

Chapter 10

The Role of Microfinance in Promoting Women's Empowerment: A Socioeconomic Approach


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ABSTRACT

Women's economic empowerment is a technique meant to give them more authority over decisions, increase their income, and own assets. Since empowering women is essential to achieving the goals of development and reducing poverty, numerous attempts have been made to address this issue. Microfinance institutions (MFIs) have emerged as key tools over the past few decades to not only address poverty, but also to empower women in particular. It is believed that by employing microfinance, which has been shown to be one of the most effective approaches, women may gain some kind of personal empowerment. The primary objective of this research is to analyse how microfinance affects women's economic empowerment. Microfinance significantly boosts women's independent revenues, their levels of asset ownership, and their savings, which all contribute to their economic empowerment. The research also demonstrated that microfinance helps promote the growth of women's entrepreneurship and accessibility to business opportunities.

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INTRODUCTION

Giving women control over their own lives, resources, and matters that have an impact on them is referred to as women empowerment. It essentially means conferring upon them the ability to self-decide. The process of empowerment is multidimensional, and it enables women to realize their full destiny and capabilities 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 (Sinha et al., 2023). It makes women independent in decision making, identification, and utilization of resources. Empowering women gives them the power to take control of their lives and make decisions about their possessions. Empowerment of women include women's awareness of their rights, self-confidence, ability to regulate their life both indoors and beyond the house, and capacity to affect social change. The purpose includes fostering women's confidence in themselves, their freedom, and their right to influence societal change for themselves and others (Adam et al., 2022). Women empowerment is not a walk in the park. It demands concerted efforts because of ingrained societal constraints that sometimes, unfortunately, seek to keep women down below a certain level. Achieving this goal requires a multi-faceted approach, including education, healthcare, and economic enablement. That is where microfinance comes in - providing women with access to financial services like loans, savings, and insurance, even if they are excluded from traditional banking systems (Dhaoui, 2015). However, slowly but surely, things concerning women's microfinance-led developmental interventions are changing. The advent of microfinance as an economic strategy to lift underprivileged groups from poverty has been found to be quite helpful in advancing the long march towards women empowerment (Aruna & Jyothirmayi, 2011; Dhaoui, 2015; Rehman et al., 2014). By tackling poverty and supporting marginalized communities, microfinance has become a game-changer in the fight for women's empowerment and economic growth. The objective of this exploration aims to study the role of microfinance in promoting women's empowerment. In specific terms, the book chapter attempts to examine how microfinance has been used as a tool to enhance women's economic empowerment, decision-making power, overall well-being, considering operational challenges and societal constraints. Microfinance can be used as a tool to enhance women's economic empowerment, increase their agency and ultimately contribute to their general welfare and development. This is because microfinance creates employment opportunities for unemployed women thus increasing the level of their income and productive capacity (Alhassan et al., 2022).

LITERATURE REVIEW

Overview of Women Empowerment

The most vulnerable people in the world are women and children. However, if given more authority, women might become a formidable force. Women's empowerment was defined as improving their ability for decision-making at all levels. This includes giving them control over their lives, giving them an equitable chance to engage in society, and fostering their sense of value (Mohammed et al., 2022). Empowering women could be seen as a process. It takes time for the process develop. As such, it calls on women to advance and be given the same opportunities as males to engage in personal, social, and economic endeavours. Women must be included in all facets of society on an equal footing with men. Women would then have the freedom to make their own decisions and the authority to effect social

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