

# Chapter 15

## Microfinance and Gender Discrimination: Measurement of Vulnerability of the Group Members in the Context of West Bengal, India

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### ABSTRACT

*Gender bias retards economic growth. In India women face gender discrimination, specifically male bias, both within the household and in the workplace. It is widely assumed that microfinance will have a positive impact on women's income, employment, self-worth through self-help group. Further, it has a strong positive effect on women empowerment and thereby reduces gender discrimination prevailing in the society. In this chapter, the extent of vulnerability between male and female SHG members have examined using vulnerability index, which is constructed considering different quantitative and subjective issues. For this, the micro level data have been collected from the state of West Bengal (India). The index value in the study shows that female is 56% more vulnerable than male even after joining in SHG and, therefore, requires large policy attention and intervention from different agencies to minimize such discrimination.*

### INTRODUCTION

It is clear that in spite of rapid advancement, gender disparities continue throughout the world. In various nations women need autonomous access to land and other family resources. They have very limited command over the family property and cannot conduct business or other income earning activities without their husband's/households' male member's consent. They can't move outside the village without male members' approval and usually suffer from severe financial crisis which contributes varied health hazards within the household. It is evident that in the labour market women are less represented than

DOI: 10.4018/978-1-5225-5240-6.ch015

the male even when they have the same education and work experience as men. Additionally, they are significantly under-represented in different household decision making and village level politics (King & Mason, 2001). According to different scholars and researchers, women in India are facing the following problems in general with varied magnitudes and dimensions (Sen & Kumar, 2001; Meenai, 2003):

1. Nutritional Discrimination,
2. Little control over own fertility and reproductive health,
3. Zero or very low literacy with higher dropout rates,
4. Participates largely in undervalued and unorganized sector in the labour market,
5. Earn lower wages than male for the same work,
6. Face physical and mental violence inside and outside family throughout their lives, and
7. Highly under-represented in governance and decision making.

It is seen that gender inequality impedes economic growth and development. To minimize gender inequality as prevailing everywhere in the society, distinctive policies have been implemented throughout the world. Apart from women's exclusive programmes, the gender perspective has been incorporated in almost all development programmes. Since independence, Government of India has introduced different policies to reduce gender disparity and empower the deprived women. Development for Women and Children in Rural Areas (DWCRA), Integrated Rural Development Programme (IRDP), Swarnajayanti Gram Swaraj Yojana (SGSY), National Rural Livelihood Mission (NRLM) etc. are the example of few flagship programme in India introduced by the government to empower the women in India.

Microfinance through SHGs has come to be seen as an important development policy to reduce poverty, vulnerability and inequality in the society since 1990s. According to Tchouassi (2011), if vulnerable poor people receive more microcredit, inequality, poverty and vulnerability will be reduced. But, such straightforward conclusions are highly challenging due to lack of reliable data, methodological and measurement controversy and because impact studies are highly region and subject specific. Thus various doubts and questions regarding the impact of microfinance on different economic (income, savings, consumption, etc.) and social indicators (self-worth, voice representation, etc.) have risen by many researchers in many times. Despite some positive income studies conducted by various scholars, still the welfare effect of microfinance programme is under doubt.

## **REVIEW OF LITERATURE**

One of the fundamental goals of microfinance programme around the world is to empower the rural poor, especially women, through their socio-economic improvements. It is broadly assumed that group based microfinance programme have a strong positive impact on women's livelihood by (a) raising their income, (b) increasing women's employment, and (c) enhancing their self-confidence and status within the family (Dichter, 1999; NABARD, 2000). However, Beek et al. (2004) points out that, since poor and vulnerable populations depends mainly on informal source of finance namely, friends, relatives, etc. the development of formal financial sector is beneficial only to the wealthier section. Ahlin and Jiang (2008) found in their study that microfinance decreases inequality. According to them microfinance lowers inequality by increasing the income of the poor. Green et al. (2006) argues that improvement in the financial access of the poor and vulnerable populations can directly enhance poverty reduction in

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