This financial crisis restricts women to take affirmative role regarding economic decision in their families as well as in the communities. To ease this situation, microfinance may act as a positive contributor. But at the same time, it should be noted that only one such intervention will not be completely helpful to change existing patriarchal power base and discriminatory gender relations. The effect of microfinance to empower women has been rigorously criticized too.

The effect of microfinance on poverty and empowerment depends on interrelated economic, social, political and familial factors. Understanding of power relations which deeply rooted in the economic and social values is most important concept to identify actual role of microfinance with respect to empowerment of women and reduction in poverty level. Anti- poverty mechanism that put emphasis on empowerment may address these factors more authentically rather than standard approach of poverty which consider only asset and income generation. Empowerment is a process by which deprived and underprivileged women can acquire power to make choices in their life. The concept of empowerment includes three inter connected dimensions, namely; resources, agency and achievements. Basically, empowerment is a collective approach. So when the process of microfinance system put emphasis on parameters related to this collective approach leads the poor to the pathway of empowerment. But when this process gives stress on profit making consequences, automatically its impact also create negative effect on society in general and women in specific. Anti- poverty mechanism that put emphasis on empowerment may address these factors more authentically rather than standard approach of poverty which consider only asset and income generation. It is claimed that poor women give more importance on non- economic benefits like group solidarity, interpersonal communication, skill development to challenge the existing patriarchal gender discrimination which act as a constraint to move towards empowerment. So availability of credit is important factor for income generation and address issues related to power and gender relation. But credit availability is not the only factor that leads to empowerment. Its success depends on the way credit is available to the poor women. Microfinance is a tool or a catalyst for development. So the success and failure of microfinance depends on the medium through which it is channelised and the structure it follows to address the social, political, economic and familial issues.

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