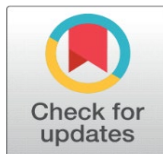
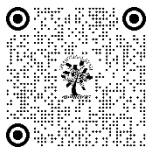


A JOURNEY TOWARDS ECONOMIC WELLBEING BY EMPOWERING WOMEN THROUGH MICROFINANCE

Priyanka Debnath ¹, Dr. Archana Mishra ¹

¹Department of Economics, Mansarovar Global University, Sehore, M.P., India



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ABSTRACT

This study examines how microfinance interventions impact political, social, psychological, and economic empowerment and disempowerment. Disempowerment in the political, social, psychological, and economic spheres sometimes results in prejudice against women in society. As a result, the microfinance scheme for those living in rural areas emerged, concentrating on women as agents of social change. Consequently, several research that used a very broad definition of women empowerment and were published in journals with peer review were left out. To eliminate any uncertainty in the theoretical and empirical foundation, this study's examination of women's empowerment through microfinance is grounded in a comprehensive literature survey. A thorough literature review forms the basis of this study's analysis of women's empowerment via microfinance to ensure completeness in the empirical and theoretical underpinnings. According to the literature, finance as an example has not brought about the necessary socio-economic transformation and has even had negative effects in certain circumstances. However, this study demonstrates that the program for microfinance empowers women and lessens societal inequities to some level.

Keywords: Women Empowerment, Entrepreneurship, Social, Political, Psychological, Economic Society, Microfinance



1. 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 people who work for themselves 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.

When women have a lot of financial clout, they can accomplish more on their own. Greater self-respect, self-confidence, self-awareness (both positive and negative), and self-appreciation are prerequisites for women's empowerment. Some believe that we can eventually attain gender parity in leadership and power distribution if we empower women more in the home, in business, and in politics. There is a strong correlation between economic growth and all of these elements that give women more influence. Managing and developing women's resources—their interests, abilities, skills, and other potentials—is crucial for generating human resources, which fuel economic progress. According to the most recent data from the Women's Development Report, women may boost their salaries and productivity if the market is more equitable, which benefits the economy overall.

Many have seen women's empowerment and economic empowerment as complementary goals. The Organization for Economic Co-operation and Development, or OECD, serves as a knowledge base and venue for information on public policy best practices, data, and analysis. The OECD found that economies with larger female labor forces were more robust. The economy grows at a faster rate as the gender gap narrows or more women join the workforce. The economy reaps the rewards of a highly educated female workforce. More than half of the economic development that OECD nations saw in the previous 50 years was attributed to higher levels of education, according to an OECD report from 2012. Achieving gender parity in the number of school years spent in education and ensuring that girls have equal access to higher education are responsible for half of this. Most women's employment prospects have remained stagnant despite substantial gains in education (UN2015).

Empowering women is crucial for achieving gender equity in power. Men and women should have equal opportunities in all parts of society, including the political, legal, and economic realms. A strategy to empower women is to increase their access to resources, decision-making power, dignity, choices, opportunities, and authority. Greater productivity results from more women working, which in turn helps reduce poverty. The economy develops more rapidly when women are able to purchase their own houses and have families.

2. CONCEPT OF MICROFINANCE

Microfinance is a kind of alternative banking that helps those with low incomes who would otherwise not be able to afford it. Microfinance aims to enhance people's living situations and empower them to become self-sufficient.

Microfinance services include:

- Microcredit, microloans, and small working capital loans
- Savings and checking accounts: These services may be offered by regulated microfinance banks.

A micro-insurance product is one service that some microfinance institutions provide.

- Transferring funds: Some microfinance institutions may provide this service.
- Business and financial education: In order to assist its clients in starting small businesses, certain microfinance institutions may provide courses in business and financial education.

Microfinance can help a country's economy grow in many ways:

- **Expanding availability of credit:** Those who would not have access to loans would be able to start or grow their businesses with the support of microfinance, which in turn increases their income.
- **Advancing women's rights:** Women, who have faced persistent barriers to accessing traditional banking services, are a common focus of microfinance initiatives.
- **Minimization of poverty:** Increasing wages and generating jobs, microfinance can contribute to the alleviation of poverty, particularly in rural regions.
- **Lowering poverty rates:** Increasing wages and generating jobs, microfinance can contribute to the alleviation of poverty, particularly in rural regions.
- **Constructing wealth:** With the support of microfinance, individuals can accumulate assets, which in turn increases their chances of having access to food and education for their children.
- **Empowering oneself:** People can become less vulnerable and start their own businesses with the support of microfinance.

Microfinance institutions are typically set up as financially viable social enterprises, which means they can keep lending money to people with low incomes for a long time.

The goal of microfinance organizations and global financial systems is to help people who are economically disadvantaged by giving them access to financial services and a considerable monetary inflow. Rather than depending on friends and relatives, moneylenders, or bequests to cover expenses, more people now have access to alternative savings and borrowing options (Islam et al. 2015). References: Tsai (2004), Lange et al. (2007).

3. REVIEW OF LITERATURE

Belay Mengstie (2022) stated that women's economic empowerment a strategy aimed at enabling women in decision-making, increment in income and asset ownership. The main aim of the study is to examine the impact of microfinance on women's economic empowerment. Data were derived from a questionnaire of a sample of 346 women clients of microfinance. Multiple regression and paired sampled t-test data analysis techniques were used in the study. Multiple linear regression result revealed that age, marital status, education level, credit amount, and number of trainings have significant effect on women's economic empowerment. However, previous business experience did not have significant impact on women's economic empowerment. Paired sampled t-test result revealed that there is significant mean difference before and after microfinance service in terms of income, asset, and saving. Microfinance has significant positive effect on women's economic empowerment by improving women's independent income, increasing asset possession levels, and improved monthly saving amount. Moreover, the study proved that microfinance has a positive impact on women's entrepreneurship development and business exposure.

Rashmi Pathak and Ashok Kumar Mishra (2022) stated that In India, Women constitute 48.15% of the total population and the ability of women has not been fully utilized by India due to different reasons viz., social, cultural, educational, political etc. In view of this Indian women's status is not good as compared to men in respect of power, control over economic resources, wages, education, confidence, economic independence, social security, financial resources, over dependence on creditors to get credit, family ties, gender discrimination, sexual harassment etc. In array to overcome the women's problems the woman empowerment is essential. As result of this the concept of women empowerment gaining more importance in recent past and women has developed into a socio and economy of nations like India and other developing countries in the world. Women empowerment concerned with giving power, "creating power within" and "enabling" them to contribute something towards family and nation. The women empowerment facilitates to understand their full personality as well as powers in all level of society and life. The women empowerment always provides different powers to "women" such as social recognition, dignity, prosperity, property, value and security. In this article, the basic objectives of the research are to review the socio-economic development through micro finance of SHGs members, and to review the factors and impact of self-help groups on the socio-economic condition of SHGs women, to review the role of SHGs in empowerment of self-help groups member in terms of economic, social and political status.

Khursheed A. (2022) stated that in developing countries, women's empowerment is a major concern. Several efforts were made to tackle this issue as the aims of poverty reduction and development cannot be achieved without giving attention to women's empowerment. Over the past decades, microfinance institutions (MFIs) have appeared as crucial tools not only to address the issue of poverty but also particularly to empower women. Resultantly, a huge number of studies focus on the relationships between MFI and women empowerment. However, in the context of rural areas of Pakistan, the research is limited. Therefore, the objective of this study is to investigate the role of MFI in women's empowerment in Pakistan so that the research will facilitate MFIs and policymakers in strengthening the link between MFIs and women entrepreneurship. We have used a qualitative methodology, using primary data collected through in-depth interviews and a focus group discussion with six female borrowers of Rural Community Development Programs (RCDP). The empirical results provide valuable insights into the efforts made by RCDP to empower women and combat poverty by encouraging women's entrepreneurship. Hence, this paper not only examines empowerment, which women are attaining from microfinance but also assists MFIs to know about their significance in developing the economy. The paper is significant for MFI practitioners to develop policies for boosting women's entrepreneurship and to help their existing women clients with efficient training and supervision.

Emmanuel John Kaka (2022) stated that women serve as a channel through which microfinance is provided in Nigeria. This is as a result of the disadvantaged position they found themselves, because they are culturally less

recognized, don't have the right to make decisions and are economically vulnerable in society. Nonetheless, some studies in Nigeria and the world at large have shown that the status of women has improved greatly with the coming of microfinance. The aim of this study is to assess the impact of microfinance on woman's empowerment in Nigeria. The data used in this study was collected qualitatively using personal and in-depth interviews. A total of 10 samples of respondents were chosen purposively. The study discovered that microfinance has positively affected group solidarity and continuity in microfinance, decision making, business income as well as increased assets possession, children education, and expenditure of the women.

Neelam Kaushal et al. (2021) stated that microfinance is a powerful emerging instrument for the empowerment of women is, particularly for rural women. It provides small loans to poor people so that they can start their small business startup. The goal of the prompt research is to notice substantial contributors, existing refinements, fields and advocates for additional directions in the study area of Microfinance Institutions (MFI) and Women Empowerment. The bibliometrics, and network analysis (NA) has been performed on 395 documents recovered from the Scopus database to evaluate the research occurrences that have engaged a place on this subject. The study will serve as a fundamental foundation for understanding the concept of MFI and Women Empowerment, its recent footprints, and the direction wherein the research is progressing after observing the various viewpoints of the study such as initial data structures, bibliometric analysis, and network analysis. Unlike previous studies, this one used a combination of bibliometrics and network analysis to understand the intellectual structure (IS) and provide an all-encompassing outline of the research field.

4. CONCLUSION

Microfinance is the engine that propels women's empowerment, as we can see. Empowerment in the fields of politics, economics, psychology, and society is made possible by these components. These characteristics of empowerment are influenced by numerous factors. Microfinance programs also aid with "control and access to capital." Also, it helps women get jobs that they can really do something with. When women gain confidence and independence, it propels the empowerment agenda forward. Participation in groups, discussions, economic endeavors, and decision-making at various levels is the root cause of women's engagement in public life. When people use microfinance services, they get "knowledge and awareness." A woman's self-esteem, competence, and potential can all benefit from this. Among microfinance's political impacts, "freedom and mobility for women" stood out. It has opened doors for women to share their thoughts in the house, in communities, and in society at large. Even though getting a loan gets you started on the path to empowerment, it won't necessarily make you more empowered. The change, however, is subtle and doesn't become obvious until women have been SHG members for a while. As a result, microfinance is gaining traction as an important strategy for achieving gender equality and empowering women. Women are empowered and given more options when they have access to microfinance services such as training, savings accounts, and loans. Empowerment is followed by social wealth in the form of norms, trust, and networks. The interplay between success (happiness), agency (the ability to make decisions, negotiate, lie, and manipulate), and resources (the possession and use of material and social capital) leads to this. Consequently, this encourages spending at home and business while reducing vulnerability.

The literature suggests a connection between microfinance and women's empowerment, although the results have been inconsistent and disappointing. Microfinance interventions do not always produce the desired benefits due to inherent unpredictability in the development process. Promoting and integrating women in organizing about social, political, and economic issues could improve the minimal indicators of women's empowerment. An increase in the visibility of women's empowerment efforts may result from this. A strategy to improve women's circumstances is proposed in this paper based on the review. The programs run by MFIs are more likely to be believed in if there is a change in the prevailing institutional frameworks that support women's empowerment. Empowering women and encouraging stronger gender roles should be the strategy's purpose in order to eliminate poverty.

CONFLICT OF INTERESTS

None.

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