

Microfinance and Women Empowerment- A Case Study on Rural West Bengal

Promita Mukherjee^{1*} and Sreshtha Banerjee²

¹Assistant Professor, New Alipore College, India

²Student, J.D. Birla Institute, India

*Corresponding Author: Promita Mukherjee

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ABSTRACT

Does microfinance help in women empowerment? Does women empowerment result in higher recovery rate of loans and better utilization of borrowed money in further income generating activities? We conducted primary survey on 130 women belonging to different socio economic background residing at Medinipur and South 24 Parganas of West Bengal, India. Our study suggests that access to microfinance through self help groups leads to women empowerment which in turn lead to successful recovery of loans and utilization of borrowed money.

Keywords: women empowerment, microfinance, SHGs, west bengal, india

JEL Classification Codes: B23, C12, G21

I. INTRODUCTION

The term microfinance, in its broadest definition, includes the practice of lending small amounts of money, typically not exceeding \$100, to the poor and other borrowers that have been disregarded by commercial banks. Microfinance includes all the formal (such as government established specialized credit cooperatives for rural credit) and informal lenders (such as village moneylenders) (Sengupta & Aubuchon,2008).Micro-finance has evolved as a significant tool for women's empowerment, creating positive transformation in communities around the world (Khursheed, 2022). Its impact on women is particularly significant, as it allows them to overcome economic constraints and attain greater autonomy and empower them by providing with the resources to start or expand their own small companies, which not only improves their economic standing but also their self-confidence and decision-making abilities (Mengstie, B.,2002).

Approximately half of our country's population lacks convenient access to savings accounts, which poses a significant challenge to achieving their financial goals and managing risk. However, microfinance institutions play a crucial role in bridging this gap by providing financial amenities or services to individuals encompassed with limited capital access. Without the presence of these microfinance organizations, these underserved groups might resort to borrowing from friends or family, or even opting for high-interest payday loans or quick cash advances.

Microfinance plays a pivotal role in empowering these individuals to make prudent financial decisions and invest in their businesses. This not only benefits the individuals but also aligns with the government's goal of promoting financial inclusion throughout the country.

In many developing regions, women play a pivotal role in agricultural production, particularly in crop processing. However, their labor is often non-monetized and complementary rather than equivalent to men's work. Furthermore, women lacking marketable skills may face limitations, being occupied with childcare, and traditional assets like land are often passed down to sons without financial consideration.

Microfinance services encompass a spectrum of offerings, including savings, credit, insurance, remittances, loans, housing, and monetary support. These services empower women by enabling them to assert control over assets, fostering both economic progress and gender equality. Micro credit, a key component, provides financial assistance without collateral or income proof, with flexible repayment options and nominal interest rates compared to formal banking institutions.

In essence, microfinance institutions view these financial tools as strategic instruments to involve women in the development process, with studies showing that women typically use their loans responsibly. This underscores the integral link between women's empowerment and the economic prosperity of a region.

A initiation towards a proposal has been called for launching a preliminary plan to identify SHG members, foster their entrepreneurial potential, enable finance connection, and promote market linkage. The goal of doing this is to:

- Facilitate micro-entrepreneurs who operate consistently, without seasonal swings, with larger capital, more labourers, and better technologies.
- Creation of new skill sets, support for first-generation business owners, and improvement of established businesses' operations.
- Organising a programme for trainers to help NGOs support and scale up new ventures among SHG and JLG members.
- Giving the underserved states in various parts of India additional attention.
- To regulate and document daily notifications and updates on financial and non-financial data, banks and SHGs will introduce digital banking.

The micro-finance manoeuvres in India is diverse, with a wide range of companies offering low-income consumers services with financial detriments such as loan, insurance, and pensions (Bhura, 2019). The various microfinance market participants can be classified into five basic categories: Small Finance Banks, NBFC MFIs, Banks, and Non-profit MFIs. With the exception of non-profit MFIs, all of these are regulated by the RBI. The majority of non-profit MFIs are stipulated as trusts or societies and are governed by the respective legislation, although there is a presence of majority of non-profit organisations (NGOs) being in operational phase as financial intermediaries, with registration done under trusts or societies. In general, two ways are used in India to provide microfinance services:

- Self-Help Groups-Bank Linkage Programme (SHG-BLG), a bank-led method
- The Micro Finance Institution (MFI)-led approach

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The intersection of microfinance and women's empowerment is a complex and multifaceted area that presents several challenges. Addressing these issues is crucial to harness the full potential of microfinance as a tool for improving the economic and social status of women in developing countries. The problem which has been addressed through this research is whether there is actually any impact of micro-finance and self help groups on the social, economic and household standing of women and if they have gained any actual independence or not.

In this study, the following research questions have been addressed by the researchers,

Does Micro Finance have an impact on women empowerment? If so, does microfinance tend to proper monetary utilization or not?

The remaining sections of the article are arranged in the following manner. Section 2 includes Literature review, followed by Research Methodology in section 3. Section 4 includes Results and Discussion and, finally, section 5 contains the concluding remarks.

II. LITERATURE REVIEW

Bhattacharyya et al. (2019), wanted to analyse the idea of women's empowerment and its many indices, including the Women's Empowerment Index (WEI) for India and the Global Development Index (GDI) as well as examining the relationship between microfinance's function and women's emancipation in rural and urban India. The conducted research by him depicted that while microfinance is intended to be a powerful tool for the social and financial advancement of the less fortunate segments of society, particularly women, its penetration depends on a complex network, as a result, while both the self-help bank model and the MFI model may have experienced some positive growth, their results are not entirely predictable when compared to those of other nations in the world.

Datta et al.(2017), made an effort to understand how MFIs contribute to empowerment in the West Bengali district of PaschimMedinipur. The research dealt with 220 borrowers' primary data, which were gathered using a structured questionnaire and on-site observation in the targeted area, with a cross-sectional study using a structural questionnaire was carried out to achieve the goal.The findings of the study demonstrated that MFIs undoubtedly assist women in becoming more empowered,

however the scope of empowerment is actually quite little. The lack of financial literacy, low educational attainment, predominance of payday lenders, and perceived risk associated with MFIs, among other factors, may be the cause.

Nilkantan et al.(2013) meticulously explored the effects of women's access to microfinance on four critical dimensions of empowerment: enterprise management, credit-related decisions, expenditure choices, and decision-making concerning children. Surprisingly, the research revealed that the extent of microfinance access, as measured by the duration of engagement, had no substantial impact on economic empowerment facets. However, a remarkable finding emerged - a positive correlation was detected between empowerment levels and microfinance access in the context of child-related decisions, indicating a noteworthy shift in traditional gender dynamics within households. In essence, women's ability to manage microfinance-supported businesses, influence credit decisions, and control expenditures appeared largely unaffected by the duration of their involvement in microfinance. This study's profound insight underscored the multifaceted nature of women's empowerment and highlighted the transformative potential of microfinance in reshaping gender roles within families, shedding light on the evolving landscape of empowerment within the microfinance context.

Pal et al.(2020), used a novel two-stage double bootstrapped DEA-based methodology to evaluate the relationships between the group's intrinsic motivation and effectiveness, supporting the notion that, in addition to more conventional elements like maturity, accessibility, and group administration, the group's motivation is a key predictor of social effectiveness. They discovered, that a group's loan-to-savings ratio and the amount of cash it receives have a big impact on its capacity to maintain its financial stability in the long run. They also commented that if micro-credit organisations just provide new ways to finance and consume, they cannot stably serve as a viable alternative to current credit access methods. To serve the community, they advised to improve the effectiveness of the organisation as a whole, and inspire community-based resource management.

Sinha et al. (2023), utilised first-hand data on female borrowers from various microfinance institutions in the West Bengal, India, districts of Nadia and Murshidabad to assess the impact of microfinance access on women's empowerment. As Self-help groups (SHGs), are one of the many microfinance initiatives, that are encouraged and supported due to their substantial economic effects on the empowerment of women, this probed them to conduct a survey of roughly 800 female borrowers from several microfinance organisations, to look at how access to microloans affects three aspects of women's empowerment that have an impact on choices about credit, spending, and having kids. The findings suggest that increased access to microfinance credit has a detrimental effect on economic empowerment, including choices about credit and spending-related matters.

Swapna et al.(2017) highlighted in the study that a microfinance, has a potential in tackling issues related to insufficient housing and urban services as pivotal elements within efforts aimed at alleviating poverty among women. A suggestion was made that offering a versatile form of credit, either as a single package or a composite credit, can play a crucial role. Such credit options could encompass income generation, housing improvement, and essential expenditures. He also notified that, consumption loans prove particularly vital during the transitional phase between initiating a new economic endeavour and generating income. The successful implementation of this approach necessitates a thorough examination of the financial requirements and saving patterns of potential borrowers, which involves active participation in selecting the appropriate blend of multipurpose loans. In light of these findings, it can be inferred that microfinance holds the potential to foster both social and economic empowerment for women.

So, we hypothesise that, microfinance/self help group membership has significant impact on women empowerment leading and women having higher level of education, belonging to relatively well off families enjoy are relatively more empowered than the rest. Finally, women with higher women empowerment score and belonging to economically and socially well off families utilize the borrowed money in a more productive way.

III. METHODOLOGY

Primary data was collected during May 2023 to June2023, from 130 female respondents belonging from different social upbringing from the villages of Medinipur and South 24 Pargana districts of West Bengal, India. Initially a few Self Help Groups (SHGs) were identified operating in the villages near Kharagpur, Heria and Diamond Harbour and the members were interviewed. Then the nearby villages were located and women who were not SHG members were located and surveyed. These self help group members have access to microfinance.

Selection of Variables and Operational Definitions

Demographic Variables

- Age- Age of the respondents, measured in years.
- Marital Status- 1 if respondents are married, 0 otherwise
- Education of Respondents: Measured in years.
- Number of Family Members: measured numbers
- Number of Children: Mentioned in Numbers.

Family Monthly Income: Monthly income mentioned in INR, as reported by the respondents.

Occupation: Occupation mentioned under business, production, wage work, service and salaried employee.

Member of Self-Help Group or Not: 1 if yes, 0 otherwise

Generative and Non-Generative Income Sources: These describe sources of income contributing to financial growth and those that don't.

Domestic Help Present in Household: 1 if yes, 0 otherwise.

Past loan repayment history- 1 if past loan repayment was successful, 0 otherwise

Women Empowerment Score: We followed the method adapted by Roy et al.(2018)

Table1: Composition of Empowerment score of women

Domain	Indicator (Iij)
Social Empowerment (I1)	Part of NGO/Political Party(I11)
	Travel to basic facilities (I12)
	Take Decision for my Natal Home(I13)
	Discuss About Family Planning (I 14)
Economic Empowerment (I2)	Allocate Budget and Save money (I21)
	Able to utilize resource for earning (I22)
	have preliminary knowledge of finance and withdraw and deposit money (I23)
	Use credit card/cheque book (I24)
	Know about govt subsidies and get benefit (i25)
House Hold Empowerment (I3)	Take decision regarding Purchase and sale of house hold resource (I 31)
	Access to proper water facility (I 32)
	Protest against household injustice (I 33)

Where

I11=1, if respondent part of NGO/Political Party, 0 otherwise

I12= 1 if respondent can travel to basic facilities, 0 otherwise

I13=1 if respondent Take Decision for Natal Home, 0 otherwise

I14=1 if Discuss About Family Planning, 0 otherwise

I21=1 if respondent can Allocate Budget and Save money, 0 otherwise

I 22= 1 if respondent is Able to utilize resource for earning, 0 otherwise

I 23= 1 if respondent has preliminary knowledge of finance and withdraw and deposit money, 0 otherwise

I24= 1 if respondent can use credit card/cheque book, 0 otherwise

I25= 1 if respondent Know about govt subsidies and get benefit, 0 otherwise

I 31= 1 if respondent can Take decision regarding Purchase and sale of house hold resource,0 otherwise

I32= 1 if respondent has Access to proper water facility, 0 otherwise

I33= 1 if respondent can Protest against household injustice, 0 otherwise

Now out of total 12, each respondent were allocated a score by adding them up, which became the empowerment score. Now after getting the average empowerment score of the total scores of all 130 respondents, the ones who were higher than the average score were considered empowered and rest underpowered. A score was allocated in the format- 1 if empowered, 0 otherwise.

Husband/Father's Social Status: Since Indian dominant patriarchy is synonymous to Indian society, a women's social status is reflected by the social status of her male guardian, i.e, father or husband. The researchers followed the method applied by Mukherjee, et al. (2017) to measure social status.

Table 2: Composition of the Social Status score of Husband/ father

Domain	Indicator (Iij)
Social Status (I1)	Family Income (I 11)
	Land Holding (I12)
	Social Contacts(I13)
	Salaried employee (I 14)

Where

I 11= 1 if family income is above average family income of respondents, 0 otherwise

I 12= 1 if respondent has land holding, 0 otherwise

I 13= 1 if respondents have important social contacts, 0 otherwise

I 14= 1 if respondents, husband/father is a salaried employee, 0 otherwise

Now out of total 4, each respondent were allocated a score by adding them up, which became the social status score.

Logistic Regression was done to determine whether People with high women empowerment score spend borrowed money in a more productive way or not. Here using the below formula, logistic regression was done:

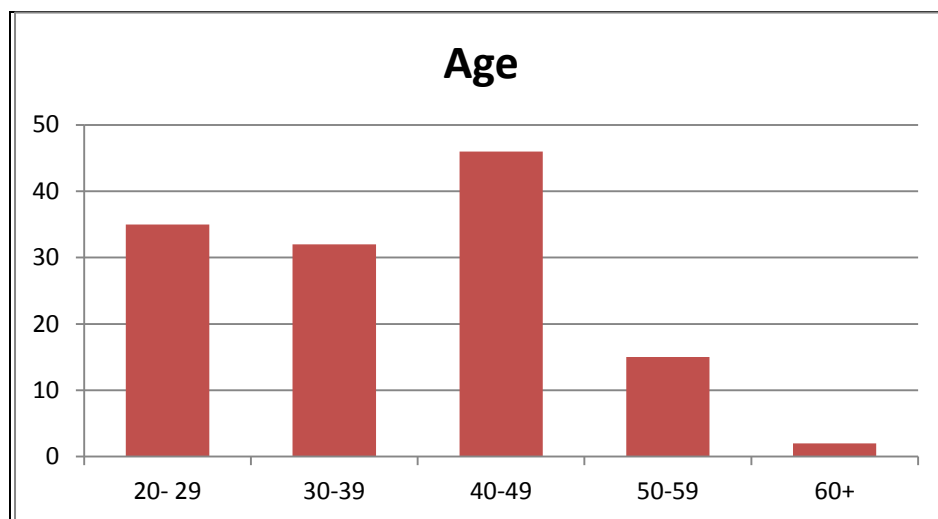
$$\ln(\pi/(1-\pi)) = \beta_0 + \beta_1 \cdot \text{Empowerment Score} + \beta_2 \cdot \text{Age} + \beta_3 \cdot \text{Husband/Father's Status} + \beta_4 \cdot \text{No of Family Members} + \beta_5 \cdot \text{No of Children} + \beta_6 \cdot \text{Education}$$

$\pi = 1$ if borrowed money is used on generative income source, 0 otherwise

IV. RESULTS AND DISCUSSION

Classification of Respondents on the Basis of Age- Among the total no of 130 respondents, highest no of female respondents belong from the age group of 40-49 years and the lowest belong from the age group of 60 years and more.

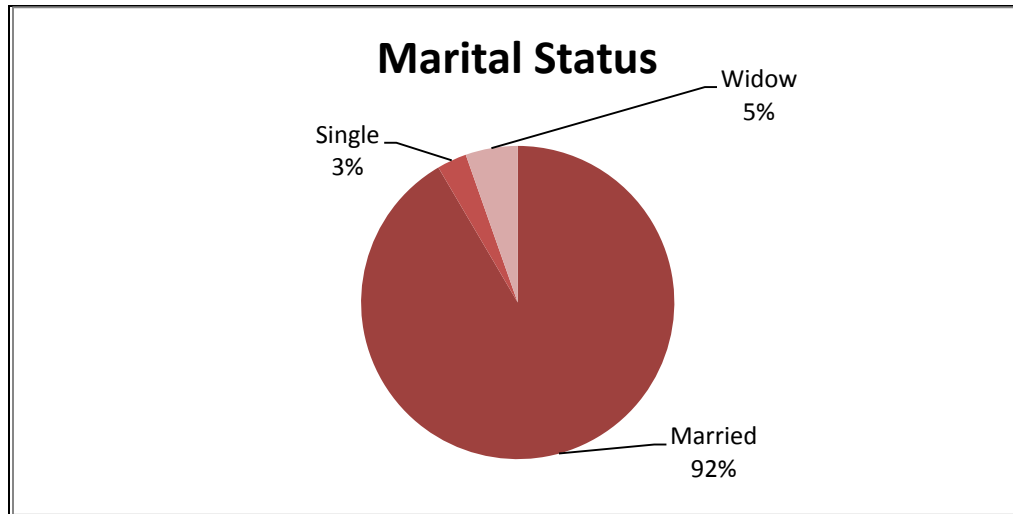
Figure 1: Age of Respondents



Source: calculation based on author’s primary research

Marital Status of Respondents- Here, under the data of 130 respondents, majority of female respondents fall under the married category, ie 119 respondents, 7 from the widow and lastly 4 respondents are single. The pie chart below further initiates the segregation of the marital status of the respondents.

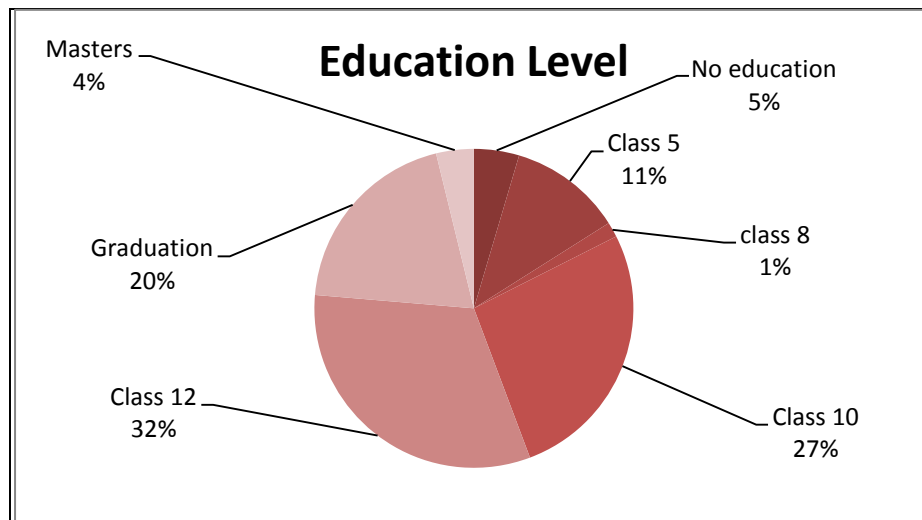
Figure 2: Marital Status of the respondents



Source: calculation based on author’s primary research

Education Level of Respondents- Among the total no of 130 respondents, majority of female respondents had attained their higher secondary education which was followed by respondents completing their matriculation exam and attaining a 10th pass certificate, also there were 5% respondents who did not attain any level of education, all belonging from the age group of 50 and 60 years. The pie chart below further initiates the segregation of the education level of the respondents.

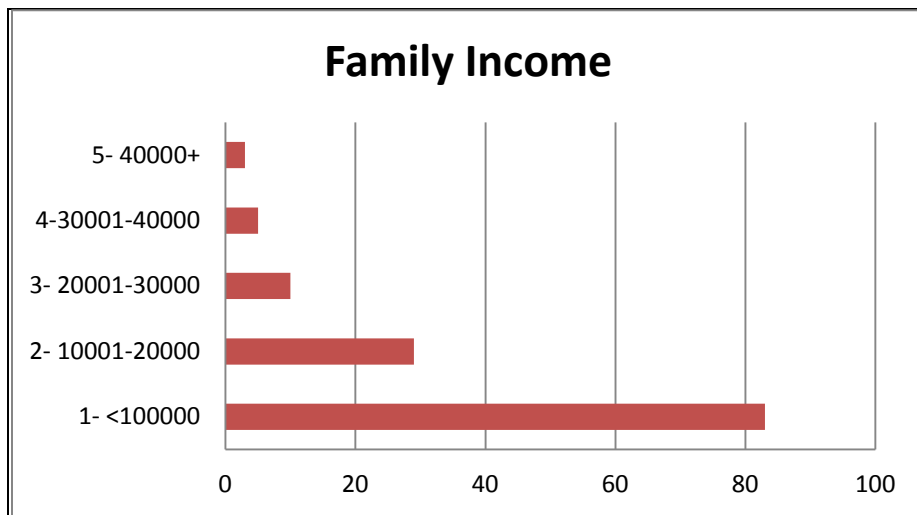
Figure 3: Education Level of respondents, Source: calculation based on author’s primary research



Source: calculation based on author’s primary research

Monthly Family Income- The survey which has been carried on 130 female respondents, discloses the level of income of the family of the respondents, or we can say that it is their monthly income. As disclosed through the data mentioned, majority belong to the category of < 10000 and majority of these families belong to the female respondents from the category of production and wage work as the main income source and the minority belong to the category of 40000+, where they all belong under the salaried employee category. More distinct segregation is pointed out in the given graph below.

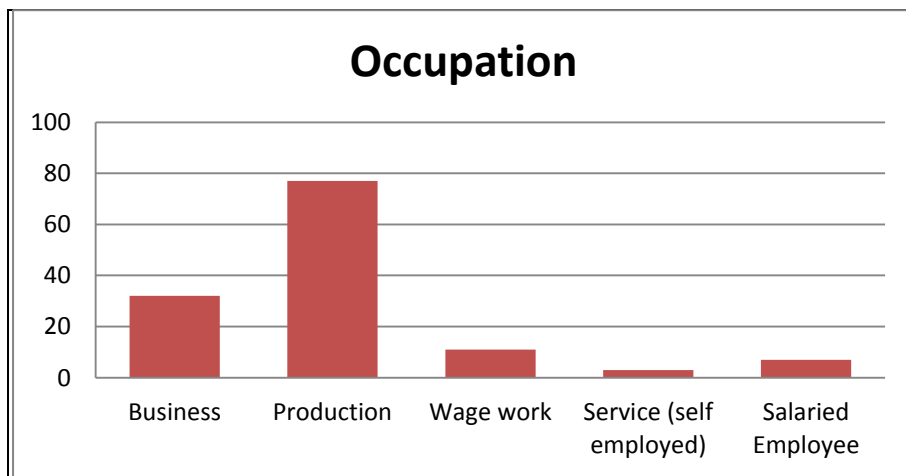
Figure 4: Family Income of respondents, Source: calculation based on author’s primary research



Source: calculation based on author’s primary research

Father/Husband/Guardian’s Occupation of the Respondents- The survey which has been carried on 130 female respondents, discloses their “Father/Husband/Guardian’s” occupation or main source of. Results generated from the survey reveal that it was determined that most of them, are associated with production, with second most followed occupation being business (77 and 32 respondents respectively). This is mainly due to the fact that at the rural areas, agriculture and farming, fishing, livestock and other sorts of production and business work is broadly done to sustain living. The pie chart below further initiates the segregation of the types of occupation of the respondents.

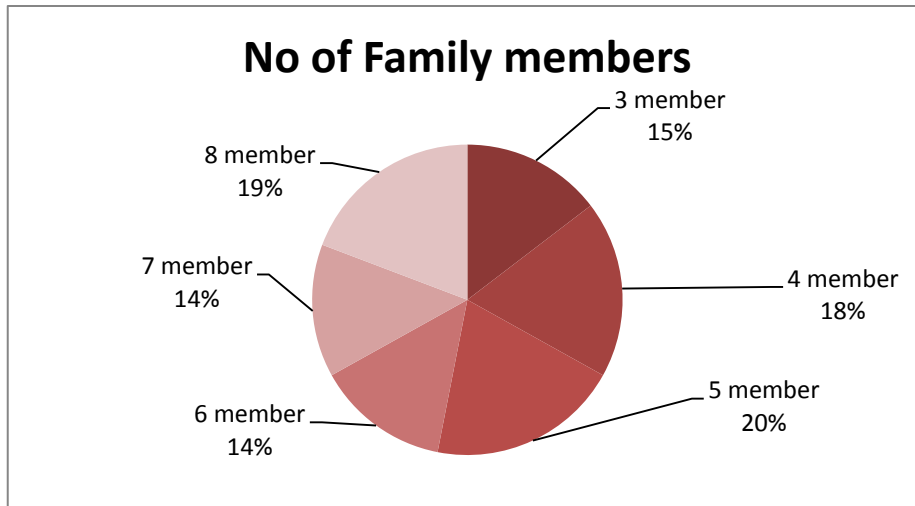
Figure 5: Main Occupation of Respondents family



Source: calculation based on author’s primary research

Family Members of Respondents- With the below mentioned data about the 130 respondents does reveal the total no of family member present in their family. Here we are able to spot that the most marked option for no of family members of the respondents is 5members, which was answered by 26 respondents, followed by 4 members (24 respondents). The following representation of the same is shown below as a pie chart.

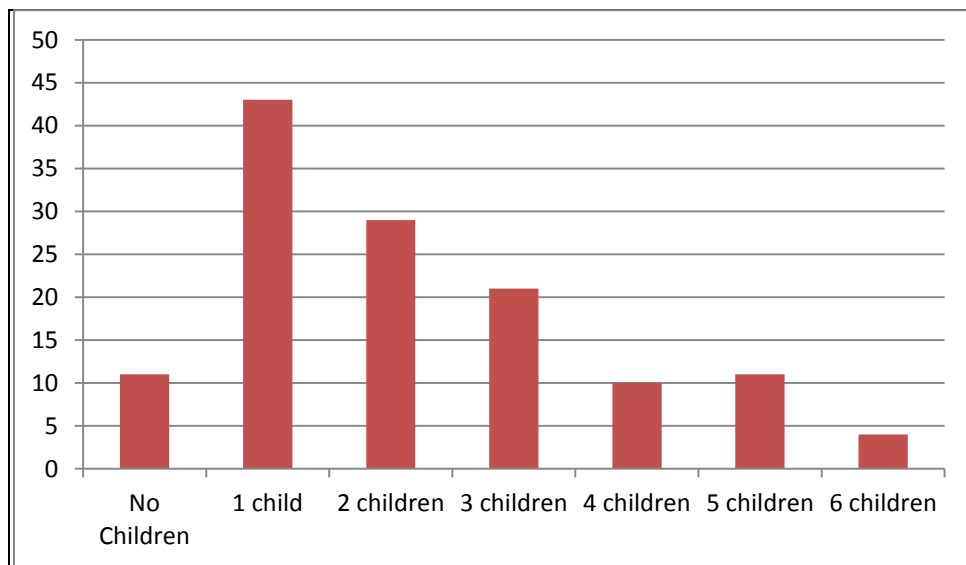
Figure 6: No of Family members of respondents, Source: calculation based on author’s primary research



Source: calculation based on author’s primary research

No of Child/Children of Respondents- With the below mentioned data about the 130 respondents does reveal the total no of children they have or are present in the family present in their family. Here we are able to spot that majority of no of children present in the family of the respondents is 1 child, followed by 2 children , which was answered by 43 and 29 respondents respectively. The following representation of the same is shown below as a bar graph.

Figure 7: No of Children of the respondents



Source: calculation based on author’s primary research

Classification of Respondents on the Basis of being a Self Help Group Member or Not- Among the total no of 130 respondents, female respondents who are a member of SHG and respondents who are not a member of SHG are equal in number. The table mentioned below further elaborates the gender-wise distribution of the respondents.

Table 1: Classification of respondents on the basis of being a Self Help group member or not,

Sl. No	SHG Member	No. Of Respondents	Percentage respondents
1	Yes	65	50%
2	No	65	50%
Total		130	100%

Source: calculation based on author’s primary research

Loan Amount used for Generative/ Non Generative Income- With the benefit of loan taken from Self Help Groups, here the data reveals that whether they have used the said money for generative income sources or for non generative income sources. The following table depicts the same, where majority have used the money on generative income sources.

Table 2: Loan Amount used for Generative/ Non Generative Income by the respondent’s family

Sl. No	Usage of loan money	No. Of Respondents	Percentage respondents
1	Generative Income	71	55%
2	Non generative income	59	45%
Total		130	100%

Source: calculation based on author’s primary research

The data mentioned further dissects into the segregation of the same. Here it can be observed that under generative income source, the respondents or their family member mostly tend to use the loan money to assist in Agriculture/fishing. This is due to the reason that majority of their direct income source is from production. Similarly for non-generative income source, the respondents and their family member mostly tend to use the loan money for loan repayment and house hold expense cases. This answer is extremely deducible because majority of them do have a direct income generation which is less than Rs 10000 per month, with inflation and scarcity knocking around the corner, they mostly tend to take loan to carry on with their monthly expense and once they receive the loan amount with a low interest rate, they try to repay their previous debts. Similarly, as the income which they generate on a monthly basis is not sufficient to meet with various needs, upon receiving the money they tend to use so for household expenditure. Below pie charts further elucidates the segregation.

Figure 8: Utilization of borrowed money on Generative Income

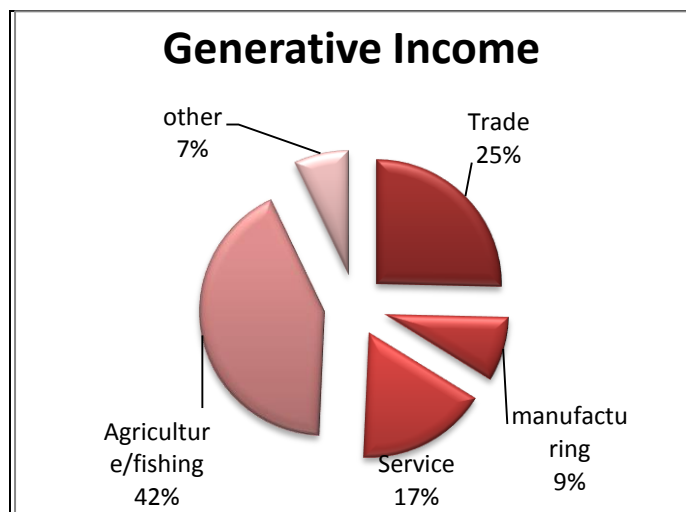
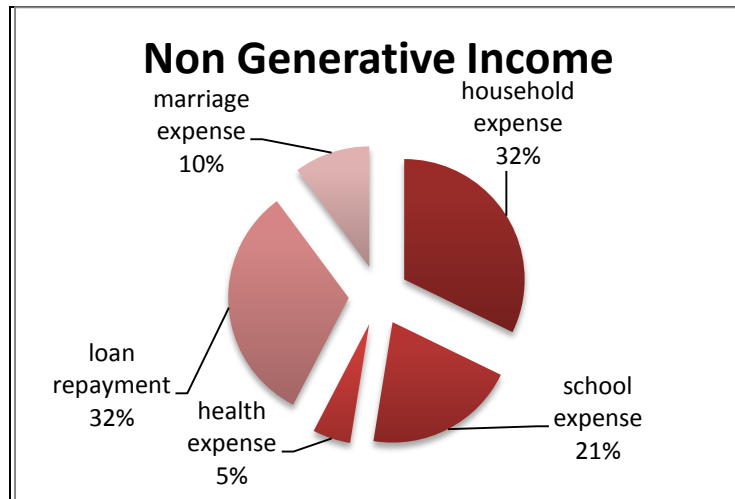


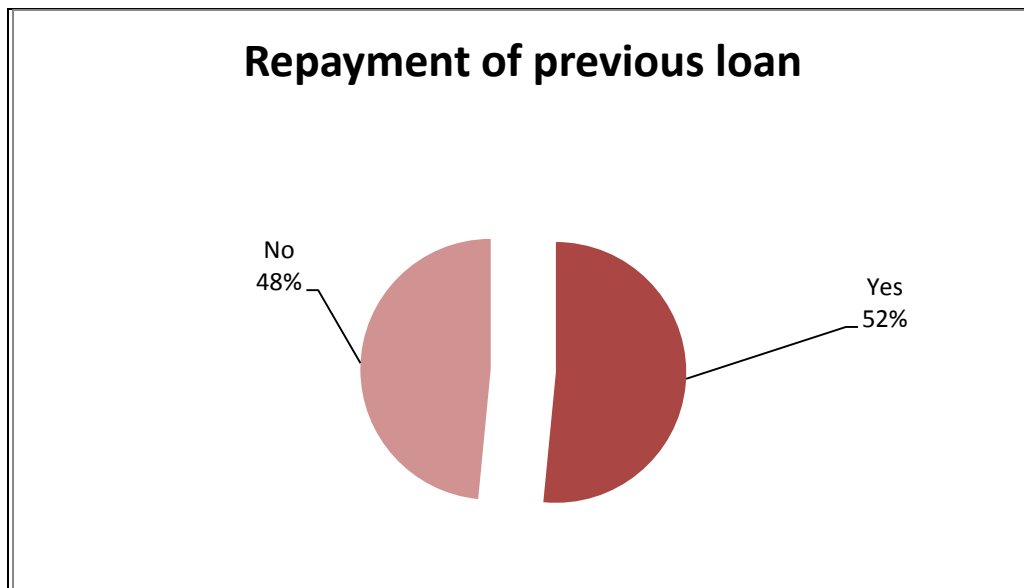
Figure 9: Utilization of borrowed moneyon: Non Generative Income



Source: calculation based on author’s primary research

Past Loan Repayment History- With the below mentioned data about the 130 respondents does reveal data on past loan repayment history by respondent’s family. Here we are able to observe that majority did showcase a positive sign in repaying the previous loan amount. Below pie chart depicts the same with more elaboration.

Figure 9: Repayment of previous loan done by respondents



Source: calculation based on author’s primary research

The Independent-Sample T test has been performed to test the hypothesis that female beneficiaries are more empowered on being a member of SHG than those female beneficiaries, those who are not the member of Self Help Groups. This t-test is designed to compare means of same variable between two groups. In the data provided below, we compare the mean empowerment score between the group of SHG members and Non- SHG members.

Table 3: Group Statistics between women empowerment score and SHG membership score, depicting the mean value of each group

	SHG member	N	Mean	Std. Deviation	Std. Error Mean
Empowerment score	1.00	65	9.4000	1.42302	.17650
	0.00	65	8.4769	1.73302	.21495

Source: calculation based on author’s primary research

Here from the above, the mean women empowerment score of respondents who are the member of self help group is 9.40 and for the respondents who are not the member of self help groups is 8.47 and t test was performed. The from the t test result it appears that the SHG members have significantly high empowerment score (p value<0.05) than the non members.

On the basis of empowerment score, as individuals are classified as empowered (women with more than average empowerment score) and under empowered (women with less than average empowerment score). It is often believed that empowered women have stronger say in family decisions and they must be having better loan repayment history. From table 5 it appears that the frequency of successful loan repayment is higher among women with high empowerment score than the rest. The Pearson Chi Square value is 4.403, which is significant at 5% level. Thus, it can be suggested that, women empowerment has significant impact on successful repayment of loans.

Table 5: Frequency of successful and unsuccessful loan-repayment history among empowered and under empowered women

	Repayment		Total
	Success	Failure	
Empowered	36.0	28.0	64.0
Under empowered	25.0	41.0	66.0
Total	49.0	81.0	130.0

Source: calculation based on author’s primary research

Next we try to explore the relation between specific demographic variables like, age, education level, husband/father/guardian’s social status, family income, no of children, no of family member and women empowerment score.

Table 6: Correlations between demographic variables and empowerment score

		Empowerment Score	P value
Pearson Correlation	Age	-0.113	0.101
	Number of family member	0.047	0.298
	Husband/father’s social status	0.399	0.001
	Family income	0.279	0.073
	Number of children	-0.107	0.113
	Years of education	0.247	0.002
N		130	

Source: calculation based on author’s primary research

From table 6, it can be observed that, only education level, family income and father/husband’s social status have a positive and significant correlation with women empowerment score. This comes to the conclusion with strong evidence that women who have attained higher education and belonging from richer family background are able to exercise their independent will, facilitating to their economic and management skills, are less dominated in the society thus stipulating towards empowerment. Also Husband and father who are having a higher social status are expected to treat their spouse or ward with respect as failure to do so will cause a hindrance to their own prestige and image among the society. This leads to a higher empowerment score.

Logistic Regression test was run to predict the relation between the utilization patterns of borrowed money i.e, whether the money is used more wisely in generative income or in non-generative income. The independent variables that have used are- Age of beneficiary, education level, husband/father/guardian’s social status, no of children, no of family member. The logistic regression equation is given below:

$$\ln(\pi/(1-\pi)) = \beta_0 + \beta_1$$

$$\cdot \text{Empowerment Score} + \beta_2 \cdot \text{Age} + \beta_3$$

$$\cdot \text{Husband/Father’s Status} + \beta_4$$

$$\cdot \text{No of Family Members} + \beta_5$$

$$\cdot \text{No of Children} + \beta_6$$

$$\cdot \text{Education}$$

$\pi = 1$ if borrowed money is used on generative income source, 0 otherwise

Table 7: Model Summary of the logistic regression

Model Summary			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	275.198 ^a	0.296	0.396
a. Estimation terminated at iteration number 3 because parameter estimates changed by less than .001.			

Source: calculation based on author’s primary research

Table 8: Variables in the Equations of the logistic regression

B coefficient	Standard error	Wald statistic		P value
Age	0.045	0.021	2.113	0.037
Empowerment Score	0.316	0.116	2.724	0.004
Number of family members	0.157	0.132	1.194	0.235
Husband/fathers social status	0.455	0.140	3.243	0.002
Number of children	-0.095	0.151	-0.631	0.529
Years of education	0.104	0.056	1.856	0.066
Constant	1.372	4.156	0.330	0.742

Source: calculation based on author’s primary research

In the presented analysis, a logistic regression was conducted to examine the influence of various independent variables on distribution of loan amount in generative and non generative income source. From table 8, it appears that, only 3 independent variables, namely age, empowerment score, and husband/father’s social status have the significant impact on utilization of bowed money on further income generative activities.

The coefficient for age is 0.045, and it’s statistically significant (p value 0.037), i.e, older women in the sample use their borrowed money in a more generative way as they enjoy a better social status than their younger counterparts.

Empowerment Score: also has a positive and significant impact (p value 0.04) on efficient utilization of borrowed money. Finally, Husband /father's social status also has a positive and significant impact (p value <0.01) on the dependent variable. As this socio-economic status also generates social prestige for the families, women in these families have better idea about efficient utilization of money and they are not forced to misused their borrowed money. Education is positively but weakly significant in this model, and we didn't consider family income in this model as it may have positive correlation with status causing multicollinearity problem.

In summary, this logistic regression analysis explores the relationships between various independent variables and an undisclosed dependent variable. Age, husband's status, family income and empowerment score appear to be noteworthy predictors, number of members, number of children, and education may have no significant impacts. It is quite evident that when the family income is on the higher side, people do not require to use the borrowed money for day to day activities and able to use it for their generative income source. Older women have a better grasp of money management skills, women belonging from comparatively richer households don't require the borrowed money for day to day activities, thus it is expected from them to utilize the same for generative income source. Empowered women are less dominated in the household and they are free to choose their money for income generative purpose, which makes them the better candidate to utilize the borrowed money on entrepreneurial source.

V. CONCLUSION

Microfinance, as a financial inclusion strategy, has demonstrated a significant and nuanced impact on women's empowerment across diverse socio-economic contexts (Lahmingsangi, 2015). This conclusion highlights the multifaceted nature of this impact, emphasizing its unique contributions and challenges.

First and foremost, microfinance institutions have played a pivotal role in bridging the gender gap in financial access. By providing women with access to small loans, savings accounts, and other financial services, microfinance empowers them to become financially self-reliant. Women, who are often excluded from traditional banking systems due to cultural and economic factors, can now actively engage in economic activities.

Furthermore, the impact of microfinance extends beyond economic empowerment. It fosters a sense of agency and self-confidence among women, enabling them to make informed decisions not only about their finances but also about other aspects of their lives, including healthcare and education for themselves and their children. This newfound autonomy allows women to break free from traditional gender roles and make choices that align with their aspirations.

However, it's crucial to recognize that the impact of microfinance is not uniform. It varies based on factors such as the design of microfinance programs, local cultural norms, and the broader socio-economic environment (Berglund, 2007). To maximize the positive effects of microfinance on women's empowerment, interventions that complement financial access, such as education and skills training, are often necessary.

In addition, some caution is warranted. The burden of loan repayment can become a source of stress for women in cases where their income-generating activities do not yield the expected returns (Mayoux 2002). Therefore, effective financial literacy training and ongoing support are essential to ensure that women can manage their financial resources wisely.

Here through this project we are able to determine that microfinance has a significant positive impact on women empowerment, specifically on the women who themselves are the members of Self Help Groups. Also it can be deduced that due to the consecutive pattern of non loan repayment in the past, the inclusion of monetary benefit in the way of loan amount with low rate of interest like 2%,3% and more, the respondents did grow a positive attitude towards Micro-Finance and Self Help groups. We also observed that No of members in household and education level of the beneficiaries are the other important demographic variables that played an important role to facilitate women empowerment and husbands social status, family income and age of the beneficiaries play a significant role to make them utilise the money for generative income.

In conclusion, microfinance has emerged as a potent force in promoting women's empowerment. Its impact goes beyond mere financial inclusion, encompassing economic independence, increased self-esteem, and the dismantling of traditional gender norms. However, its effectiveness depends on a variety of contextual factors, emphasizing the importance of holistic approaches that combine financial services with education and support. In our quest for gender equality, microfinance stands as a promising vehicle for fostering women's empowerment while acknowledging the need for continued refinement and adaptability to meet the evolving needs of women in diverse circumstances.

LIMITATIONS AND FUTURE RECOMMENDATIONS

Limitations of this Project:

- Many respondents gave an estimated answers and some were answering without understanding the context, which may be the reason for occurrence of biasness in data.

- As focus area was Panchayat Regions for PurbaMedinipur district, which boasts the highest literacy rate in West Bengal, so the study does not reflect the whole scenario of Rural west Bengal
- Sample Size of data is 130, which is not sufficient to determine that the result is applied for whole of West Bengal.

Certain Future Recommendations on my Part:

- Digital Inclusion: Promote the use of digital tools for women's financial inclusion, emphasizing the importance of digital literacy and organise drives regarding so
- SHGs can initiate monthly financial literacy programs exclusively designed for women.
- Implementing training and entrepreneurial programs can initiate women to start some business of their own.
- Many a times the money received from the SHG is not utilised for the correct purpose, so a portal can be operated by the government which can address such grievances so that they are able to work on it.

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