

A Study of Women Empowerment through Microfinance in Cooch Behar District, West Bengal

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ABSTRACT

Poverty and unemployment are the true challenges that growing nations like India encounter. The progress of a country's rural residents is crucial to that country's overall progress. An estimated 35% of the population was living below the poverty level in the 2001 census, and 30% in the 2011 census. Women are the most marginalized and oppressed members of the poor population. When compared to urban women in India, rural women have worse health, fewer job opportunities, and lower social status. When it comes to women's advancement, poverty is the biggest roadblock. There are a number of welfare and development programs in India that target rural women specifically in an effort to raise their standard of living. In India, micro-finance through Self-Help Groups (SHGs) is a powerful tool for empowering rural women and reducing poverty. An efficient way to enhance society could be through self-help groups, which are formed by voluntary women members. The women, their families, and the society would all reap the rewards of micro-financing through SHGs. Microfinance through SHGs had a profound effect on women's empowerment in social and economic spheres. An effort at analyzing the effect of microfinance via SHGs on women's empowerment in West Bengal's Cooch Behar area is made in this study report.

Keywords: Micro-finance, women empowerment, investigation, Self Help Group, status of SHGs, Cooch Behar, West Bengal

INTRODUCTION

Microfinance allows people with limited financial means to get the money they need to start or grow their businesses. Giving people with low incomes access to credit or loans opens doors for them. Many people believe that microfinance can help fix the credit markets and give low-income individuals who are self-employed a chance to become more productive. Alternative social enterprises and social investments were made possible by the fast expansion of the microfinance sector in the 1990s. A pushback against microfinance has resulted from the present evidence, which suggests pretty low average effects on customers. The term "empowerment" refers to the steps taken to give people more say in their lives and the resources they need to make decisions that will have a specific impact.

Literally, "empowerment" means to "equip one's ability/supply with opportunity," which means to enable and enhance the capacity that is already inside someone but has not yet been fully realized. The empowerment process is helping someone to understand, cultivating abilities, and mindset to adapt to a dynamic environment. Change is an inevitable fact of life in the real world. Adapting to changing circumstances and being more powerful and energised via empowerment are both necessities right now. Also, when you provide yourself the tools someone need, some may better direct someone's skills and energy towards reaching one's objective. Gaining self-assurance and skill sets will lead someone to positions of influence in society.

Academics, politicians, businesses, and financial institutions all across the globe have benefited from microfinance since its inception in the 1970s. Furthermore, microfinance offer a wide range of microinsurance, micro-remittances, micro-savings, microbanks, micro-guarantees, and money transfers are included in the category of financial services.

Empowerment and Its Meaning

Many international development theorists and practitioners believe empowerment is essential for good development. In the 1990s, the word became popular in development, especially for women. A L Snijer notes that the term "women's empowerment" has been used and popularized by many international scholars for years, but its many definitions and interpretations show that the opposite is true. Thus, authors define "Empowerment" differently based on their perception and context. Many authors associate empowerment with internal change, while others define it as decision-making power. Change, choice, and power empower. Any notion of empowerment must include its multidimensional, social, and process nature. Sociological, psychological, economic, and other factors make it multidimensional. Personal, interpersonal, and communal empowerment are the three tiers. Relationships are the sites of ongoing social

empowerment. While other components of empowerment may vary by place and person, these three stay consistent (Czuba 1999).

REVIEW OF LITERATURE

Rajendra, Prasad et al (2024) Empowerment and disempowerment in politics, society, psychology, and the economy are the foci of this research. When women aren't strong enough in the areas of politics, society, psychology, and the economy, it can lead to sexism. The microfinance program for rural residents, which saw women primarily as change makers in society, was born out of this need. This led to the omission of a number of studies published in peer-reviewed journals that employed expansive definitions of women's empowerment. The theoretical and empirical underpinnings of this study's investigation of microfinance's impact on women's empowerment are thoroughly surveyed in order to remove any doubt. In order to provide a comprehensive theoretical and empirical framework, this study first conducts a comprehensive literature survey on the topic of women's empowerment through microfinance. The literature claims that the financial sector, for instance, has not only failed to bring about the essential socioeconomic revolution, but has, in certain cases, had the opposite impact. The results of this study show, however, that microfinance programs do help women gain economic independence and reduce social inequality.

Khursheed, Ambreen et al. (2021) declared that expanding global development projects relies heavily on empowering women, which is essential for both social and economic progress. Prior studies have demonstrated that there is some disagreement over how microfinance affects women's empowerment. Microfinance, according to several studies, helps women increase their income, which provides them greater agency to deal with cultural disparities. Some claim that the fact that most micro-loans go to men rather than women is a gross devaluation of women. To find the best articles on microfinance's effects on women's autonomy and social empowerment, we conducted a word cloud search. From the 54 publications that made it into this report, the vast majority found that microfinance helped women gain independence. Because of gender and sociopolitical differences in the empowerment metrics utilized, some studies came to conflicting conclusions. The literature review on microfinance and women's empowerment is a distinctive feature of this study.

Long Bui Thanh (2021) stated that in recent years, most microfinance programs have focused on gender issues with significant support given to poor female clients with the goal of facilitating their access to capital. An interesting fact to be considered is that women are regarded as wonderful clients, as they appear to engage in a more efficient manner in the saving process and the repayment of microloans when compared to men. In low-income households, women are disproportionately expected to take charge of household finances, according to the available literature. One of the most important ways that microfinance institutions in Vietnam are working to empower women, reduce poverty, and increase financial inclusion is by partnering with women's unions. Microfinance services have been made available to members of Vietnamese women's unions through partnerships with both official banks and non-governmental organizations (NGOs). Political and social change in Vietnam is so greatly influenced by women's unions. Poor women can have access to formal micro-credit lending facilities through the collective guarantee enabled by the WU as part of their membership. On the other hand, microfinance institutions also provide financial services as women's unions provide non-financial services such as guarantees, training in business, health and legal advice; to which are also allied the services of managing and supporting the effectiveness of microfinance performance along combined targets of economic growth, gender equity, and sustainable development. The four research papers that make up this study focus on the following four areas: i) Vietnamese Microfinance Notes ii) Can Microfinance Tools Lift Low-Income Women Out of Poverty? iii) Microfinance's Impact on Women's Empowerment: A Global Perspective on Sustainable Practices in Vietnam iv) Vietnamese Microfinance as a Tool for Gender Equality. This study employs a mixed-method approach to examine the effects of microfinance on women's empowerment in Vietnam. While the study found that microfinance services had a negative effect on women's empowerment, it did find that women could become more empowered once they had been members of the women's union for a while.

Al-shami, S.A. et al. (2021) stated that microcredit funding is widely regarded as a development strategy for empowering women and reducing poverty. However, research on the effects of microfinance has shown conflicting results, with some finding no impact at all and others finding detrimental outcomes. Therefore, the purpose of this study was to examine the effects of microcredit from Al-Amal Bank on the economic independence of Yemeni women. Yemen is one of the poorest Middle Eastern countries. Household surveys, propensity score matching, and a panel dataset were used to limit the potential influence of intangible variables. Microcredit significantly increased both monthly household earnings and total asset values, according to the empirical results. Microcredit helped women start businesses and earn more money, which boosted household income and spending. However, it had no effect on women's agency or choice under the patriarchal structure that is prevalent in Yemen and other Arabian countries. The results of the study add to what is already known in three ways, both conceptually and practically. To begin, new evidence of the impact of microcredit interactions on several aspects of women's empowerment in Yemen was found. In addition to adding to our understanding of empowerment theory, this study sheds light on how microcredit affects many aspects of women's economic and social empowerment. Finally, the effects of microcredit on women's empowerment were mirrored in the ways in which societal and familial traditions impacted women's characteristics and

ways of life. Rather than depending on government and foreign agencies, this study advises Yemeni and other nations' policymakers to provide financial services for self-development in order to alleviate poverty and empower women.

Lamichhane Basu Dev (2020) The focus of this study is on microfinance and its function in empowering women. This study used a descriptive research strategy. While many social programs aim to improve people's lives, microfinance initiatives particularly target low-income rural women, especially those on the margins of society. One strong tool for women's empowerment is microfinance. Problems with land, housing, transportation, electricity, and family decision-making are just a few of the obstacles that women face on the path to empowerment. One of the best ways to help people out of poverty, it is widely used. Many see microfinance services as a way to help women gain economic independence. Microfinance institution (MFI) members are more involved in saving and making decisions for the household as a whole, as well as in activities outside of the home that generate money.

There are a lot of initiatives aimed at reducing poverty, but only microfinance programs specifically target low-income women in rural areas. Particularly for low-income rural women, microfinance is a great way to start their own business. It helps those who don't have something tangible to put as security for loans. With the help of microfinance services, women have been able to start their own businesses, which has given them more economic and social independence.

Objectives of the Study

The objectives of the study are:

1. To identify the women self-help group members and non-members with special reference to their economic, social, political and personal empowerment.
2. To explore the 'economic empowerment' of women self-help group members based on the different levels of income, savings and credit availed.

HYPOTHESES (H_0 =Null Hypothesis, H_a = Alternate Hypothesis)

Hypothesis 1 :

1H_0 = There is no significant difference in the level of 'Economic Empowerment' of SHG-Members and Non -SHG Members.

1H_a = There is significant difference in the level of 'Economic Empowerment' of SHG-Members and Non -SHG Members.

Hypothesis 2 :

2H_0 = There is no significant difference in the level of 'Personal Empowerment' of SHG-Members and Non-SHG Members

2H_a = There is significant difference in the level of 'Personal Empowerment' of SHG-Members and Non -SHG Members

STUDY AREA

Cooch Behar district of West Bengal includes here as Study area. During the 12th century, this region—which had previously been a part of the Kamarupa kingdom—became the administrative center of the Kamata Kingdom. Prior to its incorporation into India in 1949, the area was a part of the Koch dynasty-ruled Cooch Behar state under the British Raj. The Teesta, Jaldhaka, and Torsa rivers—among the most prominent—cut through the district's flat North Bengal plains. The district is home to the country's largest concentration of Scheduled Castes, who constitute the majority in the area.

RESEARCH METHODOLOGY

Research Design

It is possible that the approach is consistent with the theoretical framework used in social and economic studies. It is possible that the paradigm is referring to the presumptions of the best methods for a certain investigation. Everything from choosing what to study to deciding how to conduct the research to deciding what data to collect and how to evaluate it falls under this category. The phenomenological and positivist schools of thought are the two dominant schools of thought in social science research.

METHODOLOGY

Selected area was visited and samples were collected of SHG and non SHG Members. Stratified Random sampling method was used for this study.

Sample Size: 125 for SHG Members and 125 for Non SHG-Members. So, the total sample size taken is 250. The analysis was carried using the SPSS software. For hypothesis testing, independent samples t-Test was used.

DATA ANALYSIS

In order to classify and analytically summarize the data in a thorough manner, descriptive statistics is employed. It relies on data categorization and percentages. Using demographic variables such as age, religion, education level, household composition, income, and savings, the descriptive analysis for this study classified the sampled data of SHG-Members and NON-SHG Members.

The tables below show the same information:

AGE:

The tables below depict the Age-wise classification of both Non-Members and SHG-Members

Table 1 Frequency Distribution and Percentages of ‘SHG-Member’ with respect to Age

Age Group	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 30	39	31	31	31
30-39	49	39	39	70
40-49	28	22	22	92
50 & ABOVE	10	8	8	100
Total	125	100	100	

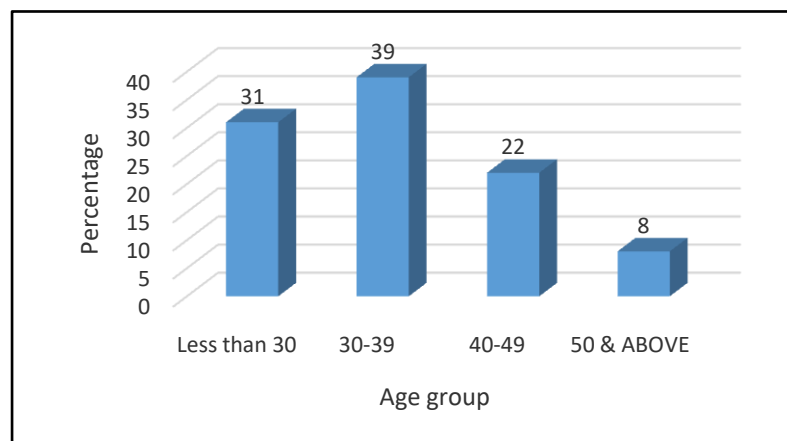


Fig 1: Bar graph of percentages of ‘SHG-member’ with respect to age

Table 2 Frequency Distribution and Percentages of ‘NON-Members’ with respect to Age

Age group	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 30	32	26	26	26
30-39	43	34	34	60
40-49	32	26	26	86
50 & ABOVE	18	14	14	100
Total	125	100	100	

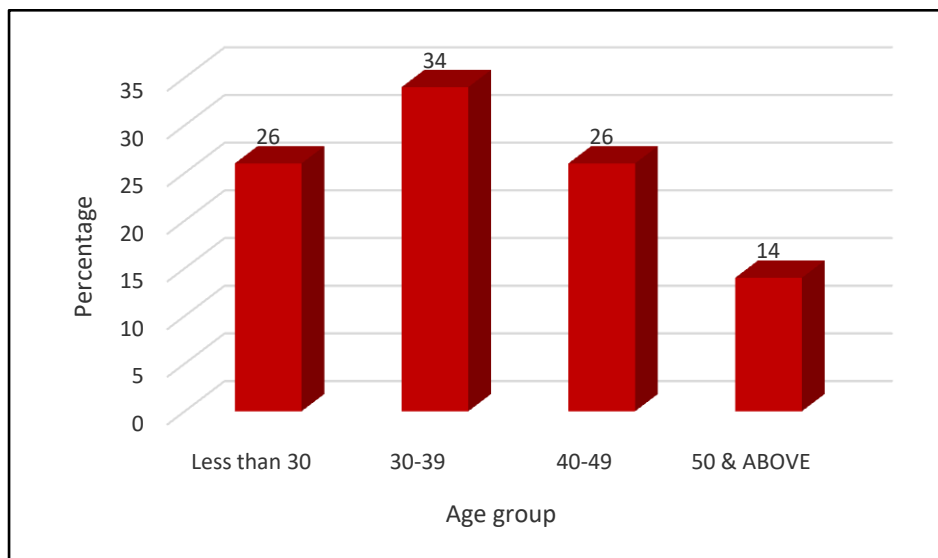


Fig 2: Bar graph of percentage of 'Non-members' with respect to age

SHG-Member

The above table and pie- chart shows that out of the total no. of SHG- Members 39% belonged to 30-39 years of age, 27% belonged to the age group of less than 30 years, 22% belonged to the age group of 40-49 years and only 12 % belonged to age group of 50 & above. It can be inferred that women belonging to less than 50 years of age are more motivated to empower themselves.

NON-Member

The above table and figure show that out of the total no. of NON-Members, 34 % belong to the age group of 30-39 years of age. Following this there are two age groups i.e. 40-49 and less than 30 to which same 26 % of respondents fall. 14% of the respondents fall under the 50-year-old bracket & above.

Religion

The tables below depict religion –wise classification of both SHG-Member and NON-Member

Table 3 Frequency Distribution and Percentages of 'SHG-Members' with respect to Religion

Religion	Frequency	Percent	Valid Percent	Cumulative Percent
HINDU	75	60	60	60
MUSLIM	30	24	24	84
SIKH	10	8	8	92
CHRISTIANITY	10	8	8	100
Total	125	100	100	

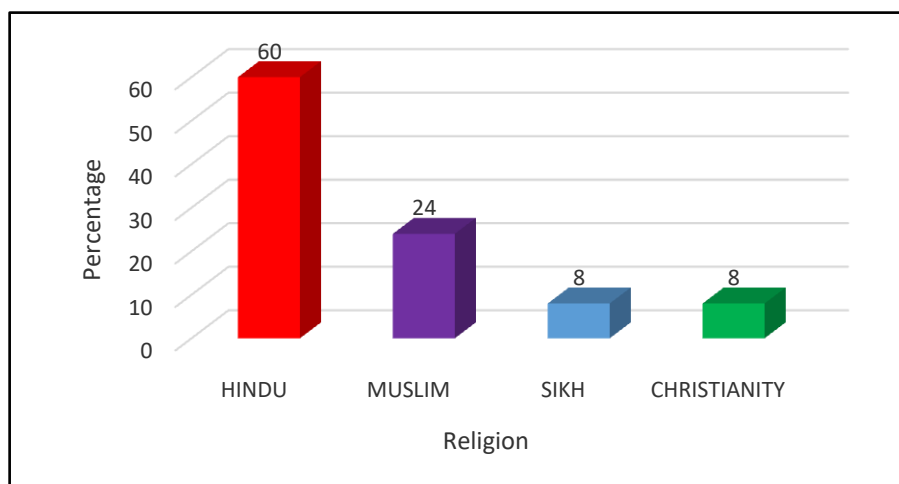


Fig 3: Bar chart of percentage of 'SHG members' with respect to religion

Table 4 Frequency Distribution and Percentages of ‘NON-Members’ with respect to Religion

	Frequency	Percent	Valid Percent	Cumulative Percent
HINDU	65	52	52	52
MUSLIM	25	20	20	72
SIKH	20	16	16	88
CHRISTIANITY	15	12	12	100
Total	125	100	100	

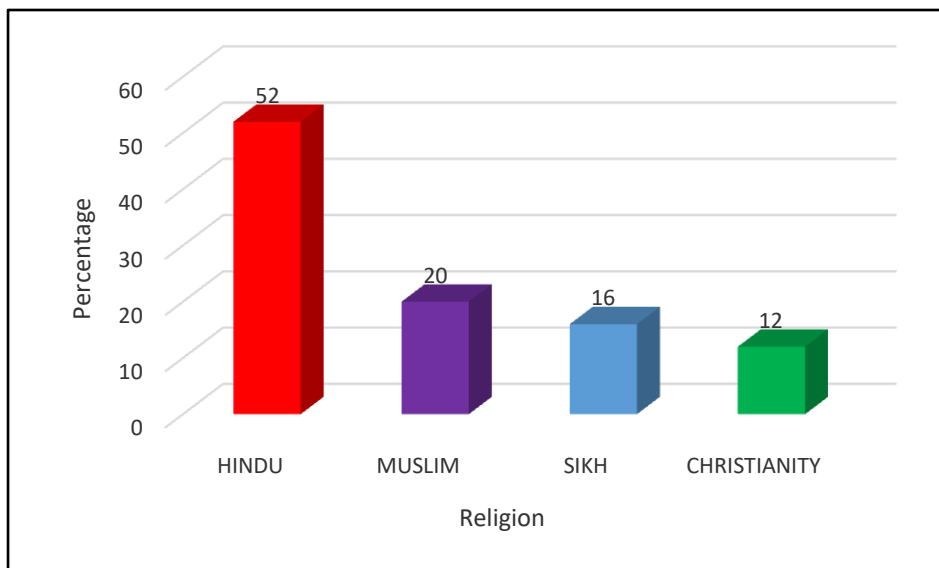


Fig 4: Bar Chart of Percentage of ‘Non-Members’ With Respect to Religion

SHG-Members

A staggering 60% of SHG-Members identify as Hindu, according to the data presented in the table and pie chart. Of those who took the survey, 24% are Muslims, 8% are Sikhs, and 8% are Christians. People from all across India call Delhi home, although the vast majority of the city's residents identify as Hindu. This umbrella faith encompasses several smaller sects, including the Punjabi, the Baniya, and many more. This is why the bulk of the respondents identify as Hindu.

NON-Members

A staggering 52% of the total non-members identify as Hindu, according to the data presented in the table and bar chart. About a quarter are Muslims, about 20% are Sikhs, and about 15% are Christians.

Education

The tables and pie-charts below depict the education-wise classification of both SHG-Members and NON-Members

Table-5 Frequency Distribution and Percentages of ‘SHG- Members’ with respect to Educational Level

Educational Level	Frequency	Percent	Valid Percent	Cumulative Percent
ILLITERATE	60	48	48	48
PRIMARY(5 th)	25	20	20	68
MIDDLE (8 th)	10	8	8	76
METRIC (10 th)	15	12	12	88
10+2	3	2.4	3	90
Graduate	12	10.0	10	100
Total	125	100	100	

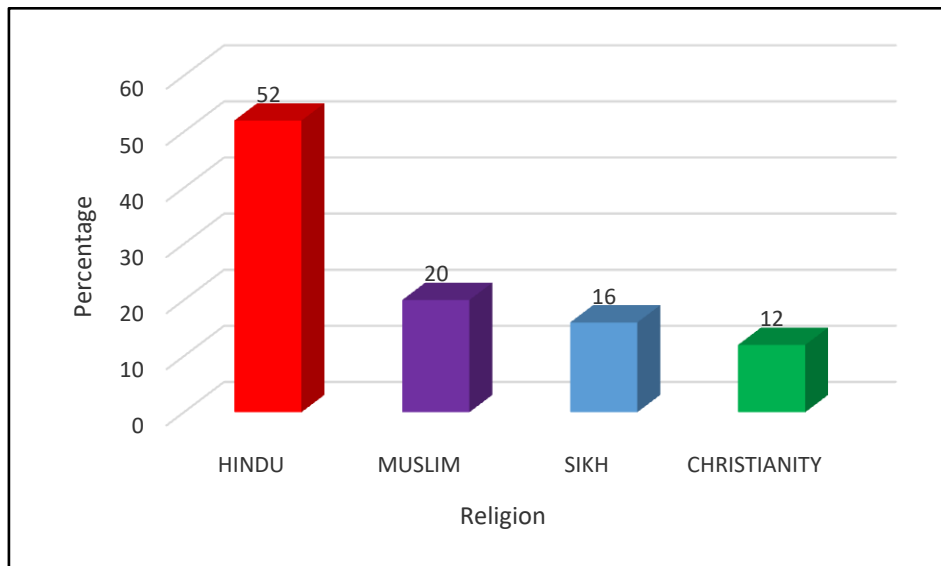


Fig. 5: Bar Chart of Percentage of 'SHG- Members' with Respect to Educational Level

Table-6 Frequency Distribution and Percentages of 'NON- Members' with respect to Educational Level

Educational Level	Frequency	Percent	Valid Percent	Cumulative Percent
ILLITERATE	91	73	73	73
PRIMARY 5th	19	15	15	88
MIDDLE (8TH)	9	7	7	95
METRIC 10th	6	5	5	100
10+2	-	-	-	-
Graduate	-	-	-	-
Total	125	100	100	

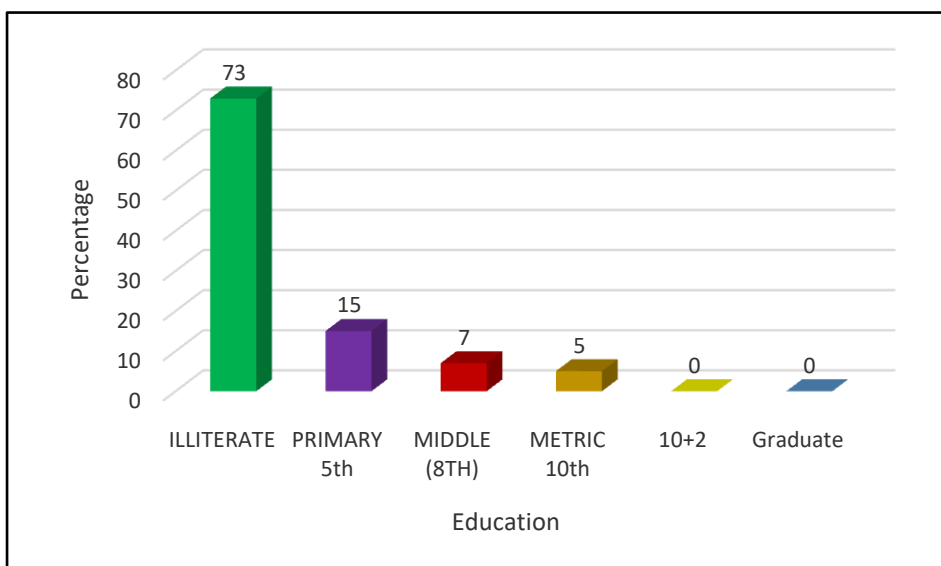


Fig 6: Bar chart of percentage of 'Non- members' with respect to educational level

NON- Member

Among the total number of respondents, 73% are illiterate, 15% have completed elementary school, 7% have completed middle school, and 5% have completed high school, as shown in the table and pie charts above. In addition, none of the non-member respondents have a bachelor's degree.

SHG-Member

Among the total number of respondents, 48% are illiterate, 20% have completed elementary school, 8% have completed middle school, 12% have completed high school, 3% have completed 10+2, and approximately 10% have graduated. This information is supported by the bar chart and table above. More illiterate people are interested in forming SHGS, as may be concluded from the previous sentence.

OCCUPATION

The following tables and pie charts show the categorization of SHG-Members and Non-Members according to their occupations.

Table-7 Frequency Distribution and Percentages of 'SHG- Members' with respect to Occupation

Occupation	Frequency	Percent	Valid Percent	Cumulative Percent
SELF-EMPLOYED	69	55	55	55
EMPLOYED	44	25	35	90
NOT WORKING	12	10	10	100
TOTAL	125	100	100	



Fig. 7: Bar chart of percentage of SHG- members with respect to occupation

Table-8 Frequency Distribution and Percentages of NON- Members with respect to Occupation

Occupation	Frequency	Percent	Valid Percent	Cumulative Percent
SELF- EMPLOYED	95	76	76	76
EMPLOYED	23	18	18	94
NOT WORKING	7	6	6	100
Total	125	100	100	



Fig 8: Bar Chart of Percentage of Non- Members With Respect To Occupation

Non- Member

According to the data presented in the table and pie charts for the non-members, the majority of respondents (76%), followed by those who are self-employed (18%) and employed (6%), are in the workforce. The work that the SHG-Members conduct is similar to that which the Non-Members accomplish as well.

SHG-Member

Out of the total number of respondents, the table and pie-chart for SHG members reveal that around 55% are self-employed, 35% are employed, and just 10% are not working. The majority of the self-employed individuals (55% of the total) were helping out around the house with things like cleaning, washing dishes and clothes for others. The majority of the employed respondents (35%), along with the self-employed members, were engaged in similar types of work. The sole distinction is that these tasks were being carried out in various educational institutions, showrooms, or workplaces.

Tools used for research:

Two Sample t-Test /Independent Sample t-Test has been applied for Hypothesis testing.

Testing of Hypothesis 1:

Statistical Tool: Independent/Two Sample t-Test

VARIABLE 1: WOMEN (SHGs WOMEN & NON SHGs WOMEN)

VARIABLE 2: ECONOMIC EMPOWERMENT SCORES OF SHGs WOMEN & NON SHGs WOMEN

Independent/Two Sample t-Test was applied, 20 parameters were selected and these parameters were related to the Economic Empowerment of SHG-Members and Non -Members.

TWO SAMPLE t-Test /INDEPENDENT SAMPLE t-TEST RESULT:

The Output of Group statistics table reflect that the average score of 125 Non SHGs members and 125 SHGs members are 26.72 and 90.40, with Standard deviation 9.485 and 10.032.

T value is -51.569 with 247.223 degree of Freedom(df) and p value is .000 which is much less than .05. Hence, we can reject the Null Hypothesis and accept Alternative Hypothesis at 5% level of Significance. i.e. there is significant difference in the level of Economic Empowerment of SHG-Members and Non SHG Members.

Testing of Hypothesis 2:

Statistical Tool: Independent/Two Sample t-Test

VARIABLE 1 : WOMEN (SHGs WOMEN & NON SHGs WOMEN)

VARIABLE 2 : PERSONAL EMPLOYMENT SCORES OF SHGs WOMEN & NON SHGs WOMEN

Independent/Two Sample t-Test was applied, 20 parameters were selected and these parameters were related to the Personal Empowerment of SHG-Members and Non -Members.

TWO-SAMPLE t-Test /INDEPENDENT t-TEST RESULT:

The Output of Group statistics table reflect that the average score of 125 Non SHGs members and 125 SHGs members are 24.48 and 84.96, with Standard deviation 8.372 and 8.672.

T value is -56.098 with 247.694 degree of Freedom(df) and p value is .000 which is much less than .05. Hence, we can reject the Null Hypothesis and accept Alternative Hypothesis at 5% level of Significance. i.e. there is significant difference in the level of Personal Empowerment of SHG-Members and Non-SHG Members.

CONCLUSIONS

The favorable effect of SHG on women's empowerment can be better understood with the use of quantitative and qualitative research.

When compared to families whose members do not participate in SHGs, those whose members do so significantly increase the family's income and savings. The results also showed that after taking part, people had more leeway to decide how to spend and save their money. Additionally, research showed that SHGs helped women SHG-Members make better financial decisions and raise their level of living.

As a result, we can say that SHG-Members and NON-Members have significantly different levels of economic empowerment on average. The study also analyzed the relationship between economic empowerment and variables such as income, savings, and credit utilization. Various levels of income and savings were found to significantly affect economic empowerment, however the results showed that varying amounts of credit did not significantly affect economic empowerment. Research on the nature and trajectory of these consequences is lacking.

The study went on to say that households spending on direct wellness items has increased when women are part of SHGs. Improvements in health and education spending lead to better child-rearing, which in turn sets the ball in motion for further positive growth, thus there are knock-on benefits.

In terms of women's social empowerment, the study's results show that there are beneficial effects. When women have formed SHGs, they are no longer confined to the house. Their engagement in skill-building exercises, educational initiatives, and social awareness campaigns has significantly improved. Once again, this has a beneficial impact on the country's economic progress. As a result, the data shows that SHG-Women have more social influence than NON-Members. Another finding from the analysis is that social empowerment is significantly affected by changes in income, but that changes in savings and credit do not have the same effect.

The study's results show that when people participate in SHGs, their understanding of constitutional rights, women's rights, and children's rights increases, which in turn empowers them politically. They will be better able to negotiate for resources and raise their children to be contributing members of society if they have a greater understanding of their own rights.

And therefore, women's political empowerment resulted from their involvement in SHGs. In support of this, the study found that SHG-Members had a much higher level of political empowerment on average compared to NON-Members. The study also looked at how various amounts of income, savings, and credit affected people's ability to influence policy. According to the results, none of these factors significantly affect the degree of political empowerment.

Concerning personal empowerment, the study found that women's decision-making for self-, child-, and family-related needs improved when they participated in SHGs. Additionally, women today are more self-assured, courageous, and confident in their abilities to handle challenges at home and in society. Similarly, the empirical research came to the same conclusion, indicating that SHG-Members and NON-Members experience significantly different levels of personal empowerment. No substantial difference was detected on the amount of political empowerment with respect to different levels of income, savings, and credit utilized.

Women can greatly benefit from microfinance in their pursuit of economic autonomy. It is imperative that policymakers devise strategies to assist low-income women in accessing resources and enhancing their human capital. The microfinance network should also be expanded. The establishment of additional institutions engaged in micro-finance activities and the expansion of these activities to cover greater areas can help alleviate the needs of more individuals.

In order to enhance initiatives pertaining to women's empowerment, knowledge regarding micro-finance programs is essential.

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