

AN EMPIRICAL STUDY ON THE IMPACT OF MICROFINANCE ON WOMEN EMPOWERMENT: EVIDENCE FROM WEST BENGAL

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ABSTRACT

Empowerment especially for women is a very important term of economy. It always helps to make a step forward. For that, Microfinance Institutions (MFIs) are designed to reach the poor, especially women who needs to be empowered by providing various assistance programmes. Now the question arises which factors are really helping and how they are helping to enhance the empowerment level of the borrowers. This paper is an attempt to comprehend the role of MFIs and its associated factors towards empowerment in Paschim Medinipur district of West Bengal. It deals with primary data of 220 borrowers collected through structured questionnaire and personal observation from the specified area. To serve the objective, a cross sectional research with a structural questionnaire was conducted. Applying ordered logistic regression it has been observed that MFIs do act as a supportive tool for psychological, economic and social empowerment of women borrowers of the selected district.

Keywords: Women Empowerment, Microfinance Institution.

JEL Code: I24, I25, I30, G21

Introduction:

Empowerment becomes a necessity and not merely a choice for growth and development. It can be comprehended through various dimensions. Out of them, well-being of female population is one sensitive area to consider. As gender equality is a must for that, empowerment for the backward part of society (women empowerment) came into picture. In order to have a better world, United Nations announced Millennium Development Goals with eight specific and precise goals. Among the MDGs (Millennium development Goals), 'gender equality and women empowerment' is considered as the third goal. So the relevance of the issue can be easily understood. According to Kabeer (2005), empowerment is the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them. Women empowerment is a multifaceted concept and an ongoing process, and defining it is itself a challenging task. Moreover,

women empowerment is not directly observable and therefore difficult to measure.

A wide range of initiatives have been taken for female equality. One of such initiatives is to introduce microfinance institutions for those who are financially excluded, economically backward and not empowered, especially women. Among the various objectives of Microfinance Institutions empowering women is one of the most vital one. Empowerment signifies increased participation in decision-making and it is this process through which people feel themselves to be capable of making decisions and the right to do so.

The term 'microfinance' refers to the provision of financial services to low-income clients, including the self-employed. The various services rendered by MFIs are microcredit, insurance, savings, pension etc. But among them, most common service of MFIs is the microcredit. The growth of MFIs evolves from 1991 in the light of financial sector reforms and global emphasis on commercialization. Md. Yunus got Nobel Prize for his revolutionary Grameen Bank model in 2006. The

interest in microfinance has burgeoned during the last two decades. Multilateral lending agencies, bilateral donor agencies, developing and developed country governments, Non-Banking Financial Corporation (NBFC) and Non-Government Organizations (NGOs) support the development of microfinance provisions to women (World Bank, 2006).

This paper attempts to highlight the various factors which helped to determine the empowerment level of female MFI borrowers. Women empowerment can be defined from various dimensions, but here we consider three dimensions to be precise-economic, social and psychological, taking references from the collected data with reference to Paschim Medinipur district of West Bengal. The scope of this paper is limited to the female borrowers who live in the district of Paschim Medinipur.

Literature Review:

Literatures on the role of MFIs in women empowerment are available covering both nationwide and region wise basis. However, a few studies have been rigorously examining the link between microfinance and women's empowerment. Among them, studies on the activities of MFIs and the determining factors towards empowering women in West Bengal especially in the backward districts like Paschim Medinipur is really limited.

The term 'empowerment' carries a lot of depth and dimension with it. Literatures show the term 'empowerment' in various ways such as the process of awareness, capacity building, greater participation, decision making power, control and to transformative action (Karl, 1995); used merely to communicate good intentions and to imply some unspecified recognition of the need for changes in the distribution of power (Rowlands, 1997); something which can be measured through agency approach (Kabeer, 1999; Nagaraja, 2013); a process by which those have been denied the ability to make strategic life choices acquire such ability including three dimensions: resources, agency and achievements which are inseparable in nature and considered as a tool of measuring empowerment (Kabeer, 1999). Nagaraja (2013) mainly focused on secondary data and empowerment was modified to include powers into four forms - power over, power to, power with and power within. There is a need to understand that the concepts of empowerment and autonomy are sufficiently different. But these two terms have various linkages and connections among them.

Now in order to assess empowerment, literatures should be reviewed considering related terms, data and concepts from time to time. As per Claros and Zahidi (2005), women empowerment from 58 countries has been measured with comparison to men on five parameters such as economic participation, economic opportunity, political empowerment, educational attainment and health and well-being. They analysed the secondary data

of World Economic Forum's executive opinion survey. Out of the survey they found that those countries that do not use the full potential of their societies, they are allocated their human resources and other competitive potential in wrong manner. Another common way to measure women empowerment is to assess through economic development. Duflo (2012) refers in his paper that there is a close association between economic development and women empowerment. When economic development happens, women can participate more in the decision making process and can take good care of their children well-being. Both elements reinforce each other though it is not evident that it can bring equality in terms of gender in the society.

In order to empower women, financial awareness and education is very crucial. According to Hung, et. al. (2012) it has been observed from the collected primary data from 12 countries that females are less financially literate than men. Lower level of financial literacy discourages women to actively participate in the economy. Now microfinance plays a role in the financial inclusion of the economy. A large number of populations who are financially excluded due to various reasons may be included in the organised money market through microfinance which enhances the greater possibility of female empowerment. Shankar (2013) addressed 103 MFI field officers to check whether MFIs can break the barriers of financial exclusion or not. Through the field survey she has observed that microfinance can break the barriers but in some limited areas only. Reasons may be inadequate operating system, lack of flexibility and profitability etc.

But on the other hand, there is a significant impact of Self Help Groups (SHGs) on empowerment (Swain, 2006; Rathirane and Semasinghe, 2015). According to Swain (2006), SHG influences household regarding management, decision making, participation, social and economic empowerment. In his paper, he tries to focus on the link between microfinance movements and third goal of MDG. It empirically validates this hypothesis by using quasi-experimental household sample data collected for five states in India for 2000 and 2003 consisting of 20 focus group interviews. Each focus group interview comprises of 15-20 SHGs further supported by 1000 household survey. Similarly, Rathirane and Semasinghe (2015) observed that empowerment of women through SHGs in Sri Lanka is substantial in skill development, courage, building confidence but there is no possibility in, sustainable rural development especially diminution of poverty, formation of employment and creation of assets in the rural areas. Further their study involves primary data of 100 rural women respondents to identify the factors influencing on women empowerment of rural area in Sri Lanka using direct personal interviews, judgment and convenience

random sampling. Using various tools like factor analysis, multiple regression analysis three factors namely decision making, freedom to mobility and family support are seem to be positively associated with empowerment.

Kandpal, et. al. (2013), used primary data from 487 women of rural North India (Uttarakhand) using snowball sampling to show participation in Mahila Samakhya increases ownership of NREGS cards as well as a woman's ability to go out without permission. Women participation rate in community development programme increases significantly by adding features like access to employment, adult education, mobility, political participation etc.

There are various literatures explaining the term empowerment from different dimensions. The microfinance sector in Andhra Pradesh has become the epicentre for several issues and forced government to formulate new policies with regard to regulatory issues (Lakshmi, et. al., 2013; Garikipati, 2008). Lakshmi, et. al. (2013) investigates the impact of MFIs in pre and post joining phase in terms of socio-economic empowerment using Probability Proportionate to Size (PPS) sampling to collect data from 750 respondents in ten selected mandals of Krishna district. It has been observed that location can make difference in the empowerment level especially in case of psychological and social empowerment. Whereas, Garikipati (2008) studied from two draught prone villages in Andhra Pradesh and found that women only act as a way of borrowing and use the money in the unproductive activities of the family specially to overcome the weather shock happened in the villages. The result indicates the need for more review on the policy making, stressing the importance of social security programme, conditional credit on transfer of asset etc.

Another study by Kabeer (2012) shows the potentiality of work outside the domestic area Here Kabeer talks about a research objective focusing on constraints and choices which is liable to determine gendered pattern with the chances to business and environment changes. There are three ways covering the the issues of the precise barriers and blockages to women's mobility or transition to higher value added enterprise.

Microfinance has an impact on empowering women (Swain, et al., 2014) especially in case of economic empowerment (Rashid, et al., 2015; Buvinic and Furst-Nichols, 2016). Swain, et al (2014) use household survey data from five states in India and found that in the southern states of India empowerment of women takes place through economic factors. We also find that for the states in the south, greater autonomy in decision-making leads to a decline in women empowerment. But Rashid, et al., (2015) considering primary data from ten MFIs and using multiple regression analysis, found that economic empowerment co-relates with Microfinance

Institutions services. But the respondents supported the fact that only participation in MFIs could not guarantee empowerment but due to incorporation of advisory services, respondents could manage to have better empowerment level. Buvinic and Furst-Nichols (2016) observe that same class of interventions has significantly different outcomes in terms of economic empowerment depending on the client. Similar kind of interventions (capital, skill training, job search assistance etc.) would have different impact on different age group. Moreover, social constraint is a vital issue to detect the empowerment level especially in case of adult female borrowers.

But there are criticisms about the role of microfinance in the empowerment process (Asim, 2009; Ashraf, et al. 2008). Asim (2009) finds that participation in microfinance activities may not always ensure empowerment but it may help in partial empowerment in the domains of household decisions like sale/purchasing of house, house repair etc. where they are the least empowered to begin with by conducting a survey on 275 households in the North-eastern regions of Lahore District and analysed by using probit regression model. But according to Ashraf, et al. (2008) there is also an argument over the role of microfinance in empowering women, rather empowerment can be better judged by the female decision making power towards saving product in the family. Here, using a randomized controlled trial, examine whether access to and marketing of an individually-held commitment savings product leads to an increase in female decision-making power within the household with a positive impacts, particularly for women who have below median decision-making power in the baseline.

The above literatures explain the term empowerment in various dimensions. First of all, empowerment can be defined as a process of awareness and capacity building (Karl, 1995), a way to distribution of power (Rowlands, 1997), a process to make strategic life choices (Kabeer, 1999). This empowerment can be measured by economic development (Duflo, 2012) along with political, educational and health well-being (Claros and Zahidi, 2005). For empowering women, one need to be financially aware and educated (Hung, et. al., 2012). MFIs play a vital role in financial inclusion. It can easily penetrate to those unreachable areas where traditional banks could not provide access. They can easily contribute to financial inclusion but reviewing of policy, operating model and philosophy is needed from time to time for better impact (Sankar, 2013). Empowerment can be observed through economic, psychological or community based but it varies with the location and the type of respondents who access it (Ashraf et al., 2008, Laksmi et al., 2013, Buvinic and Furst-Nichols, 2016). Whereas a lot of studies have been conducted around the world especially for Bangladesh and African countries (Rashid. et al, 2015),

but most studies are being done on Southern India (Garikipati, 2008, Kandpal et al., 2013, Swain et al., 2014, Laksmi, et al., 2013) whereas research articles are scarce in the specific study location. Moreover MFI participation may sometime leads to boost up some qualitative up gradation only like skill enhancement, confidence building rather that sustainable rural development and poverty eradication (Rathirane and Semasinghe, 2015) or may enhance a few household domain where females were least empowered (Asim, 2009). To build up empowerment, especially economic empowerment along with borrowing facilities advisory services also are needed (Rashid, et al, 2015).

But the scenario of eastern zone is still left to explore. Micro level studies like district or area basis would clearly help to draw the situation which may help to have a better picture for further effective functioning and policy making. As India lives in villages, studies covering backward and rural based areas are the need of the hour. So, this paper is an attempt to search the role of MFIs in one of the backward districts of West Bengal (Paschim Medinipur) along with their impact on empowerment level of the women respondents.

Objective of the Study:

The objectives of this paper are given below:

1. To study the role of MFIs in the economic empowerment of the female borrowers.
2. To investigate the influence of MFIs for female social empowerment.
3. To explore the impact of MFIs on women psychological empowerment.

Research Methodology:

With the above objectives in mind we have followed a systematic research methodology. Here, the study is divided into two parts - first discuss the design of primary survey and then specify the statistical tools and econometric model for data analysis in the light of the objectives of this paper.

Sampling Design:

The population for the sample comprised of all four subdivisions which are further subdivided into 29 blocks of Paschim Medinipur. Firstly, the entire district has been divided on the basis of subdivisions in which maximum numbers of borrowers are living. Now all the 4 subdivisions have been selected in order to make the sample more representative. The eventual sampling was selected on the basis of multistage random sampling. At this stage a total of 280 borrowers (70 respondents from each subdivision) have been considered initially. Among them finally 220 borrowers (on the basis of effective and bias free complete questionnaire) have been taken into consideration for further analysis. The primary data have been taken from the female borrowers living in

the Paschim Medinipur district, having BPL card, borrower (current or past, one time or repetitive) from any MFIs and residing in the above mentioned district to select as the sample member.

Description of Data:

In this study, the empowerment status of the poor female borrower and the role of various determining factors as determinant of empowerment are taken into consideration. The elements are: literacy level (Lit), occupation (Occ), age (Age), reason for borrowing (Borrow), benefit (Ben), poverty reduction (Pov), asset holding (Asst) of the respondents.

The literacy levels of the participants have been classified into four levels. Lit stands for literacy level ranging from illiterate (Lit1), primary (Lit2), secondary (Lit3) and higher secondary (Lit4). Occupation has been classified as six levels. The notation Occ stands for Occ1-salaried, Occ2-business, Occ3- agricultural labor, Occ4-housewife, Occ5- Daily labor and Occ 6-domestic help.

Age has three levels which are Age1-18- 25 years old, Age2- 25-40 years old and Age3-above 40 years. Reason for borrowing has two elements. The notation Borrow ranges from productive -1 and non-productive -0.

Here, the empowerment has been judged through three dimensions- economic, psychological and social. We consider if the sample is having economical, psychological, and social (either any one of this or every dimensions) of empowerment then we consider the sample as an empowered one.

The indicators for the three dimensions of empowerment are:

- Economic empowerment – Here the independent variables are own asset (ASST), controlling of resources (Control), self-employment (Self), enhancing savings (Savings), access to bank/ post office (Acc), reason for borrowing (Borrow), procedure to access banking /post office services (Pro), poverty reduction (Pov), buying certain assets like Two wheelers, Furniture, television (TV), Brick home, Sanitation, Gas etc. Moreover, financial contribution has been considered to be the dependent variable. In case of contribution three areas have been selected- education, health and family expenses. If the respondents contribute in all three areas it has been given weightage "2", for contribution of any two field "1" and for contributing in one area weightage of "0" have been awarded.
- Social empowerment- Here the independent variables are awareness about children's education (School), number of dropouts (Dropout), examinations of children's held every year (Exammo.), exercises voting power (Vote), political awareness (Pol), participating in social campaign (Social), awareness about the minimum age of marriage (Minage), awareness about the sources of loan (Sourceofloan) and the age when the respondent got married (Age)

member. For social empowerment, awareness about the social activities around has been considered as the dependent variable. It has two elements “1” for yes and “0” for no.

- Psychological empowerment- Here the independent variables are access to mobile (Mobile), free communication with others (Freecomm), able to express opinion freely outside (Express), able to take decisions on purchasing small items (Small items), able to visit financial institutions or offices alone (Alone visit), rely for health (Health), decider for family issues (Decider), decision making ability for outside the household (Dec), recommendation power (Recom), skill development (Skilldev), peaceful family life (Fam) etc. For psychological empowerment, participation in decision making has been considered as the dependent variable. Participation in decision making has four sub areas: children marriage, family savings, asset purchase and visit to the maternal house/relatives. If any respondents participate in all the four areas the weight age is being awarded as "3",for any three areas participation it would be "2", for any two areas it would be "1" and for any one area it would be "0".

Statistical and Econometric test used in the study:

The study is based on primary data that have been collected during January, 2014 to December, 2016. With a view to accomplish the pre-determined set of objectives of the study we have used several statistical techniques such as Descriptive Statistics, t test etc. using SPSS and Stata Software for analyzing the data. Finally, the study used econometric model like ordered logistic regression or ologit to identify the influencing factors of different empowerment dimensions of the respondents.

Analysis and Findings:

In this section, we present the empirical findings and discuss the issues of empowerment of the female borrower in Paschim Medinipur district. First, we have reported the demographic profile of the participants and examined its association with empowerment. Table-1 shows the literacy composition of the sample persons. Among 220 participants, it has been observed that 20 per cent are illiterate, 52 percent are primary level educated, 24 percent are secondary level educated and only 4 percent are having higher secondary level education. From the table, we can comment majority of the respondents are either having primary education or are illiterate. This finding proves that MFIs really cover the educationally poor people. It may be the fact that educated people do not ready to consider MFIs as credit supplier or for any other financial services. Other reason may be that the poorly educated or uneducated people are comfortable with the simple

procedure of MFIs lending, the educated respondents on the other hand may be having knowledge of other financial institutions like banks, post offices etc. and avail loan from those financial institutions in the time of their need. This status puts a thought on the reliability factor or the social status of MFIs in respondents mind.

Table 1: Literacy Levels of Sample Persons

(n=220)

Status	Respondents	
	Numbers	Percentage
Lit1	44	20
Lit2	114	52
Lit3	53	24
Lit4	9	4
Total	220	100

Source: As per the Data Collected by the Researchers'

Table-2 shows the occupational patters of the sample persons. Among 220 participants, it is observed that 11 per cent are salaried, 18 percent are in business, 18 percent are agricultural labor, 30 percent are housewives, 16 percent are non-agricultural labor and only 7 percent are working as domestic help. The majority of the borrowers are housewives.

Table 2: Occupation Patterns of the Respondents

(n=220)

Status	Respondents	
	Numbers	Percentage
Occ1	25	11
Occ2	40	18
Occ3	39	18
Occ4	66	30
Occ5	35	16
Occ6	15	7
Total	220	100

Source: Calculated by Researchers'

Table 3 refers the age distribution pattern of the respondents. In this survey 18 percent respondents belong to the age group of 18-25 years, 73 percent belongs to 26-40 years old and 9 percent belongs to above 40 years of age. The data shows that participants in middle age group have the maximum participation. The reason may be the middle generation having added responsibility to income and savings for family has more acceptability of bank/post office; they already access the organized money market and may be having better financial awareness.

Table 3: Age distribution Pattern of the Respondents

(n=220)

Status	Respondents
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	Number	Percentage
Age1	40	18
Age2	160	73
Age3	20	9
Total	220	100

Source: Calculated by Researchers'

Table 4 shows the reason for borrowing from microfinance institutions.75 percent respondents borrowed for productive purpose like business, education, asset building etc. 25 percent participants borrowed for non-productive purposes which covers marriage, family issues, social customs etc. The higher percentage of productive borrowing indicates the partial fulfilment of one the objectives of MFIS.

Table 4: Reason for Borrowing from MFIs
(n=220)

Status	Respondents	
	Number	Percentage
Borrow1	165	75
Borrow0	55	25
Total	220	100

Source: Calculated by Researchers'

Further the study used t test to measure whether MFIs borrowing can make a difference in the expenditure level or not in the pre and post loan phase.(See Table 5) From table 5 we can conclude that there is difference in the expenditure level in the pre and post loan phase of the respondents as the t value is statistically significant at 1% level. As Duflo (2012) stated the association between economic empowerment and empowerment here it indicates that MFIs play a role in the increase in expenditure level and better lifestyle of the respondents which may be due to increase in income level after MFIs participation. This situation indicates way to economic improvement of the respondents. (See Table 6)

To find out the determinants of economic empowerment, 14 explanatory variables have been taken in the ordered logistic regression model and result summarized in table 6. The results indicate that out of the total 14 variables 4 have significant influence on women economic empowerment. The significant explanatory variables are decision taking on controlling of resources, contribution to savings, reason for borrowing, purchasing certain economic assets (two wheeler) which are found to be significant at 1% level. (See Table 6.1)

Odds ratios from the ordered logit model can be interpreted as the factor by which a unit increase in an independent variable will increase the odds of being in a higher empowerment category, or simply more empowered. In table 6.1, using the empowerment scale, the odds that one unit increase in own asset holding will lead to 0.23 times greater of higher

empowerment level of the respondent. Further, the result of the model shows that a woman who is self-employed has a 0.79 times more probability towards economic empowerment. Also from table 6.1, the odds that one unit increase in the contribution to household savings will lead to 0.37 times of higher empowerment of the respondent. Similarly, one unit increase in contribute for purchasing assetlike two wheeler will lead to 0.26 times of higher empowerment level of the respondent given that all of the other variables in the model are held constant.

From the table, we can interpret that like the work of Shankar (2013), Swain (2006), Rashid, et al. (2015), Buvinic and Furst-Nichols (2016) borrowing from the MFIs help to modify lifestyle as well as contribute to the income generating activities among the respondents. But one situation is found to be very common during the survey that sometime family and social issues consider as priority, so after taking credit from MFIs they use it to non-productive activities which hamper the objective of MFIs borrowings. (See Table 7)

Further to find out the determinants of social empowerment, 9 explanatory variables have been taken in the ordered logistic regression model and result summarized in table 7. The result shows that out of the total 9 variables 5 have significant influence on women social empowerment. The significant explanatory variables are awareness about the educational issues of the children, casting vote, awareness about the name of the political leaders, awareness about the minimum age of marriage towards healthy family planning and participation in social campaign which are found to be significant at 1% level. (See Table 7.1)

From table 7.1, using the empowerment scale, the odds that one unit increase in the awareness level about her child school can contribute 0.64 times of more social empowerment. Further, the result depicts that a one unit increase in the level of exercising her voting power has a probability of 0.36 times increase in social empowerment level. Similarly, the empowerment level would be 0.37 times more if there is one unit increase in the awareness level of the respondents about the current political leaders. Also, one unit increase in the knowledge level about the minimum age of getting married, respondents would likely to have 0.61 times of more empowerment level given that all of the other variables in the model are held constant.

In case of social empowerment, MFIs borrowing helps the respondent to be more socially aware and take effective decisions for their family and for her also. Similarly, Lakshmi, et. al. (2013) studied changes on socio-economic empowerment in the pre and post loan phase. Also Swain, 2006, Kandpal et al (2013), Rathirane and Semasinghe (2015) observed on the impact of MFIs on socio mowement. The level of

social empowerment leads a way to awareness about available avenues to financial institutions, employment avenues, family planning along with a better healthy life. (See Table 8)

Finally, to explore the determinants of psychological empowerment, 11 explanatory variables have been selected in the ordered logistic regression model and result summarized in table 8. The results presented in table 8 indicate that among the total 11 explanatory variables 4 have significant influence on women psychological empowerment. The significant explanatory variables are free communication, purchasing small items, decision making for day-to-day activities and skill development which are found to be significant at 1% level. (See Table 8.1)

The Odds ratios presented in table 8.1 can be interpreted as the factor by which a unit increase in an independent variable will increase the odds of being in a higher empowerment category, or simply more empowered. Using the empowerment scale, the odds that a woman is more empowered are 0.98 times greater if there is one unit increase in the level of free communication with outsiders. Moreover, the result of the model shows that one unit increase in the decisions regarding purchasing small items is enhancing the empowerment level by 0.05 times. Likewise, the odds that one unit increase in the decision making ability regarding day to day activities the empowerment level would increase by 0.76 times more. Also, probability of more empowerment are 0.5 times more if there is one unit increase in the level of her skill for better decision making and increase confidence level given that all of the other variables in the model are held constant.

In case of psychological empowerment, MFIs borrowing helps the respondent to be more confident and also to develop her business or entrepreneurial skills. Likewise previous studies by Ashraf et al. (2008), the level of psychological empowerment leads to express her outside the home front, building possibilities for employability and also help to take better decisions in future.

Summary of the Study:

After the revolutionary "Grameen bank" model of Muhammad Yunus, microfinance institutions flourished and identified as one of the major ways towards empowerment. Even Government also launched various schemes and programmes to enhance the MFI sector. All these initiatives have a positive impression in the financial inclusion. But country's regional imbalance still exist, major coverage can be seen in the southern states of India. In the MFI map, West Bengal is in the moderate position, worst situation can be seen in the North-eastern states where MFI penetration is too low and financial exclusion is very high. This study is an initial attempt to understand the scenario in one of the district (Paschim

Medinipur) of West Bengal along with determining factors towards economic, social and psychological empowerment.

After analysing the selected 220 female borrowers, it has been seen that majority of the respondents possess minimum education level. Borrowing from microfinance institutions help women to be empowered basically in the household issues like controlling of resources. Also respondents are able to influence periodical savings. Majority of the respondents are housewives learn to contribute to savings for household. It also helps in build-up confidence and better communication skill which will lead to social mobility in future. MFI borrowings also help to create social and political awareness. These are indicated by participation in social campaigns and exercising voting power from time to time. This kind of participation enhances the decision making ability and skill building. From the study it can be referred that that the respondents are able to participate more in the decision making process in individual as well as in the household front. The participation proportion may be still very less, sometime limited to within the household but there is existence of awareness and capacity building among the respondents. This signifies the possibilities of more financial inclusion, female entrepreneurs and increased ratio of female earners, sustainable development as well as more coverage and penetration of MFIs in the selected area.

Conclusion:

Women empowerment is one of the powerful tools for the future of the nation. A society can only be developed if there are equal opportunities to flourish irrespective of gender. A qualitative feature like empowerment can be comprehended through the various outcomes associated with it. Sometime it may referred as the confidence level which she may reflect in her communication skill and free movement or sometime it can simply be understood from the decision making power of her both inside and outside of the household. Considering three dimensions of empowerment (economic, social and psychological) the status of the women can be comprehended here. In this research paper, a limited area along with limited sample size has been considered. Majority of the respondents are housewives having the basic education level with a positive approach towards self-dependency. Among the various parameters of empowerment a few ones consider influencing the empowerment status of the respondent. As we consider the impact of microfinance in women empowerment so along with the current survey one more survey on non-borrowers may give a better picture about the influence of MFIs.

The result of this study ensures that MFIs obviously help women to be more empowered but the area of empowerment is really very limited. Reason may be

lack of financial awareness, poor education level, dominance of money lenders and perceived risk towards MFIs etc.

Microfinance is an option to resolve the problem of poor people. Though the influences of MFIs on the well-being of the females are growing worldwide, but in this study the level of empowerment is not so satisfactory. Moreover a very few factors influence the empowerment level. A review on the operational policy and change in perception towards MFIs are very much needed. Also in certain areas like interest ceiling, subsidized lending programmes, political influence etc. should be taken care of for the development of MFIs. People are still with financial illiteracy and social participation in various activities is also very low. MFIs should formulate some provisions on creating awareness on effective and efficient use of credit. Though MFIs are working with the philosophy of rural penetration but the number of operating MFIs is still very less specially in the backward locations as compare to necessity, so a huge area cannot be included in the financial inclusion coverage. The active MFIs need to be more aggressive and more focused in creating awareness and more effective communications is a must for a better impact in the empowerment status in near future. A number of studies can be done in future to understand the scenario of MFIs in a better way. Those studies can be covered a wide geographical space, comparative study on the level of empowerment in the rural and urban areas, sustainability of entrepreneurial firms due to micro credit etc.

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Table 5: Changes in the Expenditure Level in Pre and Post Loan Phase One-Sample Test

	T	Df	Sig.(2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
expenditure	18.830	219	.000	.61818	.5535	.6829

Source: Calculated by Researchers'

Table 6: Determinants of Economic Empowerment by MFIs

Contribution	Coef.	Std. Err.	z	P> z
Asst	.6072834	.4443286	1.37	0.172
Control	.727667	.3213362	2.26	0.024
Self	.5982741	.3145636	1.90	0.057
Savings	.8057823	.3017924	2.67	0.008
Acc	-.1595441	-.4183877	0.38	0.703
Borrow	.6788183	.3427277	1.98	0.048
Pro	.3034684	.2707221	1.12	0.262
Pov	-.8690517	-.4711506	1.84	0.065
Two Wheeler	1.201293	.4383791	2.74	0.006
Furniture	-.3436397	-.3809386	0.90	0.367
Tv	.7743584	.4239252	1.83	0.068
Brickhome	.5102245	.3151806	1.62	0.105
Sanitation	.4776164	.2827779	1.69	0.091
Gas	-.2958344	-.2791311	1.06	0.289

Source: Calculated by Researchers'

Table 6.1: Odds Ratio for the Determinants of Economic Empowerment by MFIs

Contribution	Odds Ratio	Std. Err.	z	P> z
Asst	.2359887	.1706955	2.00	0.046
Control	1.719222	.6504729	1.43	0.152
Self	2.798414	1.075437	2.68	0.007
Savings	.3684575	.1377003	2.67	0.008
Acc	1.192218	.5776601	0.36	0.717
Borrow	.4793867	.20125	1.75	0.080
Pro	1.58588	.5233882	1.40	0.162
Pov	.3679327	.2281638	1.61	0.107
Two Wheeler	.264519	.129393	2.72	0.007
Furniture	.4868367	.1986196	1.76	0.078
Tv	1.794137	.8729552	1.20	0.230
Brickhome	.6310098	.2421881	1.20	0.230
Sanitation	1.964066	.6852006	1.93	0.053
Gas	.7069906	.2367154	1.04	0.300

Source: Calculated by Researchers'

Table 7: Determinants of Social Empowerment by MFIs

Awareness	Coef.	Std. Err.	Z	P>z
School	1.534746	.9373979	1.64	0.021
Dropout	-.0624263	-.8702254	0.07	0.943
Exam.no.	1.126799	.8414801	1.34	0.181
Vote	.3095961	1.867318	0.17	0.003
Pol	1.085323	1.881052	0.58	0.0056
Social	2.242647	1.1881052	1.89	0.059
Minage	4.110171	.9423675	4.36	0.001
Sourceofloan	-.9766391	-1.382291	0.71	0.480
Age	-1.058449	-.7786855	1.36	0.174

Source: Calculated by Researchers'

Table 7.1: Odds Ratio for the Determinants of Social Empowerment by MFIs

Awareness	Odds Ratio	Std. Err.	Z	P> z
School	4.640145	4.349663	1.64	0.012
Dropout	.9394823	.8175614	0.07	0.943
Exam no	3.085763	2.596608	1.34	0.181
Vote	1.362875	2.544921	0.17	0.008
Cm	.3377925	.6354055	0.58	0.004
Social	.1061771	1.261889	1.89	0.059
Minage	.6095716	57.44405	4.36	0.001
Sourceofloan	2.655516	3.670698	0.71	0.480
Age	.3469936	.2701989	1.36	0.174

Source: Calculated by Researchers'

Table 8: Determinants of Psychological Empowerment by MFIs

Participation	Coef.	Std. Err.	Z	P>z
Mobile	.4872958	.2590671	1.88	0.060
Freecomm	.521539	.3226308	1.62	0.016
Express	-.4530828	-.3022028	1.50	0.134
Small items	.9441409	.2813329	3.36	0.001
Alone visit	.084218	.2881708	0.29	0.770
Health	.1317635	.2647577	0.50	0.619
Decider	.2204391	.2763677	0.80	0.425
Dec	.607490	.27079	2.24	0.025
Recom	-.0339288	-.3089704	0.11	0.913
Skilldev	.0415929	.3431272	0.12	0.043
Fam	-.2603454	-.2648788	0.98	0.326

Source: Calculated by Researchers'

Table 8.1: Odds Ratio for the Determinants of Psychological Empowerment by MFIs

Participation	Odds Ratio	Std. Err.	Z	P> z
Mobile	.3496832	.2763715	1.33	0.184
Freecomm	2.922911	2.950484	1.06	0.028
Express	.3627277	.4535586	0.81	0.417
Small items	.0524283	.0645997	2.39	0.017
Alone visit	.1455229	.1785412	1.57	0.116
Health	.6910431	.5976052	0.43	0.669
Decider	.2270816	.1799127	1.87	0.061
Dec	.7678276	.6322304	0.32	0.007
Recom	.5368332	.5007807	0.67	0.505
Skilldev	1.508811	1.481228	0.42	0.016
Fam	.1947575	.1641453	1.94	0.052

Source: Calculated by Researchers'
