



A Study on Effectiveness of Microfinance on Women Empowerment in Bastar district of Chhattisgarh

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ABSTRACT

The main purpose of this study is to measure the effectiveness of Microfinance on Women Empowerment in Bastar district of Chhattisgarh. This study aims to examine the impact of microfinance on women empowerment in the Bastar district of Chhattisgarh and to propose actionable recommendations for enhancing its effectiveness. Microfinance is recognized as a critical tool for socio-economic development, especially in empowering women through financial inclusion and capacity-building. The study utilized a structured questionnaire based on a five-point Likert scale to gather data from 150 female respondents using the snowball sampling method. Data analysis employed descriptive statistical tools such as mean and percentage to derive insights into women's perceptions of microfinance's role in their empowerment. The findings reveal that microfinance significantly impacts women's self-confidence and their participation in decisions regarding family planning and children's education, indicating a predominantly positive sentiment. However, limited influence was observed in decisions related to acquiring and selling immovable property, as well as children's marriage, reflecting dissatisfaction among certain respondent segments. The demographic analysis highlights a strong representation of women aged 31-50, emphasizing their active engagement in entrepreneurship and Self-Help Groups (SHGs).

KEYWORDS

Microfinance, Bastar, Women Empowerment, Microfinance Institutions (MFIs), Chhattisgarh.

INTRODUCTION

Microfinance has emerged as a major tool for socio-economic development in general, and for rural development and the underprivileged in particular. The

services of microfinance empower the relatively marginalized sections of society through small loans, savings, and insurance, and engage them in various income-generating activities linked to improvement in the quality of their lives. The significant beneficiaries include women, whose economic and social condition often acts as a deterrent to empowerment or participation in mainstream development processes. In the Indian context, microfinance has increasingly been scoped as a medium for addressing gender-related inequalities and thereafter achieving women's empowerment.

Bastar district in Chhattisgarh is known for its tribal population and attendant socio-economic problems, thus raising an appropriate case to examine how microfinance acts in influencing women's empowerment. This paper assesses the extent to which microfinance programs have empowered Bastar women in terms of economic independence, decision-making capability, social status, and improvement in their general well-being. Women in Bastar are enveloped by a number of difficulties: poverty, illiteracy, and cultural bondage hinder Government efforts at uplifting them and the mushrooming of SHGs. The research will try to find out if access to microfinance has resulted in real change within their economic and social lives. It also attempts to identify the shortcomings and hurdles along the path towards harnessing the potentials of microfinance to meet its objectives.

The experiences emanating from this present study are expected to help in developing insights into the transformative potential of microfinance in tribal and rural settings and hence help contribute to policy recommendations for effectiveness enhancement towards sustainable development and gender equity. The perceived perception of microfinance is a movement to provide micro credit to the marginalized section of society who do not have access to formal banking systems.

In fact, that is the need of the hour to incorporate the marginalized section of society into the main stream for the all-round or equitable development of society. The major delivery models of microfinance in India are the Self-Help Group (SHG) Bank Linkage Program and Microfinance Institutions (MFIs).

Women Empowerment

The UN Women Annual Report entitled "UN Women Highlights 2023–2024" shows updates of the work invested by the organization for the advancement of gender equality and women's empowerment around the world. This report describes the broad range of programs and projects that have been implemented during the past year and provides insights into the strategic priorities and financial allocation of UN Women.

Objectives of the Study

- To study the impact of microfinance on women empowerment in the Bastar district of Chhattisgarh.
- To provide suggestion and possible measures to improve the status of women empowerment through microfinance.

Review of Literature

A study conducted in the Bastar district of Chhattisgarh revealed that tribal women play a significant role in their communities but face challenges like low wages, poor health, and lack of education. These are significant barriers to socio-economic empowerment. Microfinance initiatives could address these issues by providing necessary financial and educational resources (Panigrahi, 2017). A comprehensive review found that microfinance programs in India positively influence women's empowerment by improving household decision-making, mobility, and economic security. However, challenges such as social norms and limited loan control reduce their effectiveness (Swain & Wallentin, 2009).

Studies in other Indian regions, such as Andhra Pradesh and Bihar, demonstrate that participation in self-help groups (SHGs) funded through microfinance enhances income, savings, and family decision-making among women. These findings indicate that microfinance initiatives can empower women economically and socially, though their impact varies regionally (Malyadri & Gangadhar, 2015).

A study in Telangana highlighted how microfinance improved health and legal awareness among marginalized groups like Scheduled Castes and Scheduled Tribes, although its effect on political empowerment was limited. These findings are applicable to tribal regions like Bastar (Gangadhar et al., 2017).

A study in Matiari, Pakistan, emphasized that while microfinance significantly increases income and livelihood security, additional interventions like training programs are essential to ensure sustainable empowerment. Similar integrated approaches might be beneficial in Bastar (Bhutto et al., 2022).

This study investigates the impact of microfinance on women's empowerment in Andhra Pradesh, analyzing how services like credit, savings, and financial training improve socio-economic conditions. Key findings include enhanced decision-making power, financial independence, and entrepreneurial activity among women. The research highlights microfinance as a tool for promoting gender equality and sustainable development. While comprehensive, its geographic scope could be expanded. Overall, the paper offers valuable insights into microfinance's role in empowering rural Indian women (Gangadhar and Malyadri, 2015).

This research examines the socio-economic effects of microfinance in Andhra Pradesh, showcasing improvements in income generation, children's education, and women's community participation. It emphasizes the dual role of microfinance in fostering financial inclusion and empowerment. The study's findings highlight microfinance as an effective developmental tool, although a comparative analysis of models could enhance its scope. Despite this limitation, the research provides critical insights into how microfinance can address regional socio-economic disparities and empower beneficiaries (Vachya and Kamaiha, 2015)

Microfinance has proven to be a transformative tool for empowering women economically and socially. In tribal regions like Bastar, tailored approaches addressing specific barriers such as education and healthcare access, alongside financial interventions, could maximize its impact.

Research Methodology

A research design, which describes the study and leads to the way data is collected and analyzed. In this study, a structured questionnaire consisting of a five-point balanced Likert scale was used to attempt to assess perceptions of women beneficiaries regarding whether microfinance has had any impact on women's empowerment. Data for this study have been directly collected from 150 respondents of Bastar district of Chhattisgarh State with the help of a predefined questionnaire. Sample selection from the Bastar region is done following the snowball sampling method. The data thus collected were coded, tabulated, and then analyzed with the help of descriptive statistics in the form of mean and percentage analysis so as to have logical interpretations. Secondary data were collected from relevant literature, journals, online searches, etc., where necessary. The questionnaire method was preferred because it is flexible and efficient and also not very expensive. As it is time-consuming, therefore, the researcher decided to use only certain descriptive statistical tools, such as mean and percentage, for deriving findings and conclusion.

Data Analysis and Interpretation

Table No. 1: Demographic profile of respondent with mean scores

Age	No. of Respondents (Female)	Percentage
20-30	45	30
31-50	80	53.3
51 and above	25	16.7
Total	150	100

(Source: Primary Data)

The data highlights the age distribution and occupations of 150 female respondents engaged in small entrepreneurship and Self-Help Groups (SHGs). The majority, 53.3% (80 respondents), fall within the 31-50 age range, representing the most active and experienced participants balancing economic activities with household responsibilities. Younger women aged 20-30 make up 30% (45 respondents), indicating rising involvement of this age group in entrepreneurial and SHG initiatives. Meanwhile, women aged 51 and above account for 16.7% (25 respondents), demonstrating the inclusiveness of these programs, which support women at various stages of life.

Table No. 2: Microfinance has increased the women role in the decisions making

Score	Rating scale	No. of respondents	Percentage	Mean score
5	Strongly Agree	75	50	4.03 (> 4.0 =5)
4	Agree	40	26.7	
3	Neither Agree nor Disagree	5	3.3	
2	Disagree	18	12	
1	Strongly Disagree	12	8	
	Total	150	100	

(Source: Primary Data)

The table shows the women role in the decisions relating to family planning a total of 150 respondents and a mean score of 4.03, indicate a predominantly positive sentiment as the mean score exceeds 4.0, corresponding to “Strongly Agree.” A significant 75 respondents strongly agree, showcasing high satisfaction, while 40 agree, further reinforcing the favorable perception. Only 5 remain neutral, reflecting minimal indecision. On the other hand, 18 respondents disagree, and 12 strongly disagree, highlighting areas of concern.

Table No. 3: Microfinance has increased the role of women in the decisions relating to acquiring and sale of immovable property

Score	Rating scale	No. of respondents	Percentage	Mean score
5	Strongly Agree	22	14.7	2.69 (>2.6 =5)
4	Agree	24	16	
3	Neither Agree nor Disagree	14	9.3	
2	Disagree	60	40	
1	Strongly Disagree	30	20	
	Total	150	100	

(Source: Primary Data)

The table shows the role of women in the decisions relating to acquiring and sale of immovable property a total of 150 respondents and a mean score of 2.69, indicate a generally negative sentiment, as the score only slightly exceeds the threshold for “Strongly Agree.” A small proportion of respondents, 22, strongly agree, and 24 agree, reflecting limited positive alignment. Meanwhile, 14 respondents remain neutral, suggesting indecision. However, the majority of responses lean toward dissatisfaction, with 60 respondents disagreeing and 30 strongly disagreeing. This indicates significant dissatisfaction and highlights potential issues requiring attention.

Table No. 4: Microfinance has increased the role of women in the decisions relating to education of girl child in family

Score	Rating scale	No. of respondents	Percentage	Mean score
5	Strongly Agree	31	20.7	3.41 (>3.4 =5)
4	Agree	60	40.0	
3	Neither Agree nor Disagree	15	10.0	
2	Disagree	24	16.0	
1	Strongly Disagree	20	13.3	
	Total	150	100.00	

(Source: Primary Data)

The table shows the role of women in the decisions relating to education of girl child in family a total of 150 respondents and a mean score of 3.41, indicate a moderately positive sentiment, meeting the threshold for "Strongly Agree." A notable 31 respondents strongly agree, while 60 agree, demonstrating significant support. However, 15 respondents remain neutral, showing a degree of indecision. On the negative side, 24 respondents disagree, and 20 strongly disagree, pointing to areas of dissatisfaction that require attention.

Table No. 5: Microfinance has increased the role of women in the decisions relating to their Children's marriage

Score	Rating scale	No. of Respondents	Percentage	Mean Score
5	Strongly Agree	22	14.7	2.89 (>2.9 =5)
4	Agree	42	28.0	
3	Neither Agree nor Disagree	24	16.0	
2	Disagree	30	20.0	
1	Strongly Disagree	32	21.3	
	Total	150	100.00	

(Source: Primary Data)

The table shows the role of women in the decisions relating to their Children's marriage a total of 150 respondents and a mean score of 2.89, reflect a generally mixed sentiment, falling slightly short of the threshold for "Strongly Agree". Only 22 respondents strongly agree, and 42 agree, showing limited positive alignment. A notable 24 respondents remain neutral, indicating indecision or a lack of strong opinions. On the other hand, a significant proportion of respondents, 30, disagree, and 32 strongly disagree, highlighting prevalent dissatisfaction.

Table No. 6: Microfinance has increased self-confidence of women

Score	Rating scale	No. of Respondents	Percentage	Mean Score
5	Strongly Agree	41	27.3	3.52 (>3.4 =5)
4	Agree	59	39.3	
3	Neither Agree nor Disagree	04	2.7	
2	Disagree	30	20	
1	Strongly Disagree	16	10.7	
	Total	150	100	

(Source: Primary Data)

The table shows the self-confidence of women a total of 150 respondents and a mean score of 3.52, indicate a predominantly positive sentiment, exceeding the threshold for "Strongly Agree." A significant 41 respondents strongly agree, and 59 agree, reflecting strong support for the statement. Only 4 respondents remain neutral, indicating minimal indecision. However, 30 respondents disagree, and 16 strongly disagree, highlighting areas of concern that should not be overlooked. While the overall score suggests favorable feedback, the presence of respondents in the disagreement categories indicates some dissatisfaction. These results demonstrate a generally positive perception with opportunities to address the concerns of those who expressed negative views to achieve a more balanced sentiment.

CONCLUSIONS

Microfinance has the prospective of women's empowerment in its various policies. Although microfinance is not the only factor which is leading to women empowerment yet it is playing a vital role in the same. Microfinance has a positive impact on most of its women beneficiaries in terms of their empowerment. Empowerment is a compound process of positive change that is felt by all individuals somewhat differently. It can be concluded that the role of microfinance in empowering women and its influence on various aspects of their lives. The demographic profile highlights a significant involvement of women aged 31-50, who represent the majority of respondents actively participating in small entrepreneurship and Self-Help Groups (SHGs). Younger women are also increasingly engaging, while older women reflect inclusiveness in these initiatives.

Microfinance's impact on family planning decisions shows a highly positive sentiment, with a majority strongly agreeing on its benefits. However, decisions regarding acquiring and selling immovable property reveal dissatisfaction, indicating a need for targeted interventions to address barriers faced by women in these areas. Regarding the education of girl children, the findings reflect moderately positive outcomes, with substantial support for the positive role of microfinance. Nevertheless, significant neutral and negative responses underscore areas for improvement. Similarly, women's roles in decisions about children's marriages indicate mixed feedback, with prevalent dissatisfaction highlighting the necessity for better alignment with their expectations. Microfinance has significantly boosted women's self-confidence, with a majority expressing positive sentiments. Yet, some dissatisfaction persists, warranting attention. Overall, while microfinance positively impacts women's empowerment, addressing areas of dissatisfaction is crucial to achieving comprehensive socio-economic progress.

Suggestions

- Organize regular training programs to teach women about loans, savings, budgeting, and small business management.
- Provide easy and flexible loan schemes according to the needs of women in Bastar district.
- Help women sell their products through local fairs, markets, and online platforms.
- Strengthen Self-Help Groups by encouraging teamwork and support from NGOs and local community leaders.
- Regularly check the progress of microfinance programs and provide additional support such as childcare, health, and education services.

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