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Microfinance support and challenges faced by women agri product manufacturers in Purba Bardhaman district of West Bengal

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Abstract

The present study examined the role of microfinance support and the challenges faced by women agri-product manufacturers in Purba Bardhaman district of West Bengal. The study was conducted with the objective of analysing the extent of microfinance assistance, utilisation pattern, adequacy of financial support, and constraints experienced by women engaged in agribusiness activities. Purba Bardhaman district and Khandaghosh block were purposively selected due to the active participation of women in agri-product manufacturing and the strong presence of Self-Help Groups (SHGs) and microfinance institutions. A total of 150 respondents comprising 75 beneficiaries and 75 non-beneficiaries were selected through random sampling techniques from six villages. Primary data were collected through personal interviews using a structured schedule, while secondary information was obtained from official records, journals, books, and reports. The collected data were analysed using statistical tools such as arithmetic mean, Likert scale, and Garrett ranking technique. The findings revealed that SHGs were the major source of microfinance support among women entrepreneurs. Most respondents availed loans ranging from ₹15,001–25,000 and primarily utilised the financial assistance for purchasing raw materials and business-related activities. The majority of respondents perceived the received financial support as adequate for their enterprises. However, irregular income and repayment difficulty, high interest rates, lack of awareness regarding schemes, and complicated loan procedures were identified as major constraints in accessing microfinance. The study concluded that microfinance significantly contributed towards enhancing women's participation in agri-product manufacturing and improving their economic stability, although further institutional support, awareness programmes, and simplified financial procedures were required for sustainable entrepreneurial development among rural women.

Keywords: Microfinance, women entrepreneurs, Self-Help Groups, agri-product manufacturing, Purba Bardhaman

Introduction

Microfinance had emerged as an important instrument for promoting rural development, poverty alleviation, and women's economic empowerment in India, particularly among women engaged in small-scale agribusiness and value-added agricultural activities. In West Bengal, women increasingly participated in the manufacturing and marketing of agri-products such as pickles, papad, bakery products, dairy items, jute products, and processed food materials as a means of supplementing household income and improving livelihood security. However, inadequate access to institutional credit, limited financial resources, lack of technical knowledge, poor market linkages, and insufficient infrastructural facilities had constrained the growth and sustainability of these enterprises. In this context, microfinance institutions, Self-Help Groups (SHGs), and non-governmental organisations had played a significant role in providing financial assistance, savings facilities, training opportunities, and entrepreneurial support to rural women. Purba Bardhaman district of West Bengal had witnessed considerable participation of women in agri-product manufacturing activities due to its favourable agro-

economic conditions and active microfinance network. Despite the expansion of microfinance services, women agri-product manufacturers continued to face several operational, financial, marketing, and social challenges that affected their productivity and income generation capacity. Therefore, the present study was undertaken to examine the extent of microfinance support available to women agri-product manufacturers and to analyse the major constraints faced by them in Purba Bardhaman district of West Bengal. The study also attempted to assess the role of microfinance in enhancing women's participation and economic stability in rural agribusiness activities.

Research Methodology

The selection of the district, block, villages, and respondents had been undertaken through a combination of purposive and random sampling techniques. Purba Bardhaman district of West Bengal had been purposively selected for the present investigation because a large number of women in the district were actively engaged in various agribusiness activities such as paddy and vegetable production, agarbatti making, kirana and bakery shops, papad and pickle making,

fisheries, handicrafts, jute bag making, and dairy enterprises. The district also had a strong presence of microfinance institutions and Self-Help Groups (SHGs), which made it suitable for studying the impact of microfinance on women's participation in agribusiness activities. Furthermore, the favourable socio-economic and agro-climatic conditions of the district had supported its selection for the study. Among the 23 community development blocks of the district, Khandagosh block had been selected purposively because it exhibited relatively high microfinance penetration along with certain areas having moderate to low access, thereby enabling a comparative assessment of the impact of microfinance on women's participation in agri-product related activities. A complete list of villages under the selected block had been obtained from the Block Development Office (BDO), and the villages had been arranged in ascending order according to the extent of women's engagement in agribusiness activities and SHG/microfinance operations. Out of the total 111 villages, five per cent, comprising six villages, had been selected randomly for the study. From each of the selected villages, updated lists of women engaged in agribusiness activities had been collected from the Block Development Office, SHG records, and Panchayat databases, clearly distinguishing SHG beneficiaries and non-beneficiaries. From the total eligible respondents, ten per cent had been selected randomly, of which five per cent consisted of SHG beneficiaries (75 respondents) and five per cent consisted of non-beneficiaries (75 respondents). Thus, a total of 150 respondents had been selected and categorised into two groups, namely beneficiary and non-beneficiary, for analytical purposes. Primary data had been collected through personal interviews with the help of a well-structured schedule from both beneficiary and non-beneficiary respondents associated with microfinance institutions, whereas secondary data had been obtained from magazines, published papers, books, journals, government records, the Block Development Office, and Krishi Vigyan Kendra (KVK). The collected data had been analysed using appropriate statistical tools, and the findings pertained to the agricultural year 2025–2026.

Analytical Tools

- **Likert Scale:** A Likert scale is a rating scale used to assess opinions, attitudes, or behaviors. To collect data, you present participants with Likert-type questions or statements and a continuum of possible responses, usually with 5 or 7 items. Each item is given a numerical score so that the data can be analysed quantitatively.
- **Arithmetic Mean** = $\sum Xi/N$

Garrett Ranking: Per cent position = $100 (R_{ij} - 0.5) / N_j$

Results and Discussion

Table 1: Source of Microfinance for Business Activities.

Sr. No.	Source of Credit	Frequency
1.	SHG	60
2.	Rotating Saving and Credit Institution	9
3.	Cooperative Society	4
4.	MSME	2
	Total	75

Table 1: The table presents the distribution of respondents according to the sources of microfinance used for business activities among women in Purba Bardhaman district. The data indicates that the majority of respondents (60 out of 75) obtained credit through Self-Help Groups (SHGs), demonstrating that SHGs were the most widely used and accessible source of microfinance for women entrepreneurs. A smaller number of respondents (9) received financial support from Rotating Saving and Credit Institutions, which also served as an alternative source of credit for business purposes. Only a few respondents accessed credit from Cooperative Societies (4) and MSME schemes (2), indicating comparatively limited utilization of these formal financial institutions. The findings suggest that SHG-based microfinance played a significant role in providing financial assistance and promoting women's participation in income-generating activities.

Table 2: Loan Amount Availed.

Sr. No.	Loan Amount (₹)	Frequency
1.	Less than 15,000	12
2.	15,001–25,000	52
3.	25,001–50,000	5
4.	>50,000	4
	Total	75

Table 2: The table presents the distribution of respondents according to the amount of loan availed for business activities among women in Purba Bardhaman district. The data reveals that the majority of respondents (52 out of 75) obtained loans in the range of ₹15,001–25,000, indicating that this was the most common loan amount accessed by women for initiating or expanding their agri-product related enterprises. A smaller number of respondents (12) availed loans of less than ₹15,000, suggesting that some women started their activities with relatively small financial support. Only a few respondents obtained higher loan amounts, including ₹25,001–50,000 (5 respondents) and more than ₹50,000 (4 respondents). This distribution indicates that most women preferred moderate loan amounts that were manageable and suitable for small-scale business operations.

Table 3: Purpose of Microfinance Utilisation.

Sr. No.	Purpose of Loan	Respondents
1.	Purchase of Raw Materials	43
2.	Expansion of Business	13
3.	Training	19
	Total	75

Table 3: The table presents the distribution of respondents based on the purpose of microfinance utilisation among women engaged in agri-product activities in Purba Bardhaman district. The data indicates that the majority of respondents (43 out of 75) utilised microfinance primarily for the purchase of raw materials, which was essential for carrying out production-related activities such as preparing agri-based products. This suggests that microfinance played a significant role in supporting the operational requirements of women-led enterprises. A smaller proportion of respondents (19) utilised the loan amount for training purposes, which helped them to improve their skills,

knowledge, and efficiency in business activities. Additionally, 13 respondents used microfinance for the expansion of their business, indicating that financial support also contributed to the growth and development of their enterprises

Table 4: Adequacy of Microfinance Received.

Sr. No.	Adequacy Level	Respondents
1.	Highly Adequate	4
2.	Adequate	48
3.	Moderately Adequate	22
4.	Inadequate	1
Total		75

Table 4: The table presents the distribution of respondents based on their perception of the adequacy of microfinance received for business activities in Purba Bardhaman district. The data indicates that the majority of respondents (48 out of 75) reported that the microfinance received was adequate for meeting their business requirements. A considerable number of respondents (22) perceived the financial assistance as moderately adequate, suggesting that although the loan amount supported their activities, it was not fully sufficient for expanding their enterprises. Only a small proportion of respondents (4) considered the microfinance to be highly adequate, indicating that very few beneficiaries received financial support that fully met their business needs. Meanwhile, only one respondent reported that the loan amount was inadequate, which reflects that most respondents were generally satisfied with the level of financial assistance received.

Table 6: Suggestions to Improve Availability of Microfinance to Women.

Sr. No.	Suggestions	Frequency (No.)	Percentage (%)
1.	Increase loan amount for women entrepreneurs	52	69.33
2.	Simplify loan procedures and documentation	48	64.00
3.	Conduct awareness and training programmes on microfinance schemes	44	58.67
4.	Reduce interest rates on microfinance loans	39	52.00
5.	Faster loan approval and disbursement	35	46.67
6.	Improve financial literacy among rural women	31	41.33
7.	Strengthen SHG-bank linkage programmes	27	36.00
8.	Provide market linkage and institutional support	23	30.67

Table 6: The table presents the suggestions provided by respondents to improve the availability and effectiveness of microfinance for women entrepreneurs in Purba Bardhaman district. The results indicate that the majority of respondents (69.33%) suggested increasing the loan amount for women entrepreneurs, as the existing loan size was considered insufficient for expanding business activities. A considerable proportion of respondents (64.00%) recommended simplifying loan procedures and documentation, which would make it easier for rural women to access financial services. Additionally, 58.67 percent of respondents emphasized the need for awareness and training programmes to enhance knowledge about microfinance schemes and financial management. More than half of the respondents (52.00%) suggested reducing interest rates on microfinance loans to make credit more affordable. Furthermore, respondents highlighted the need for faster

Table 5: Constraints Faced by Women in Accessing Microfinance.

Sr. No.	Constraints	Garrett Score	Rank
1.	Irregular income and repayment difficulty	72.45	I
2.	High interest rate	68.20	II
3.	Lack of awareness about schemes	63.50	III
4.	Complicated procedure	60.10	IV
5.	Delay in loan sanction	56.30	V
6.	Inadequate loan amount	50.70	VI
7.	Poor financial literacy	46.55	VII

Table 5: The table presents the major constraints faced by women in accessing microfinance, ranked using Garrett scores. The results show that irregular income and repayment difficulty was the most serious constraint with the highest Garrett score of 72.45 (Rank I), indicating that unstable earnings create challenges in timely loan repayment; this can be addressed by providing flexible repayment schedules and income diversification training. The second constraint was high interest rates (68.20, Rank II), suggesting the need for subsidized interest schemes and government-supported credit programs. Lack of awareness about schemes (63.50, Rank III) indicates the importance of financial awareness campaigns and training programmes. Complicated procedures (60.10, Rank IV) and delay in loan sanction (56.30, Rank V) highlight the need to simplify loan procedures and improve institutional efficiency. Additionally, inadequate loan amount (50.70) and poor financial literacy (46.55) suggest the need for higher loan limits and financial literacy programs to strengthen women's entrepreneurial capacity and improve access to microfinance services.

loan approval (46.67%), improvement in financial literacy (41.33%), and strengthening SHG-bank linkage programmes (36.00%). Some respondents (30.67%) also recommended providing better market linkage and institutional support to improve business sustainability.

Conclusion

The study concluded that microfinance had played a significant role in promoting women's participation in agri-product manufacturing activities in Purba Bardhaman district of West Bengal. The findings revealed that Self-Help Groups emerged as the most important and accessible source of credit for rural women entrepreneurs, thereby contributing substantially towards financial inclusion and livelihood enhancement. Most of the respondents had availed moderate loan amounts, which were mainly utilised for the purchase of raw materials, training, and expansion of

business activities. The study further indicated that the majority of women considered the microfinance support to be adequate for sustaining small-scale enterprises and improving household income. The availability of microfinance had encouraged women to participate actively in income-generating activities, thereby strengthening their economic independence and decision-making capacity. However, several constraints continued to hinder the effective utilisation of microfinance services. Irregular income and repayment difficulties, high interest rates, lack of awareness regarding schemes, complicated documentation procedures, delay in loan sanction, and poor financial literacy were identified as major problems faced by women entrepreneurs. These constraints affected the growth, profitability, and sustainability of agri-product manufacturing enterprises. The respondents suggested increasing loan amounts, simplifying loan procedures, conducting awareness and training programmes, reducing interest rates, strengthening SHG–bank linkage programmes, and improving market support systems for better entrepreneurial development. Overall, the study highlighted that although microfinance had positively influenced the socio-economic condition of women agri-product manufacturers, greater institutional support, policy intervention, financial literacy programmes, and efficient credit delivery mechanisms were essential for ensuring long-term sustainability, enterprise expansion, and rural women empowerment in the agribusiness sector.

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