

Economic Empowerment of Women Through Micro-finance Institutions: A Study of Cooch Behar District of West Bengal

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Abstract

Women's economic empowerment means to ensure women and they can equally participate in social protection, access market, control over resources and economic decision- making at all levels. It indicates towards Women's right, gender equality, poverty eradication as well as inclusive economic growth but they also remain affected by discrimination, poverty and exploitation. It means women often suffer in insecure and low wage of jobs etc. Towards Equality, Report of the Committee on the Status of Women in India elucidated that "The long-term trend in economic participation of women indicates an overall decline both in percentage of workers to total female population and in their percentage to the total labor force after 1921". The women need equal right and control over resources, time, income and their own lives. Micro finance institutions are sustainable tool of development for the economically backward people in the society and these institutions want to enhance the capability of women towards socio-economic progresses. This study covers four micro-finance institutions – ASA International India Microfinance Limited, Bandhan Financial Services Limited, Ujjivan Financial Services Limited as well as Village Financial Services and the study emphasizes how much these institutions are playing developmental role in the selected areas towards empowering women. To know conceptual and theoretical understanding of the concept of women's economic empowerment, the present vision of the micro finance institutions towards economic empowerment of women, Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of four micro finance institutions towards women empowerment in rural area of the Cooch Behar district of West Bengal and provides suggestive measures for economic empowerment of women. Further this study is meant for the purpose of understanding the nature and requirement of micro-finance institutions for sustainable development as well as women's economic empowerment in rural level. The Sources have been used both primary and secondary data. For the empirical study, data has been collected through schedule interview from the selected study area and it has used as primary data, for the descriptive method, survey has been used through mail, mobile phone according to need and for the analytical method, data has been used through already available facts or information which have been used as secondary sources of data. The empirical findings of microfinance groups are seen its weaknesses as well as opportunities for becoming a tool of economic empowerment of women. This study is very significant for financial inclusion of vulnerable women in India.

Keywords: Women empowerment, Microfinance, Economic Growth, Economic Development, Socio-economic status.

Introduction

Micro finance refers the entire range of financial and non-financial services that including skills up-gradation and entrepreneurship development, rendered to poor for enabling them to overcome the poverty (Jain, 2010). Micro finance consists small scale financial services for the people who has farm or fish or hard and who operate small or micro enterprises. Micro finance was introduced to provide services – primarily saving, credit and insurance by following the simple procedure. It is a tool to empower the women who work in informal sector of the economy. Poverty is a major challenge in India's development efforts. In India, most of the people suffer through various ways for instance unemployment, malnutrition and poor healthcare. Poverty is not a gender neutral and it is a gender specific because women suffer with the systematic social injustice due to their gender differences. Women are exploited and depressed not only as social man but also exploited as women. Women's economic subjugation and dependency both is a vast distinction in men's and women's roles in Indian society and that leads to exploitation (Sen, 1992). Bina Majumder describes, Layers of illusion, myths, diversities, false generalisation, and a persistent process of mystification have obscured our fundamental understanding of women's issues, gender relations, or the social construction of gender in the Indian context. As a result, a significant portion of social experience and existence has remained unexplored, unanalysed, and thus invisible. Father of the nation mahatma Gandhi pointed out that "Today the sole occupation of a women amongst as is supposed to bear children, to look after her husband and otherwise to drudge for the house-hold-not only is the women condemned to domestic slavery, but when she goes to out as a laborer to earn wages, though she works harder than man she is paid less". Economic development is an essential thing which we can never ignore it and this is because the German's prominent thinker Karl Marx highly emphasized on economy and he also highlighted that a country can never be developed except economic development and at present, it is seen that the human lifestyle is depended upon economic development. So, the economic development of women has an important role to build a developed nation because in our male dominated society if, male is only developed than it would not be better for us alongside women also must be equally developed and women's economic development means for instance Gender equality, Poverty eradication and economic growth and these all go toward a developmental state forming. The study is based on following objectives-

- To know conceptual and theoretical understanding of the concept of women's economic empowerment.
- To know the present vision of the micro finance institutions towards economic empowerment of women.
- Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of four micro finance institutions towards women empowerment in rural area of the Cooch Behar district of West Bengal.
- To provide suggestive measures for economic empowerment of women.

Area profile:

This study covers Cooch Behar II Block of the Cooch Behar District of West Bengal for the study. Cooch Behar II Block is a mixed populated area. The total area has covered 362.36 km² and there is no any big governmental industry. Most of people go out of the block for their fruitful earning. Even there

is no any developmental training center or work for the women even those training center are in the block is too richer. Actually, the people of this block are depended upon land, agricultural activities. If we discuss on literacy, the literacy rate is both higher and lower in the block. There are also some formal and informal support services such as hospital, education institutions, youth club and trade union.

Methodology

The study is based on both the theoretical, empirical and observation method. Along with secondary sources of data, primary sources of data are also used to conduct the study and the primary sources of data are collected through mobile phone and interview as well. Secondary data is collected from various websites, journals and various data sheets prepared by the governmental and non- governmental organizations are used in the theoretical part and the field survey is also used in the empirical part to find out the knowledge gap and existing status of the study. There are total 40 respondents and 10 respondents have been taken from each selected micro-finance institutions as sample in Cooch Behar Block II.

Micro-finance as an instrument of women's economic empowerment:

Micro-finance groups are those who take permission from the Government for business by providing money or others. Institutional micro-finance groups invest their finance on a specific interest and these groups provide finance mainly to the economic backward, low income and weaker families and these groups also are the tools to empower the women through socio- economic and collective action at the rural level and have less influence in cities. Empowerment is the process by which women take control and ownership of their lives through the expansion of their choices and it is the process of acquiring the ability has been denied before and it is the awareness of gendered power structure, self-confidence and self esteem (Kabeer, 2001). Women's empowerment is a process of social change and it reinforces the economic domain, political, social and psychological of women and also gains power, meaningful choices and control over their won (Neil et al., 2014). Women's economic empowerment is the process which achieves the women's access and control over the economic resources and women can also control over the other sides of their lives (Taylor & Perezieto, 2014). Women's economic development which has led to poverty reduction, well-being and human development and also led to investment in children's education, health reduced household poverty (World Bank, 2011). Economic empowerment is an earning power, economic gains, involvement in decision making matter relating to economic aspects and also developmental skills in management (Viswanathan, 1997). Microfinance institutions not only give women as well as men access to the credit and saving but also reach millions of people to bring them under these institutions and it plays a very important role to the gender equality, women's empowerment, civil society strengthening and pro-poor development as well. Through this contribution women earn an income which increases economic empowerment and well-being for their families, wider social as well as political empowerment. Even, microfinance services change the men's attitude and social behavior in achieving gender equality. Majority of microfinance policies focus women with the various motivations for women empowerment. Some prominent thinkers argue that women are poorest among all vulnerable section of the society and should be provided a priority. Feminist point of view accesses to financial services represents a greater empowerment of women and fight for women's right and independence as well (Kaur et al., 2020). Micro-finance groups help towards mainstreaming such as-

- Unite the women in a week or month to satisfy their common needs or goals on the basis of their mutual co-operation.
- Prevent exploitation from the local money lenders.
- Awareness building for improving the income sources.
- Development on economic progress to the weaker section in the society.
- Increase the good decision-making level of women in the society.
- Increase the relationship with their members.
- Increase the living study such as education, primary needs.
- Reduce the poverty in the society.
- Reduce the religion, caste, class, race disparity in the society.
- Try to reduce the unemployment by providing finance with small interest.

Aims of micro-financing

The main aims of the micro-finance groups to eliminate poverty and to provide finance on a simple interest to the economic backward families. As if, backward families can enlarge their economic progresses with this finance and their lifestyle, adding with bank linkage, various social activities the women can take a good decision relating to this matter the micro-finance groups see carefully and benefit simple interest by providing money.

ASA International India Microfinance Ltd was established in July 2008 and whose headquarter is in Kolkata. ASA International India Microfinance Limited is active in the regions of West Bengal, Assam, Meghalaya, Bihar and Uttar Pradesh. The main aims to uplift the economically backward classes with the help of finance and improve their standard living. ASAI-India has two types of loan- primary and special loan. Primary loan is Rs 1,000 to Rs 30,000 and its period 11 months to 13 months also 1% given on loan amount plus applicable GST. Special loan is Rs 31,000 to Rs 60,000 and its term 26 months to 29 months and also 1% given on loan amount plus GST (Bankbazar, n.d.).

BANDHAN Financial Services Pvt. Ltd. was founded in 2001 and it addresses the objective of poverty alleviation and women empowerment. Bandhan financial services also help poor communities to form small business in the society and empower poor women and their livelihood as well. It helps to become self-supportive of the marginalized peoples. When Bandhan bank started on 23 august 2015 and it was the first microfinance entity into a universal bank in India. Bandhan bank started with 2,523 banking outlets and it has been spread to all states and union territories in India with 4559 banking outlets even as on June 30, 2020 it has 2.03 Crore customer and in 2022 it spread 2.77 crore customers and 5,702 banking outlets across 34 out of 36 states as well as union territories in India (Bandhanbank, n.d.). BANDHAN provides to poor men and women such products and services and these are as followed as bellow:

- Suchana Microloan: Under this scheme the women can get up to INR 25,000 which repaid in a year and the borrowers can also get loan up to INR 35,000 for 2 years and the loan is given at the interest rate of 18.40%.
- Srishti Microloan: This scheme for the home-based business with regard to buying machineries as a group. Borrowers can get loan up to INR 1 lakh which is repaid in 2 years of time.
- Surakha Microloan: Under this scheme the borrowers can take loan up to INR 10,000 for any medical emergencies and the loan can be repaid in a year and the loan provides the rate of interest fr-

om 10.52%.

- Bandhan financial service student education loan: Poor students who are needed for financial support and they can take loan up to INR 10,000 under this scheme and the loan can be repaid over a year and it starts the rate of interest from 10.52% (Creaditmantri, n.d.).

Village financial service private Limited has started finance activities in the financial year 2005-2006. Microfinance activities of VFSPL has grown and it provides loan to the many thousands of poor families for income generating activities and helps them to become economically self-sufficient in the society and it has spread nearly over 22,021 villages in 13 states.

- Briddhi Loan: It provides to the need of backward women who aspire to start their own business to become financial independent. The borrowers get loan amount from Rs 10,000 to 30,000 for 12 months 24.50% rate of interest with 1.50% plus GST.
- Sribridhhi Loan: It provides for existing customers who have good repayment history and to meet their higher money requirements. The borrowers get loan amount from Rs 20,000 to 60,000 for 24 months 24.50% rate of interest with 1.50% plus GST (Vfscapital, n.d.).

Ujjivan financial service was established in the year 2017 and its presence in 24 states in the country. The lender offers various types of loan such as group loans, individual loan, business loan, agriculture, Allied loan, family loan, education core loan etc. and under this category money provides Rs 2,000 to Rs 60,000 on the interest of 22% per annum for 1 year/1.5 years/2 years. Even, in this study specially highlighted on group loans (Bankbazar, n.d).

Women participation in Cooch Behar Block II

At present, most of the women are involved to the institutional micro-finance group especially rural women. Various institutional micro-finance group's agents in various villages they form various groups by taking more or less 8 and 10 members together and among these members the agents of group make a secretary according to members of choice and who is the head member of the particular groups and it is seen that the women are participating with a will. As per their group's rule and regulation they are participating together in a particular day of week or month for the purpose of laying money. Four micro-finance institutions were selected (Table1) and total 4 official website were selected from each group at the time of collecting data on this table.

Table-1 selected micro-finance groups undertaking in the study

| Sr No | Name of groups | Types of loan | Minimum amount | Tenure | Rent of interest |
|-------|----------------|---------------|----------------|--------|------------------|
| 1 | ASA | Primary loan | 1,000-30,000 | 1 year | 22.33% |
| 2 | BANDHAN | Suchana loan | 1,000-25,000 | 1 year | 18.40% |
| 3 | VFS | Briddhi loan | 10,000-30,000 | 1 year | 24.5% |
| 4 | UJJIVAN | Group loan | 2,000-60,000 | 1 year | 22% |

Sources: <https://www.bankbazaar.com/personal-loan/asa-international-india-microfinance.html>, <https://www.creaditmantri.com/bandhan-financial-services-microfinance/>, <https://www.vfscapital.in/>, <https://www.bankbazaar.com/personal-loan/ujjivan-financial-service.html>

The efforts made for the institutional micro-finance group formation has a significant role in the society. Day by day the members of micro-finance group are increasing and alongside members also increasing. Such efforts are seen for the formation of institutional micro-finance groups. These are as follows-

1. Creating bank account.
2. After opening the bank account groups say the account holder that money should be deposited within 15 days otherwise bank account may be closed.
3. To awaken people matter relating to interest. Group agents say the peoples if you take money from the local money lenders then you must give much interest even if you take money from our group than you will not be given much interest and our interest is very little and you can take finance and after taking finance you can invest it towards financial progress.

Result and discussion

These micro-finance groups (ASA, BANDHAN, VFS, UJJIVAN) provide finance to the economic backward families on a low interest it is true but some backward families are taking finance from the institutional micro-finance groups and alongside they are a little bit enlarging their economic progress with taking finance. Even, such economic backward families are there who also taking finance from these groups but they cannot enlarge their economic progress rather they are giving extra interest to the micro-finance groups and that leads towards the economic regress. Even, there are such unemployed families they borrow money for maintaining their families from the lender and when they go to pay out the borrowed money of lender at that time, they also take finance from macro-finance groups. Even, another scenario is seen that some economic backward families cannot arrange money for maintaining their girl's wedding at that time these families take finance from the groups but considering to this side it is true that the economic backward families of women are solving their basic need to take finance from the various institutional micro-finance groups but only solving these needs we can never say that the women are leading towards economic development. It means how much economic development has been enlarged from the previous economic situation but in reality, except only few and most of the families are not seen the economic progress and only it is seen that they solve their social needs after taking finance and in spite of that they can nothing lead towards the economic progresses rather they are paying out the groups money and alongside they are also giving extra interest of the groups.

Table- 2 Do you think that the economic progression is being enlarged?

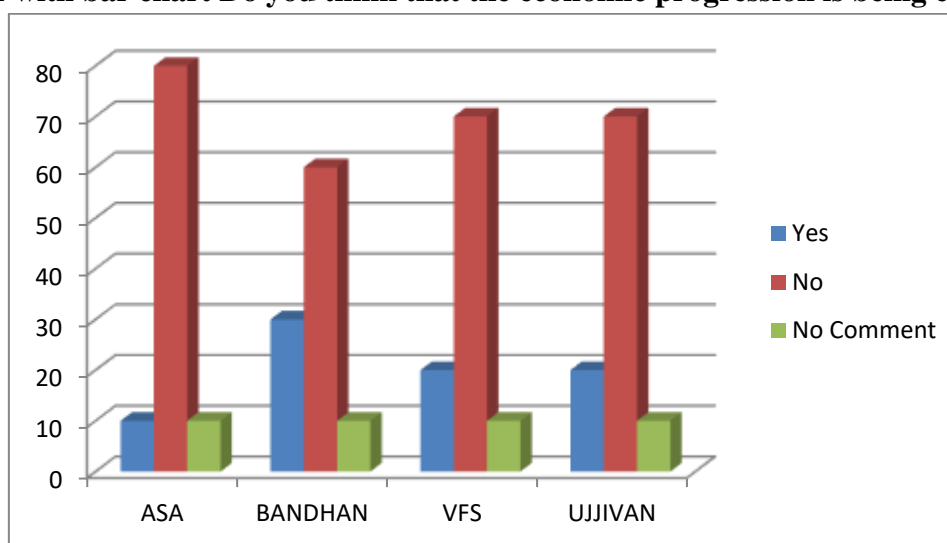
| S. No | Response of Respondents | ASA | | BANDHAN | | VFS | | UJJIVAN | | Total | |
|-------|-------------------------|-----------|-----|-----------|-----|-----------|-----|-----------|-----|-----------|-----|
| | | Frequency | % | Frequency | % | Frequency | % | Frequency | % | Frequency | % |
| 1 | Yes | 1 | 10 | 3 | 30 | 2 | 20 | 2 | 20 | 8 | 20 |
| 2 | No | 8 | 80 | 6 | 60 | 7 | 70 | 7 | 70 | 28 | 70 |
| 3 | No comment | 1 | 10 | 1 | 10 | 1 | 10 | 1 | 10 | 4 | 10 |
| Total | | 10 | 100 | 10 | 100 | 10 | 100 | 10 | 100 | 40 | 100 |

Source: Field survey

Table 2 shows that the Response of respondents on economic progression for the enlarging the economic development and four micro-finance groups are taken to conduct the study and these are ASA,

BANDHAN, VFS and UJJIVAN. The respondents of ASA group out of 10 total respondents 1 with 10% have replied by the responsive of Yes and 8 responds with 80% have replied by the responsive of No and also 1 respondent with 10% has replied by the responsive of No Comment. Moreover, the respondents of BANDHAN group out of 10 respondents 3 respondents with 30% have answered by the responsive of Yes and 6 respondents about 60% have answered by the responsive of No and even 1 respondent with 10% has answered by responsive of No Comment. Whereas the respondents of VFS group out of 10 total respondents 2 with 20% have responded by the word of Yes and 7 respondents with 70% have responded by the word of No and also 1 respondent with 10% has responded by the word of No Comment.

Table 2 with bar chart Do you think that the economic progression is being enlarged?



Source: Field survey

Finally, the respondents of UJJIVAN group out of total 10 respondents and 2 respondents with 20% have answered by the term of Yes and 7 respondents with 70% have answered by the term of No and also 1 respondent with 10% has answered by the term of No Comment.

SWOT Analysis of Microfinance institutions in Cooch Behar Block II

SWOT Analysis of microfinance institutions have been done by the study to dig out the weakness and potentialities of these institutions. The SWOT analysis is followed in below-

| Strengths | Weaknesses |
|--|---|
| 1.To provide saving and credit facilities to backward people | 1. Regional disparity of credit across the country |
| 2. To reduce the dependency of backward people on informal money-lenders | 2. Highly administrative cost system |
| 3. To generate Employment and income through micro enterprises | 3. High rate of interest and high repayment structure as well |
| 4. To diversify non-farm activities | 4. Over-indebtedness and multiple lending |
| 5. To enhance rural economic productivity | 5. Lack of investment by people |
| 6. To provide services like saving, insurance, | 6. Indiscipline of borrowers |
| | 7. Lack of proper regulatory body |

| | |
|--|---|
| credit, training, and counseling etc. | 8. Lack of field supervision to check the operational feasibility of lending |
| 7. To build up supportive system through non-financial assistance such as skill development training, technical support etc. | 9. Inability of microfinance institutions to create proper funds |
| 8. To improve the standard of living of vulnerable people | 10. Market competition among microfinance institutions |
| 9. To increase economic empowerment of women through capacity building and saving mobilization | 11. Lack of knowledge on E-technology |
| 10. To establish the good linkages between banks as well as citizens especially women | 12. Over burden to pay installment |
| | 13. There are such people and they are not getting to enlarge their investment in right place |

| Opportunities | Threats |
|---|--|
| 1. Promote economic development | 1. Huge competitions among micro finance institutions |
| 2. Provide economic assistance | 2. Loan provides for unproductive or unfeasible project |
| 3. Income generation through income assistance | 3. Having Multiple loans to the same borrower and such borrower unable to pay loans |
| 4. Generate secure income | 4. Lack of real support for self-employment of women members, superstitions, conventional values as well as socio cultural factors |
| 5. Poor elimination | 5. Inadequate investment validation and Regulatory issues |
| 6. Financial self-independent and self-consciousness | 6. Miss calculation and create pressure on over debt (Interviewed by Bharati Roy, member of ASA) |
| 7. Management consulting on economic activities | |
| 8. Social awareness and play leadership role in the society | |
| 9. Improve decision making process | |

Suggestive measures

Above this discussion and SWOT analysis some suggestive measures are provided to overcome weakness of microfinance institutions-

- Microfinance institutions should be controlled by the governmental body like Reserve Bank of India (RBI).
- There should be a proper field investigator to check loans, ground realities as well as operational efficiency of such lending.
- Microfinance institutions should reduce the regional imbalances and also increase the rural penetration of women.
- Income generating activities should be found out and these must be provided who do not have any special knowledge on income generation.
- In the digitalized era microfinance institutions should include women to the technical training and technical assistance in their management.

In the result and discussion part it is true that most of the respondents have answered by the responsive of No and it is also clear that poor women are not being so economic development and they are being a little bit because micro-finance groups provide finance but these groups do not investigate perfectly that the economic backward peoples after taking finance what are they doing? And they are investing to their economic progresses or not. If the macro-finance groups insist to the economic backward families that how to enlarge the economic progresses and those women are connected with the groups and groups should arrange a training to them on the various type of developmental activities and it must be reflected in real and many times we can observe any members of the group are unable to give their weekly or monthly Installment's money on time and at that time the group agents are to suffer to get installment's money. If micro-finance groups take such developmental initiatives than the group agents would not be suffered. The groups should insist on aware camp, workshop matter relating to economic progresses and then it must lead towards women's economic developmental societies and an economic powerful state will be created. If groups wish to take like these initiatives and certainly can take because everything is depending upon the groups and groups also should conduct them in such a way rather members ought to go towards economic developmental activities. In spite of these, groups should know about the economic developmental progress of the members and should also know how much members are increasing their finance in a week or month when members of the groups come to submit their weekly or monthly installment money.

Conclusion

From the above study it is concluded that microfinance institutions ASA, BANDHAN, UJJIVAN and VFS are playing an active role in social, psychological and economic empowerment of women in Cooch Behar district. Microfinance institutions have definitely an applauding impact on socio economic empowerment of women in India. The applauding impact of economic variables have been picked out such as saving, income, household consumables, employment days, expenditure of households and assets. The social variables which identified as a positive influence such as self-worthiness, decision making power and self-esteem. Finally, it is true that the micro finance institutions can enlarge the economic empowerment of backward women and it can also lead as a powerful tool on inclusive growth as well as sustainable development of Indian economy. If, we follow above suggestive measures in selected microfinance institutions, it would be more efficient and more inclusiveness which will show a new direction in a new way.

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