

Chapter 3

Microfinance and Women Empowerment: An Empirical Analysis

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ABSTRACT

The present chapter empirically examines the role of microfinance access on women empowerment by using primary data on women borrowers from different microfinance institutions in Nadia and Murshidabad districts of West Bengal in India. Microfinance institutions play an important role in strategies related to gender and development due to their active relationships with women empowerment and poverty alleviation. The various programmes under microfinance like self-help groups (SHGs) are promoted and inspired for their significant economic impacts on empowerment of women. We investigate the impact of microfinance access on three dimensions of women empowerment, which make influence upon decision making on the issues of credit, expenditure and children. We conduct a primary survey on about eight hundred respondents of women borrowers from different microfinance institutions and apply multivariate probit estimation. Our findings imply that the greater access to microfinance credit negatively impacts on economic empowerment i.e. decisions on credit and expenditure related issues.

INTRODUCTION

Women empowerment is a global issue. The concept of women empowerment was introduced at the international women conference at Nairobi in 1985. Education is milestone of women empowerment because it enables them to respond to the challenges to confront their traditional role and change their

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life. The world of humanity has two wings, one is women and other is man. Meet until both wings are equally developed can the bird fly. The process of empowerment is multidimensional, and it enables women to realize their full destiny and powers in all spheres of life. In fact, women's empowerment is central to the achievement of the triple goals of equality, development and social justice.

In recent times, empowerment has emerged as a concept that would liberate women from their unsaved states, and provides them an opportunity to embrace that promised freedom to make choice and contribute to their societies. Requirement of empowering women is felt at the national as well as the international level. In order to bring about a change, women have to develop and nurture the idea of Self-reliance and Self-esteem. Empowerment is a growing process and not an end by itself. It means control over and access of resources and take decision in the matters of her own earned income, saving and expenditures for her household needs and other purpose. The economic empowerment of women is a pre-requisite for sustainable development, pro-poor growth and achievements of all Millennium Development Goals (MDGs).

Since the turn of the century, growing industrialization, globalization, and social legislation have contributed towards changing status of women worldwide. Along with the expansion of education and awareness, women have come out of their kitchens and have reached out to higher level of professional activities. In almost all the developed countries women have successfully equated themselves with men in the corporate field (Nandy & Kumar, 2014). Women-controlled and women-owned enterprises are now seen as vital functional elements of the society and the economy, representing approximately 25.8 to 28.1 percentage of the total entrepreneurship in the world.

India is the fastest growing economy in the world and provides tremendous opportunities to entrepreneurs. However, the scene for women entrepreneurs is not very encouraging because of the percolation of patriarchy into businesses. Though the percentage of women entrepreneurs is increasing constantly from 14% in 1970 to 31% in 2010, motivated women who can really bring a difference are still handfuls. After India has introduced a new law in 2013 and made it mandatory for every company to have at least one woman on board of director, the number of successful women entrepreneurs has raised but not significantly. Participation of women in work and businesses is relatively low in India in comparison to developed countries. Women participation in working India is 31.6% whereas in USA it is 45%, UK 43%, Canada 42%, France 32%, Indonesia 40%, Sri Lanka and Brazil both 35%.

Traditionally in India the role of women has been to look after domestic affairs as housewives. The greatest barriers faced by Indian women in succeeding in their enterprise are expectations from the family and personal commitments and responsibilities. In such circumstances, it is difficult to set priorities and execute their businesses efficiently and effectively. Indian women are highly careful and concerned regarding their obligations and duties in the family and place them above business responsibilities. In Hindu culture, woman is beheld as the epitome of Shakti or power. Using the Shakti, a woman can do all achievable tasks; come what may. In earlier times there existed 3 Ks for the Indian women in an Indian household - Kids, Kitchen and Knitting.

The stepping up of women into corporate realm is considered as an extension to their household chores and kitchen, mainly the 3P's- Pickle, Powder and Pappad. However, along with the expanse of education and passage of time women started shifting from 3P's to the new age 4E's i.e., Electricity, Electronics, Energy and Engineering. Women entrepreneurs are now diversifying from certain standard businesses roles as mentioned above. Normally they were involved in micro and small businesses like beauty product business, or beauty saloon business, or restaurants, or even boutiques. But now the trend is changing and women are directing their attention towards technical, software oriented and techno-

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