

Chapter 15

**Microfinance, Micro–  
Entrepreneurial Activities  
Through Self–Help Groups,  
and Socio–Economic  
Empowerment of Women:  
A Study of Burdwan District  
of West Bengal, India**

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**ABSTRACT**

*The chapter attempts to analyze the impact of microfinance and micro-entrepreneurial activities of women through self-help groups (SHGs) on their socio-economic empowerment. Empirically applauded Logit model has been employed for analyzing the socio-economic impacts using primary data collected from a primary survey conducted in selected rural blocks of Burdwan district of West Bengal, India. Participation of women in the household decision-making process and income and employment generation activities are found to be significant factors in this regard. Finally, the study suggests that training of SHGs to non-members, increase in loan amount from banks, and effective utilization of that loan promote women's empowerment as well as employment.*

DOI: 10.4018/978-1-5225-7510-8.ch015

## INTRODUCTION

Human capital is correlated with the productivity of a society and leverages that human capital, we can move towards sustainability. Human capital is not alone men but women too. For sustainable development women empowerment is also utmost essential for promoting gender equality. Women empowerment is still challenging as modern society suffered from violence against women such as trafficking and majority of poor women continue to be a part of informal labour. According to International Labour Organisation, the status of women is follows. They account for the 60 percent of the workforce and produce half of the world's food supply but comprise only about 30 per cent of the official labour force, receive the benefit of only 10 per cent of the world's economy and own only 1% of the world's real estate. There is little access to their productive resources and negligible controls on family income.

Till three decades before, in Indian communities, the moneylenders provide credit at the high rate of interest and the poverty trap exists. Microfinance is the prime tool for poverty alleviation. National Bank for Agriculture and Rural Development (NABARD) coordinates the microfinance between self-help groups (SHGs) and the financial institutions such as banks, Regional Rural Banks (RRBs). SHGs in India are dominated by women. SHGs help women both economically and socially. NABARD was established in the recommendation of the Sivaraman Committee (Act of Parliament, 1981) to implement the National Bank for Agriculture and Rural Development Act 1981. According to World Bank handbook, microfinance defined as "Microfinance has evolved as an economic development approach intended to benefit low-income women and men. The term refers to the provision of financial services to low-income clients, including the self-employed".

This report puts forward the state of SHGs in the villages of Burdwan district of West Bengal, India and the effect of these SHGs on economic condition. Empowerment is a process by which the people have the right and freedom to take the decision and make choices. With respect to women, empowerment involves empowerment involves building an equitable power relation between both sexes. The power relation has to be evolved from family, community, area, state level and particularly at the psychological level so that they can assert their ability and decision making power within the society dominated by patriarchal thoughts and gender biased roles. According to Guidelines of women's empowerment by United Nations' population information network is as follows. Women empowerment has five components, women's sense of self-worth, their right to have and to determine choices, their right to have access to opportunities and resources, their right to have the power to control their own lives, both within and outside the home, and their ability to influence the direction of social change to create a more just social and economic order, nationally and internationally.

Thus empowerment is not just financially help to improve their economic situation but also changing the present social structure which undermines women and their work in a way that they get status and respect in this world equal to their male counterparts. Women can be rightly said to have been empowered when all discriminations against women end. The status of women differs from country to country and region to region; sometimes depending even on religion, caste, and creed. But the overall scenario remains the same. The "Guidelines on Women's Empowerment" given by the United Nations Population Information Network describes the situation of women to a great extent.

The popularity of women differs from nations to nations, region to region, casts, and creed. But the scenario is almost symmetrical. The practices of threats to women by physically, psychologically, socially and economically exist in almost every nation, region and religion. By nature, women are soft and they are mentally being prepared from childhood. They bear more responsibility for households and work

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