

**STUDY ON WOMEN EMPOWERMENT THROUGH MICROFINANCE IN  
ALLAHABAD DISTRICT**

**THESIS**

**SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS  
FOR THE AWARD OF THE DEGREE**

**OF**

**DOCTOR OF PHILOSOPHY**

**IN BUSINESS STUDIES**

**SUBMITTED BY**

**MAHERUKH KHAN**



**2019**

**DEPARTMENT OF BUSINESS STUDIES**

**JOSEPH SCHOOL OF BUSINESS STUDIES AND COMMERCE**

**SAM HIGGINBOTTOM UNIVERSITY OF AGRICULTURE,  
TECHNOLOGY AND SCIENCES**

**ID NO- 12PHBM212**



**Sam Higginbottom University of Agriculture, Technology And Sciences**  
**सम हिगिन्बॉटम कृषि, प्रौद्योगिकी एवं विज्ञान विश्वविद्यालय**  
(U.P. State Act No. 35 of 2016, as passed by the Uttar Pradesh Legislature)  
Allahabad - 211 007, U.P., India

ISO 9001:2008 Certified

Office : 91-532-2684281, 2684781  
Fax : 91-532-2684394  
Website : www.shuats.edu.in  
E-mail : info@shuats.edu.in

**CERTIFICATE OF RECOMMENDATION BY STUDENT ADVISORY COMMITTEE**

The thesis entitled 'A Study on Women Empowerment through Microfinance in Allahabad District' has been prepared and submitted by **Ms. Maherukh Khan**, ID No. **12PHBM212** for the award of degree of DOCTOR OF PHILOSOPHY in **Business Management** of the Faculty of Management, Humanities and Social Sciences of Sam Higginbottom University of Agriculture, Technology & Sciences, Allahabad (U.P).

**Name**

**Evaluation**

**Signature**

**Dr. Shabana Mazhar**

*Advisor*

Associate Professor & Head,  
Department of Business Studies  
JSBS&C, SHUATS

Satisfactory/  
Not Satisfactory

*Amghar*  
04/04/19

**Dr. Archana Chandra**

*SAC – Member*

Associate Professor & Head,  
Department of Commerce  
JSBS&C, SHUATS

Satisfactory/  
Not Satisfactory

*A. Chandra*

**Dr. Richa Sinha**

*SAC – Member*

Assistant Professor  
Department of Business Studies  
JSBS&C, SHUATS

Satisfactory/  
Not Satisfactory

*R. Sinha*

This thesis is recommended by the Student Advisory Committee for partial fulfillment of award of Ph.D. degree.

*Ansari*  
4.4.2019  
**EXTERNAL EXAMINER**

**Prof. (Dr.) S. A. Ansari**

*Professor & Dean*

Deptt. of Commerce and Business Administration  
Faculty of Commerce, University of Allahabad  
Allahabad (Prayagraj)

**CHAIRMAN**

**Dr. Ashish Samarpit Noel**

Head, Department of Agricultural Economics  
Naini Agricultural Institute  
SHUATS, Allahabad (Prayagraj)



**Sam Higginbottom University of Agriculture, Technology And Sciences**  
**सैम हिगिगनबॉटम कृषि, प्रौद्योगिकी एवं विज्ञान विश्वविद्यालय**

(U.P. State Act No. 35 of 2016, as passed by the Uttar Pradesh Legislature)

Allahabad - 211 007, U.P., India

ISO 9001:2008 Certified

Office : 91-532-2684281, 2684781  
Fax : 91-532-2684394  
Website : www.shuats.edu.in  
E-mail : info@shuats.edu.in

**CERTIFICATE OF ORIGINAL WORK**

This is to certify that thesis entitled **"A Study on Women Empowerment through Microfinance in Allahabad District"** is a bonafide research carried out by **Ms. Maherukh Khan** ID No. **12PHBM212**, under my supervision and guidance.

The script of this thesis has been written by the candidate herself, and no part of this thesis has been submitted for any other degree or diploma in any other University.

Hence the thesis is being forwarded for the acceptance of the Degree of **Doctor of Philosophy in Business Management** from **Joseph School of Business Studies**, Sam Higginbottom University of Agriculture, Technology & Sciences, Allahabad, U.P., India.

*Shabana Mazhar*  
25/05/18

**ADVISOR**

**Dr. (Mrs.) Shabana Mazhar**  
Associate Professor & Head  
Department of Business Studies  
JSBS, SHUATS

Place: **ALLAHABAD**  
Date: **25-05-18**

## **ACKNOWLEDGEMENT**

First and foremost, praises and thanks to the God, the Almighty, for His showers of blessings throughout my research work to complete the research successfully.

I would like to pass my appreciation, gratitude and thanks to honorable Supervisor, Dr. Shabana Mazhar who guided me from proposal writing up to the preparation of this thesis. Her valuable suggestions, criticism, invaluable patience, intellectual guidance and innovative ideas in every step of the work helped me a lot to prepare this thesis.

I would also like to thank my SAC committee members, Dr. Archana Chandra and Dr. Richa Sinha and staff members at the Joseph School of Business Studies who helped me at various stages of my work.

I also thank the staff members and clients of Sonata Finance Pvt. Ltd., Allahabad district who participated in the study as respondents.

I am extremely grateful to my father Mr. Rais Khan for his affection, motivation, support and sacrifices for educating and preparing me for my future. He has been actively interested in my work and has always been available to advise me. I am very grateful for his patience, motivation, enthusiasm and immense knowledge to complete this research work.

Finally and most importantly, my thanks go to my family for supporting me morally and financially during the whole period of my research study. I sincerely appreciate their unending love, encouragement, inspiration, advice and support without which I would not have been able to conclude this study nicely.

## **DECLARATION**

It is hereby declared that the research work titled '**A Study on Women Empowerment through Microfinance in Allahabad District**' has been entirely conducted by me. The present work has not been submitted before for the award of any other degree.

Maherukh Khan

ID No. 12PHBM212

Research Scholar

## TABLE OF CONTENTS

ACKNOWLEDGEMENT	i
DECLARATION	ii
TABLE OF CONTENTS	iii
LIST OF TABLES	v
LIST OF FIGURES	ix
ABBREVIATIONS	xii
ABSTRACT	xiii
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Study.....	1
1.2 History of microfinance.....	10
1.3 Micro-finance delivery methodologies.....	16
1.4 Empowerment.....	22
1.5 Women Empowerment.....	23
CHAPTER TWO: REVIEW OF LITERATURE	34
2.1 Benefits of microfinance.....	36
2.2 Empowerment.....	39
2.3 Women Empowerment.....	40
2.4 Economic Empowerment of Women.....	42
2.5 Socio-Cultural Empowerment of Women.....	43
2.6 Political/Legal Empowerment of Women.....	44
2.7 Microfinance and Women Empowerment.....	45
2.8 Women Empowerment through Microfinance Services.....	45
2.9 Is Microfinance a ‘Magic Bullet’ for Women’s Empowerment?.....	50
CHAPTER THREE: RESEARCH METHODOLOGY	54
3.1 Objectives of the Study.....	54
3.2 Hypotheses.....	54
3.3 Justification.....	54
3.4 Scope of the Study.....	54
3.5 Statement of problem.....	55
3.6 Research Gap and Importance of the Study.....	55

3.7 Research Design.....	55
3.8 Sources of Data.....	56
3.9 Area of Study.....	56
3.10 Selection of the Study Area.....	56
3.11 Sampling Design.....	57
3.12 Data Collection.....	59
3.13 Survey Measures.....	60
3.14 Statistical Test Applied.....	60
3.15 Statistical Tools adopted.....	60
3.16 Questionnaire Design.....	60
3.17 Reliability of Questionnaire.....	61
3.18 Limitations of the Study.....	61
CHAPTER FOUR: RESULT AND DISCUSSION	62
4.1 Demographic Information of Respondents.....	62
4.2 Credit Management.....	70
4.3 Respondents Perception towards MFIs.....	79
4.4 Economic Domain.....	84
4.5 Social Domain at Household Level.....	96
4.6 Social Domain at Community Level.....	105
4.7 Correlation.....	111
4.8 Correlation Analysis (Pearson correlation coefficient).....	112
4.9 Multiple Regression Analysis.....	113
4.10 Cross tabulation.....	115
4.11 Findings.....	122
CHAPTER FIVE: RECOMMENDATIONS AND CONCLUSIONS	127
5.1 Recommendations.....	127
5.2 Conclusions.....	128
REFERENCES.....	130
APPENDIX	

## LIST OF TABLES

Table 1.1: Challenges faced by Women in Money Management.....	8
Table 1.2: Impact of Microfinance On Women.....	9
Table 3.1: Area of Study.....	56
Table 3.2: Reliability of Questionnaire.....	61
Table 4.1.1: Demographic information statistics.....	62
Table 4.1.2: Area of Respondents.....	63
Table 4.1.3: Age of Respondents.....	64
Table 4.1.4: Religion of Respondents.....	65
Table 4.1.5: Marital Status of Respondents.....	66
Table 4.1.6: Educational Qualification of Respondents.....	67
Table 4.1.7: Members in Family of Respondents.....	68
Table 4.1.8: Monthly Income of Respondents.....	69
Table 4.2.1: Credit Management Statistics.....	70
Table 4.2.2: Number of the MFIs.....	71
Table 4.2.3: Number of Time Credit Aailed.....	72
Table 4.2.4: Credit Taken Year.....	73
Table 4.2.5: Purpose of the Loan.....	74
Table 4.2.6: Amount of the Loan.....	75
Table 4.2.7: Installment Period to Repay Loan.....	76
Table 4.2.8: Monitoring of the Loan.....	77
Table 4.2.9: Management of the Loan Amount.....	78
Table 4.3.1: Respondents Perception towards MFIs Statistics.....	79
Table 4.3.2: The Rate of Interest of Microcredit is Reasonable.....	80
Table 4.3.3: The procedure of obtaining loan from MFIs is easier than Conventional banking.....	81
Table 4.3.4: Operational Assistance Received from MFIs was Helpful To Start / Run the Business.....	82
Table 4.3.5: The Effort of Micro Financing Activities in the Area Towards Empowerment of Women is Excellent.....	83
Table 4.4.1: Economic Domain Statistics.....	84



Table 4.4.2: It Has Increased the Income I Have.....	85
Table 4.4.3: It Has Increased My Ability to Manage Money Effectively.....	86
Table 4.4.4: It Has Increased My Employment Opportunities.....	87
Table 4.4.5: It Increases My Greater Say in Economic Decision.....	88
Table 4.4.6: I Am Able To Spend Money on Health Purposes For The Family.....	89
Table 4.4.7: It Has Increased My Control over Resources.....	90
Table 4.4.8: It Has Increased My Buying Capacity.....	91
Table 4.4.9: It Has Increased My Efficiency/Productivity.....	92
Table 4.4.10: I have experienced an improvement in my business after taking the loan from MFIs.....	93
Table 4.4.11: I have experienced diversification in my business after taking the loan from MFIs.....	94
Table 4.4.12: I have experienced increased entrepreneurial skills in my business.....	95
Table 4.5.1: Social Domain at Household Level Statistics.....	96
Table 4.5.2: It Has Changed the Way People Treat Me in My Family.....	97
Table 4.5.3: It Has Enhanced My Status in the Family.....	98
Table 4.5.4: I Have Assets in My Name.....	99
Table 4.5.5: It Has Increased My Ability to Negotiate Gender Barriers.....	100
Table 4.5.6: I Have Seen Improvement in My Family's Standard Of Living.....	101
Table 4.5.7: I See Myself as a Change Agent in My Family.....	102
Table 4.5.8: It Has Provide Me Better Access to Education.....	103
Table 4.5.9: I Have A Say in Decision Making Process in My Family.....	104
Table 4.6.1: Social Domain at Community Level Statistics.....	105
Table 4.6.2: It Has Increased My Status in the Society.....	106
Table 4.6.3: There Has Been a Change In The Attitude Of The Men I Interact With.....	107
Table 4.6.4: My Social Mobility Has Increased.....	108
Table 4.6.5: I Am Able To Express Myself in Public.....	109
Table 4.6.6: I Can Participate In Any Social Activities.....	110
Table 4.7.1: Correlation between Economic Empowerment And Social Empowerment at Household Level.....	111
Table 4.7.2: Correlation between Economic Empowerment And Social	

Empowerment at Community Level.....	111
Table 4.8.1: Correlations.....	112
Table 4.9.1: Multiple Regression Analysis.....	113
Table 4.9.2: ANOVA.....	113
Table 4.9.3: Coefficient.....	114
Table 4.10.1: Cross tabulation-Economic Empowerment * Monthly Income.....	115
Table 4.10.2: Social Empowerment at Household Level * Monthly Income.....	116
Table 4.10.3: Social Empowerment at Community Level * Monthly Income.....	117
Table 4.10.4: Economic Empowerment * Amount of the Loan.....	118
Table 4.10.5: Social Empowerment at Household Level * Amount of the Loan.....	119
Table 4.10.6: Social Empowerment at Community Level * Amount of the Loan.....	120
Table 4.10.7: Economic Empowerment * Perception.....	121

## LIST OF FIGURES

Figure 1: Elements of Microfinance.....	3
Figure 2: Area of Respondents.....	63
Figure 3: Age of Respondents.....	64
Figure 4: Religion of Respondents.....	65
Figure 5: Marital Status of Respondents.....	66
Figure 6: Educational Qualification of Respondents.....	67
Figure 7: Members in Family of Respondents.....	68
Figure 8: Monthly Income of Respondents.....	69
Figure 9: Number of the MFIs.....	71
Figure 10: Number of Time Credit Availed.....	72
Figure 11: Credit Taken Year.....	73
Figure 12: Purpose of the Loan.....	74
Figure 13: Amount of the Loan.....	75
Figure 14: Installment Period to Repay Loan.....	76
Figure 15: Monitoring of the Loan.....	77
Figure 16: Management of the Loan Amount.....	78
Figure 17: The Rate of Interest of Microcredit is Reasonable.....	80
Figure 18: The procedure of obtaining loan from MFIs is easier than Conventional banking.....	81
Figure 19: Operational Assistance Received from MFIs was Helpful To Start / Run the Business.....	82
Figure 20: The Effort of Micro Financing Activities in the Area Towards Empowerment of Women is Excellent.....	83
Figure 21: It Has Increased the Income I Have.....	85
Figure 22: It Has Increased My Ability to Manage Money Effectively.....	86
Figure 23: It Has Increased My Employment Opportunities.....	87
Figure 24: It Increases My Greater Say in Economic Decision.....	88
Figure 25: I Am Able To Spend Money on Health Purposes For The Family.....	89
Figure 26: It Has Increased My Control over Resources.....	90
Figure 27: It Has Increased My Buying Capacity.....	91
Figure 28: It Has Increased My Efficiency/Productivity.....	92
Figure 29: I have experienced an improvement in my business after taking the	93

loan from MFIs.....	
Figure 30: I have experienced diversification in my business after taking the loan from MFIs.....	94
Figure 31: I have experienced increased entrepreneurial skills in my business.....	95
Figure 32: It Has Changed the Way People Treat Me in My Family.....	97
Figure 33: It Has Enhanced My Status in the Family.....	98
Figure 34: I Have Assets in My Name.....	99
Figure 35: It Has Increased My Ability to Negotiate Gender Barriers.....	100
Figure 36: I Have Seen Improvement in My Family's Standard Of Living.....	101
Figure 37: I See Myself as a Change Agent in My Family.....	102
Figure 38: It Has Provide Me Better Access to Education.....	103
Figure 39: I Have A Say in Decision Making Process in My Family.....	104
Figure 40: It Has Increased My Status in the Society.....	106
Figure 41: There Has Been a Change In The Attitude Of The Men I Interact With.....	107
Figure 42: My Social Mobility Has Increased.....	108
Figure 43: I Am Able To Express Myself in Public.....	109
Figure 44: I Can Participate In Any Social Activities.....	110
Figure 45: Cross tabulation-Economic Empowerment * Monthly Income.....	115
Figure 46: Social Empowerment at Household Level * Monthly Income.....	116
Figure 47: Social Empowerment at Community Level * Monthly Income.....	117
Figure 48: Economic Empowerment * Amount of the Loan.....	118
Figure 49: Social Empowerment at Household Level * Amount of the Loan.....	119
Figure 50: Social Empowerment at Community Level * Amount of the Loan.....	120
Figure 51: Economic Empowerment * Perception.....	121

## **ABBREVIATIONS**

MFIs	Micro Finance Institutions
Social empowerment_HL	Social empowerment at household leve
Social empowerment_CL	Social empowerment at community level

## **ABSTRACT**

Microfinance is a widely accepted tool for poverty alleviation and socio-economic development of its beneficiaries and currently promoted as a key strategy for women empowerment. It is an effective mechanism for providing financial services to the “Unreached Poor”, and also in strengthening their collective self-help capacities leading to their empowerment. However, the empowerment of women through microfinance is a widely studied and debated issue. Apparently, this research was conducted to analyze the impact of microfinance services on the economic and social empowerment of women in Allahabad District. It hypothesized that Microfinance has direct relationship with the economic and social empowerment of women. The hypothesis was supported by a survey with the help of structured questionnaire. The research study was descriptive in nature and both primary and secondary data were used. Non-probability Convenience sampling technique was applied in a 600 sample-size selection of female microfinance beneficiaries from rural and urban area of Allahabad to cover the whole geographical region. For the purpose of the study, Descriptive statistics, Reliability Statistics, Correlation and Multiple Regression Analysis were used to analyze the data with the help of tables and charts in addition to some statistical tools like ANOVA and tests of significance. The result shows a statistically significant positive relationship between microfinance and women empowerment, for both economic and social at household as well as community level. The results findings proved that there is a positive impact of microfinance on most of the selected indicators for women's empowerment after utilization of loan. Through MFIs contribution to women's ability to earn an income, these programs have potential to initiate a series of economic empowerment and wider social empowerment. Recommendations have been given on how microfinance outreach programs could be enriched since enhanced microfinance accessibility could be a perfect tool to accelerate economic and social empowerment of women. Academics, Policymakers and international development communities will benefit from the findings of this study. Academics can focus their studies toward the several direction of future research recommended by this paper. Informed policymakers direct their policy interventions towards national and regional women empowerment. Reviewed lessons stemming from this study will shape the effort of development partners and civil societies towards cross-disciplinary approaches to women empowerment using microfinance.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 BACKGROUND OF THE STUDY**

Microfinance is a developing sector which has been instrumental in achievement of an U.N. Millennium Development Goals i.e. encouraging gender equivalence and women empowerment. Microfinance which is generally defined like small loan offer to low-income entrepreneurs in underdeveloped nations has gathered momentum in the later-half of 20th centenary. In year 2006, Dr. Mohammad Yunus, founder of neoteric microfinance was awarded the noble peace prize for his exertions to create socio-economic development, helped to shove the microfinance enterprise even faster towards the limelight. The microfinance concept is not fresh but it has prevailed from centuries in many forms, regions, communities and societies.

Micro lending often begin in hamlets, where friends and family members act as a money sharing group to gratify their requirements and used this small lending approach to fulfill their operating capital need. Microfinance savings clubs have executed for centuries presumably since the initiation of currency. The locally operated credit arrangements have endured from very beginning and remain to help borrowers even with the appearance of the 'Microfinance Movement'.

Across the world, millions of hardworking families are full of innovative ideas but they lack access to the resources that to achieve their dreams and turn it into reality. As an outcome they are frequently trapped in impoverishment cycle and are reliant on social program for support. Microfinance is double edge sword of poverty mitigation and economic up-gradation which is used to encounter poverty and shortage of opportunity. It is significant component of broader project and works as a new "Socio-Commercial" approach to benefiting the poor.

Microfinance consists of several financial services viz. credit insurance, loans, deposits and remittances granted to needy entrepreneurs. The most prominent form of micro-financing is microcredit, small loans provides to impoverished households who have been abnegated availableness to credit from conventional banks owing to incompetence to repay it.

Microfinance fills the capital financial gap which has been incapable to be filled by the rural co-operative and commercial banking organization and its play a substantial role in placing a

position amid the endemic bankers and formal banks. Microfinance is served to underemployed or low income people or group of persons who don't have any former way of obtaining financial services along with the target to enable micro enterprises to enhance their earnings and uplift their living status. The absolute term of microfinance depends on a viewpoint that if the credit is grant to the employed poor at sensible interest rates, they can generate money by establishing own ventures.

The **Microfinance Bill, 2007** defines, "Microfinance as the provision of thrift (savings), credit and other financial services and products of very small amounts to the poor for enabling them to raise their income levels and improve living standards."

Microfinance is purvey of financial avails to less earnings people or cooperative lending groups along with customers and self-employed people, who ordinarily lack access to banking services.

#### **The Eligible Amount For Coming Under The Definition Of Microfinance-**

On 7 April 2015 the Reserve Bank of India permitted microfinance institution and credited upto rupees 100000 to elevate indebtedness of borrower from the prior limit of rupees 50000.

RBI declared that for rural borrowers the yearly income limit to take loan from MFIs to Rs 100000 from Rs 60000 earlier. In concern of urban and semi urban household, the limit of annual earnings has been upraised to Rs 160000 from 120000 earlier. At the moment of first disbursement cycle of the loan, credited money should not beyond Rs 60000 against Rs 35000 earlier.

The individual borrowers can now take credit upto Rs 100000, just doubling from the prior limit of Rs 50000 and the rural household yearly earnings of Rs 100000 as contrast with the prior limit of Rs 60000. The MFIs will be capable to lend the individual with more debt now.

#### **Features of Microfinance-**

Microfinance enables the credit more accessible to poor due to its number of distinct features and characteristics.



- Microfinance as a loan basically caters to the underprivileged household or low earning people engaged under low wage bracket in the non-formal sector.
- Microfinance assists small businessperson and producers by providing an inducement to capture the self-employment opportunities.
- Microfinance lending process is prompt approval based which takes minimal time with less based formality and speedy disbursement of loans.
- Microfinance is seasonal/periodic and repetitive in nature and creates an alternative to non-formal credit market with high volatility.
- Loans are granted without security for income generating purpose with short duration period to the low earning group.
- It is more service oriented system relies upon the ideology of financial inclusion to impoverished people and maintain a tradeoff between socio-economic upliftment of rural sector.
- It follows informal and decentralized structure for quick delivery of loan with central reporting system for continuous monitoring.

#### Elements of Microfinance-

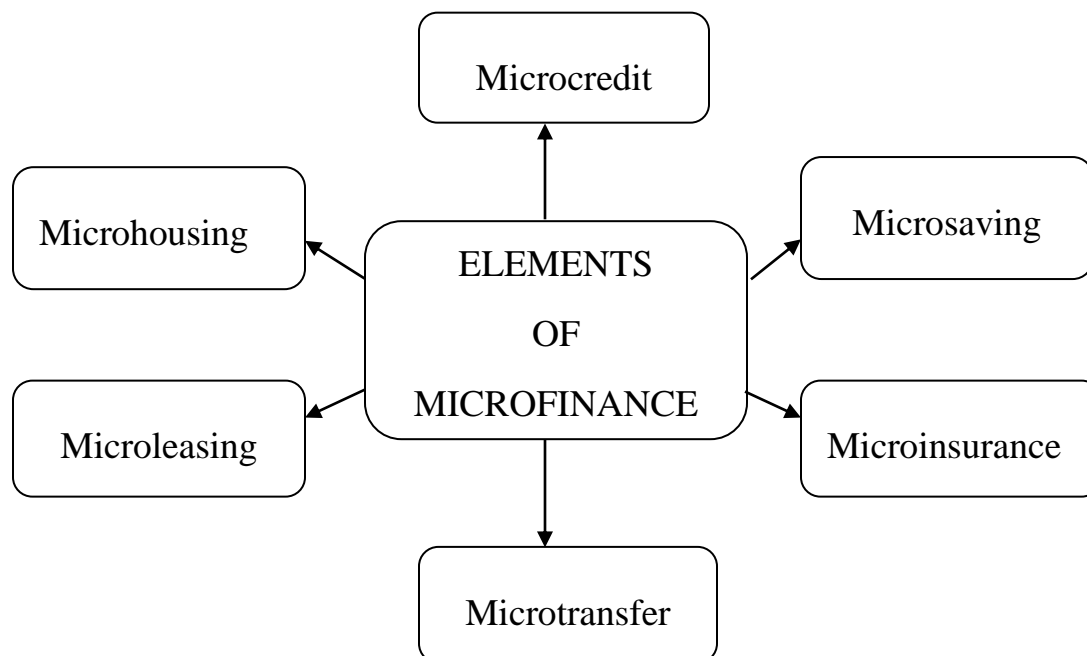


Figure 1

**Microcredit** - A small financial loan provided to impoverished people at low interest rate seeking to establish their own business. This pattern is of lending without collateral provided to nontraditional borrowers.

Microcredit programs serve small sized loans to poverty stricken people for employment generating activities that generate earnings, capacitate to take care of themselves and also their family associates.

–**Microcredit Summit, 1997**

The describing criteria of Microcredit include-

- 1) Size – size of loans are very small.
- 2) Target users-Micro entrepreneurs or low-income household.
- 3) Utilization-Loans utilized for income generating activities.
- 4) Terms & condition – Terms & conditions are flexible and suited to the local conditions of community.

Microcredit is an arrangement of small amounting credit to entrepreneurs that are not qualified for conventional banking loan. It offers many options and enablement has to be place together for alleviation of poverty. It acts as an “Inducer” in many developmental activities, as an entryway in community organizing program and as an element in larger training exercises.

**Microsaving** - Microsaving comprises account of small deposit with a minimal value as an inducement to those with low income for saving money for aim of future application. They are similarly as a general saving account but designed for lower amount of money. There are either lowest requirements or no minimal deposit and no cost is imposed for supplying this service. This allows the customers to save small deposits without any service charge.

Microsaving program is offered to poor people, who are experiencing an unsteady economic condition, to provide them a safe location for saving, where poor people open a depository account and keep money to handle any unexpectedly events and utilize their money for

forthcoming necessities and contingencies. It enables poor to preserve money for unexpected future happenings and borrow it for different purposes varying from business to household emergencies.

**Microinsurance-**Microinsurance is tailored specially to low income people. It provide protection to individual who have little saving against particular perils in return of consistent premium basis proportionally to the risk involvement in consonance with accepted rules of insurance policy refrained by the regular social insurance schemes.

Microinsurance presenting insurance scheme to support poor belongings to suffice their requirements at considerable smaller premium and low coverage limits. The risk covered under this, is managed on general rules of insurance and financed by premiums. Microinsurance is an instrument for economically weaker section of society to protect risk at lower premium cost according to better insurance principle.

**Microtransfer-**Microtransfer is a service for migrant transferring small money to workers by presenting them a chance to get their financial aim and social objectives. Greater numbers of non-urban people explore opportunities in some other places and migrate towards urban area. Microtransfer facilitates the need of remittance recipients by forming tie-ups with money exchanges and formal institutions. This service helps in job creation by gratifying the needs and enabling poor villagers to advance on the way to economic independence.

**Microleasing-** Microleasing is a facility for small businessman or entrepreneurs who are incapable to afford full cost purchasing of equipment.

Microleasing benefits its customer to lease productive equipment rather being straightly lent to them so that eliminate the cash arrangement problem to pay for unbudgeted expenses.

Microleasing typically relates to small assets transaction that is involved in general regular flow of business with no limitations of minimum cost. Microleasing targets the poor have no estate for

collateral and because of this it is impossible to access money from conventional banking system.

**Microhousing-** Microhousing lends some money to renovate and build houses to start ventures at home. In non-urban areas utmost productive ventures is set-up at home. Microhousing helps in creation of necessary infrastructure for a business undertaking by which small entrepreneurs are capable to access affordable houses for starting a new venture.

Microhousing provides small loan to low-income households for their housing needs- repairing, renovation or construction for business venture. Microhousing offers specialized financial housing products for housing construction or improvement purpose to reduce the infrastructure problem of economically backward rural people.

### **Benefits of Microfinance-**

The microfinance benefits the impoverished people by lending them credit to establish new productive enterprises that could help in generating income and enhanced their livelihood. This would help beneficiaries to decrease height of disparity and societal exclusion among various parts of people.

- Microfinance offers essential credit aids to the unprivileged people at the doorstep through an informal connection which is not done by formal institutions. The banks typically do not considered poverty stricken people as feasible client due to unavailability of financial security.
- Unprivileged people have worthwhile business scheme but because of funds unavailability they couldn't commenced the business .Microfinance enables the people to make and develop their plans and turn it into revenue.
- Microfinance has inherent capability that gives enough capital stability to poor through monetary security.

- Microfinance is more accessible to the impoverished people because it involved less paper work in comparison of formal bank with easy repayment options and less processing time as non-appearance of mediators in the transaction process.
- Microfinance provides cheaper loans than regional moneylenders, so that less affluent people secure a small employment credit to actually meet the requisites of new business.

### **Need For Microfinance-**

Globally, poor are not generally being a component of the precise employment sector. They may serve themselves in a distinct business or operate inadequate small businesses and due to non-availability of adequate jobs, need arises to open their own small ventures. Since these persons are not capable to access the credit from formal institution due to incapability of any employment evidence. They are also unable of providing any collateral society. Along with these unfavorable conditions, the innumerable formalities of traditional banking also push them to link with these institutions.

The countries where women lack accessibility to finance because of illiteracy, absence of documentation and deep rooted conventional attitudes that men control over family's income and expenditure. They experience legal prejudice to demand their rights, socio-cultural barriers to their progression.

The following matrix describes constraints which are faced by women in different areas. It analyzes the limits of the women's potential to take full benefits of microfinance. These restrictions inter react and stroke each other.

**Table 1.1: CHALLENGES FACED BY WOMEN IN MONEY MANAGEMENT**

	<b>PERSONAL</b>	<b>FAMILY</b>	<b>COMMUNITY</b>
Fiscal	On the behalf of own ability women don't get ground financial services.	The entire cash handling process is done by the men in their outlay form. They act as a major controller of money.	Gender disparities in availableness of financial resources including credit land and financial power sharing.
Economical	Women earn markedly below than men in almost all occupation. They are likely to stick in low paid jobs/glass ceiling.	Men had larger control on land, labor and inputs get paid more than for equal work and share more part of joint household production.	Inequalities in economic structure and policies and in approach to economic resources.
Societal/Ethnical	Education is not perceived as being important for women. Women's unequally obtain education and training.	Low involvement of women within family decision making process. Male supremacy in higher education.	Socio cultural obstacles, prejudices and impediments that restrict women's acquisition to education equal power sharing and decision making.
Official/judicial	Women remain to be inadequately represented in administration and legislative bodies,	Men own more than women and control more decisions about assets due to absence of joint wealth and property ownership.	Persistent unfairness against women at political position. Insufficient promotion and security of legal rights. Violation of the civil rights of women.

**Self-Compiled**

## Impact of Microfinance

Microfinance is served without collaterals to the low earning group which is utilized for variety of purposes. It's not only about offering loan to poor but acts like an economic evolution tool to enables poor to defeat poverty. Micro-entrepreneur using these loan amount to satisfy various endless requirement. In previous few decennary Microfinance helped out in mitigating poverty and serves a major contribution towards financial inclusion .Microfinance funds generally for the enterprising jobs to enables the people to amplify the earning and improving the living standard. Microfinance furnishes financial services just as savings, credit, insurance and non-financial services viz. individual training, counseling and expertise development program for development of impoverished persons.

**Table 1.2: IMPACT OF MICROFINANCE ON WOMEN**

<b>Individual Level</b>	<b>Household level</b>	<b>Enterprise level</b>
For women, management of money, <i>more control on resources</i> , and accessibility of knowledge encourage to better choices and voices in house and community issues.	Microcredit promotes to an enhancement in household <i>income</i> . The usage of loan and depositing services can outcome in a variegation of earning sources or enterprise growth.	<i>Enterprise revenues</i> boost up as a reflexion of microfinance services.
Microfinance recipients inclined to have larger <i>savings</i> than non-recipient, which is necessary for assets building.	Availability of financial services allows beneficiaries to build and change their mix of <i>assets</i> .	<i>Generating output</i> for the firms and elongation in scale of operations.
Microfinance leads to alter in personage <i>income level</i> , expenses payment pattern, living situation, literacy condition, approachability, equity and equality.	Access to microfinance capacitates them to <i>manage risk</i> in a better way and take vantage of favorable circumstances.	<i>Job creation</i> by establishing new ventures and improvements in the transactional relationships of the enterprise.

**Self-Compiled**

Microfinance is an intervention uniquely designed to serve benefits and gratify desideratum of women. Microfinance blessed with the potentiality to aid poor and reduces poverty. It eased the constitution of businesses and self-employment. Microfinance provides grant-like services to recipients who would otherwise go un-served. Microfinance aims to help women to attain greater level of assets formation and income certainty at family and social level.

Women targeted Microfinance program is a positive measure to bridge the gender gap among men and women. It helps women to deal household financial affairs more considerably, to enhance incomes and to improve livelihood. Numerous microfinance services uplifting the economic, social and financial condition of women.

## **1.2 HISTORY OF MICROFINANCE**

The microfinance concept is old. Indeed saving and credit union have been operated for centuries. It is operated in different name in different country as such In Ghana-“Susus” , India - “Chit fund” , Mexico- “Tendas”, Indonesia -“Arisan”, Sri Lanka -“Cheetu” , West Africa - “Tontines” and Bolivia- “Pasanaku” apart from that numerous saving associations and credit societies found worldwide.

It is well known that conventional Saving and Credit Institution for poor have been founded for decades and customers being neglected traditionally by commercial banks, these financial organizations provide them various services through Co-operatives, finance institutions. A micro credit institution commenced providing micro loans to countryside impoverished persons with no collateral security was the Iris loan fund system; it was started in early 1700s by the writer and patriot Jonathan Swift. This idea of Swift began gradually but by 1840s the institution had become widespread of around 300 funds in whole Ireland. Indeed the organization’s primary goal was providing micro loans to poor for short period including interest for upliftment of the business whatever so by this loan system it is notable that at the peak time, these institution were giving loan up to 20% Irish family annually.



In the 18<sup>th</sup> Century, numerous large and normal saving and credit institutions established in whole region in Europe for poor, generally known as People's bank, credit unions and saving and credit corporations.

The Credit Union concept was propounded by Friedrich Wilhelm Raiffeisen and associates. Their altruistic act was initiated by concerned persons to assist village population to break out the chain of moneylender's slavery and improve the financial condition. From 1870, credit unions speedily expanded in the wide areas of state and other places of the Germany. The Co-operative movement also expands to other North American and European countries and at least it was supported by Co-operation movement in developed and developing countries.

In Indonesia, a people's bank 'Perkreditan Rakyat (BPR)' instituted in 1895 and became the biggest Indonesia's microfinance institution along approximately 9000 units.

In early 19th century, the model being adopted by Rural Latin America to modernizing the agrarian sector having two specific objective: to developing the commercialization of village sector by mobilizing idle savings and enhancing investment by credit. These banks were opened for poor but owned by rich and with time these institution became inefficient due to non-handling them properly.

Between the 1950s-1970s, Government and loaner focused to provide agribusiness credit to needy farmers for raising their productivity and earnings. The involvement of Government in the system of selected credit by development financial organizations and farmers' cooperatives providing concessional loan at low interest rate to the customers but these supportive scheme were hardly successful.

**ACCION International.** Accion was instituted in 1961 by a student of Law, Joseph Blatchford who made effort to fight destitution in Latin America's cities. From starting to recruit volunteers and staff members to know the actual needs of community and fulfill it with a numerous small projects. In 1970s Accion's leaders begins microlending to the people with low living wage and the persons incapable to find work. During 1980s-1990s Accions expand its opportunities and building a favourable model to unprivileged people and with the march of time ACCION became world's leading microfinance organization amidst others.

**SEWA Bank.** In 1972 Self Employed Women's Association was registered in Gujarat as trade union along with the objective to strengthen its member bargaining capacity, to enhance earnings, employment and social standard. In 1973 SEWA opened its private bank through contributed money of 4000 women. Since then the bank use to provide banking service to unprivileged, illiterate self-employed women. Now this bank has about 30000 active clients today.

**Grameen Bank.** In Bangladesh, Prof. Mohammad Yunus tried to sort out the banking difficulties experienced by the impoverished individual through the program of action-research in 1976 at Chittagong University. He planned an experimental credit scheme to help them. By a specific relation with countryside banks this program spread speedily in hundreds of villages, he distributed and collected thousands of loans but the formal bankers neglected to accept this scheme at the ending of experimental phase, as they believe it was costly and risky despite of success. Ultimately in 1983, Grameen Bank was established by cooperation of donors. Now it deals with beyond four million borrowers because of Grameen Bank's success several immense microfinance institutions as ASA, BRAC were established.

In 1980s, the scheme of targeted and subsidized direct rural credit to poor disappointed owing to inadequate loan recovery, higher administrative cost and agricultural bank insolvency. A new thought called the 'financial system approach' which considered that credit as an unproductive input for agrarian development and just a financial service that would be priced freely to guarantee its continuous supply. Though microcredit program globally improved on the basic methodologies and defined conventional insight about financing the unprivileged people. They showed firstly that impoverished people specially women had excellent repayments rates among better programs, secondly poor were ready and capable in paying interest rates allowed microfinance institution(MFIs) to recover the cost.

In 1990s, these two characteristics i.e. high payback rate and cost retrieval interest rates allowed some MFIs to get long term abiding and reach to a good number of clients.

Another strong Microfinance concept is the 'village banking unit system' of the Bank Rakyat Indonesia (BRI), biggest MFI in the developing nations. The BRI is owned by state and serves beyond 22 million people with independently organized micro banks. It is notable that BRI's

micro banks are an outcome of a favorable change through state run agricultural banking organizations during the middle of 1980s.

In 1990s improving enthusiasm for uplifting microfinance was view as mechanism of poverty mitigation. Microfinance sector developed in several countries leading numerous financial services corporations fulfilling the need of micro businessperson and impecunious people.

In mid 1990s, the term ‘microcredit’ replaced by new term, this included credit, savings and additional financial services. Microfinance emerged as ‘choice concept’ to expand the length of financial benefited services to needy person contained not only the service of credit but savings and others services too as such money transferal and insurance. In 1992, Banco Sol the world’s first bank solely dedicated to microfinance.

During 17<sup>th</sup>-18<sup>th</sup> centuries, national thinker Jonathan swift advocated about the microloan, which successes in breaking the poverty cycle. He established the Irish loan funds that supported up to 20% Irish families every year. In 1948, in Germany mayor Friedrich Raiffeisen was endeavoring to avoid private lenders as he experienced that savings co- operatives were efficacious in comparison of charity .He made first credit federation and reached up to 2 million agriculturists. The idea was adopted by North America and Europe followed by Indonesia and Latin America.

### **In the beginning: Rotating Savings and Credit Association (ROSCA)**

In India microcredit commenced about 3000 years ago. Microcredit constitutes in mainly three forms-traditional private loaners, merchants’ bankers and ROSCA. ROSCA consists of people’s group making a credit and saving cycle. Members of Association meet regularly and every member contribute equally to a fund financing the revolving loan of which each member’s benefits during cycle and each one get loan. This kind of savings is still prevalent today.

### **In 19<sup>th</sup> Century: Microloan and Collective savings to face crises**

In Ireland, after the great famines of 17<sup>th</sup> and 18<sup>th</sup> centuries, it must be supervised and regulated so that microfinance remains a social tool for development of poor people.

## **In the 1970<sup>th</sup>: The Rebirth of Microfinance**

In Brazil and Bangladesh, experimental projects are launched where social microloans are offered to women's group who were establishing micro business.

Dr. Muhammad Yunus had taken a serious step in the matter of microcredit. He, after analyzing the inadequate and unproductive economic pattern of poor women, decided to setup a financial organization to support these poor women. He established Grameen Bank. Hence, the first modern microfinance bank came in existence. Professor Yunus adamant poor were very reliable to payback their loans.

## **March towards 21st Century**

In the 1990 ending, the microcredit successfully marched on the development path of microfinance, which includes numerous financial services intended for poor credit, saving, insurance, and support. The securitization of microfinance existed which improved overall microfinance efficacy. In spite of that, many challenges remained in non-urban and agriculture finance speedy.

The microfinance enterprise and development community believe that perpetual poverty reduction needed addressing the various dimensions of deprivation. As such for international community, we can reach especially to Millennium Development Goals when education, women's empowerment and health are available among others.

## **Microfinance: Half way amid humanitarian aid and banking**

Microfinance, a development instrument was developed in collaboration with humanitarian action and thoughts as complementary component.

In fact most MFIs were primarily developed NGOs that diversified their activities and decided to concentrate on microcredit activities gradually. In order that self-managed cooperatives or unions started to grant microcredit to moreover savings option was also offered to meet the necessities of their members. Microfinance sector develop gradually and are attracting the interest of banks which entered the sector by adopting their product on microfinance framework.

## **Growing Regulation of the Sector, Proof of Its Professionalization**

Numerous statutes have been emerged in microfinance industry which is implemented by government considering organizing microfinance programs in their public development policies and protective measures for their citizens. Apart from it, the interference of the union government in addition with concerned authorities is a must and advisable in microfinance. It is notable that political stability indispensable to the better advancement of area. This change is evidence of increasing interest in microfinance, encourages for success and devotes to its professionalization.

It will be better to let the private sectors which are well experienced and professionalism are well known, watch out the microfinance programs. The direct interference of state in the operational field is supposedly an unwise step and counterproductive. E.g., some government impose an interest amount limit it means, this often creates obstacle for Microfinance organizations which have to impose high interest to balance their accounts. Others government impose the similar regulations as the later created for commercial bank on all MFIs rising to collect savings. When the regulations are establish for micro financial industry is already well developed, the consequence of it to limit any abuses while encouraging the functions of regulated MFIs.

But imposition of strong regulation is in initial level of development at micro financial area within the country will effect in limiting innovation on preventing the sector to settle with most destitute populations.

## **General Public: A New Player in Microfinance**

In the sphere of microfinance there are several players like MFIs beneficiaries, government and administrative authorities but now a days, bankers have also came in this run. MFIs are an average finance 75% locally lend from credit unions or local banks and resting 25% from private investors or international bankers but for MFIs, these sources are costly. The common public has a role to act by granting social loan through interest platform as such baby loan or through community funds like baby fund .Indeed the common public allows microfinance institution to have approach towards financial resources which are more affordable than market price. Thus MFIs can increase support to beneficiaries and trim the interest rates.

### **1.3 MICRO-FINANCE DELIVERY METHODOLOGIES**

India has a glorious historical and geographical ground for numerous models of micro-finance that have been extensively popular. Indeed, India has a good ground to host the various microfinance model both in indigenous and in modern microfinance. Considering country's geographical size a vast collection of socio-cultural groups, the large array of economical classes and very active (NGO) non-government organization movement have performed a good role in contribution of the enlargement of diverse sphere of microfinance model. The model ranges like SHGs and the co-operatives to the adopted model like the grameen bank methodology and for profit corporate model.

In fact there is vividly no finest way to contribute facilities to the poor, multiple models are in existence and each has successes in his respective context. Apart from it, many alternative methodologies are possible which can successfully render microfinance services to unprivileged people. If the desire is to turn microfinance a develop industry, firstly commercialize micro lending and want to enable MFIs as to make profit-making organization then will not distract from major an intrinsic aspect of microfinance. As such social intermediation preparing the borrower to manage finance (both group and individuals) have the distinctive competence but of which Indian microfinance have achieved success. It is time consuming process so; the target oriented approach to microfinance may be unsuccessful to achieve this object.

The progression of models may have occasioned owing to any or combination of these reasons-

- Compatibility with the programs in which NGOs is already involved.
- The inclination of the promoter.
- Choosing between an approach which provides merely of micro financial aids or blend of financial and business development services.
- Legal and policy consideration.

There are five main models of microfinance-

1 – The Self Help group model.

2 – SHG federation.

3 – The grameen model.

4 – The co-operative model.

5 – The NBFC model.

### **The Self Help Group Model**

This model is like other models in microfinance; it has specifically evolved in NGO sector. The NGO's vision of development is large in comparison of provision of definite NGO sector. The SHG group model has grown under the common belief that impoverished people are capable of self-reliance and the NGO only need primarily function as enablers, educator's catalysis of reform. The change of model arises out of NGOs assistance so these SHGs have got immense popularity. The model made association of SHG, federation as was as community formed institutions have also been contrived.

SHGs are a small grouping of people consisting of 10 to 20 members therein which have socio-economically homogeneous membership of poor taken from same small village or neighboring hamlets. The structure of membership is largely male or exclusively female group. Though presently in India, 90% of SHG associates are female only. Members are self-nominated to form the group having the liberty to choose other potential members. This basic structure of SHG becomes strong which make it convenient for NGOs facilitators to build a strong socio-financial organization.

On composition of basic group, the NGOs coordinators frame process and system that built SHGs a feasible institution. The group meets at an appointed time and place, executes its monetary transactions of saving and credit. In this way the SHG mobilizes saving amidst the members and provide loan to a most needy associates of the groups out of its created fund. The rule and by laws are created by the group's members themselves. The NGO coordinators assist in formulating and installing system for the transaction and method of conducting meetings and solving conflicts and in networking. The tasks of SHGs are to serve the members with financial services. NGO renders their supporting services and training so that to move on towards progress sharply.

Firstly the transactions are strengthened and thereafter the groups are linked with bank for financial assistance then the NGO delivers the training for income generating activities. Thus the

NGO withdraws its assistance after finishing the required training and commence the assistance to other new groups.

The NGO promoted SHGs for the augmentation of unprivileged people socio-economically. Gradually the financial strength of SHG become stronger by the NGO's help and it enable to draw finance from mainstream institution which enhanced the SHG's status and get bigger loan from there.

Certain problem exist in SHG that require to be solved-

1. The group promotional process is long. Poor have to wait long to get loans.
2. The availableness of amounts in the starting is small, and all members cannot take loan at time.
3. The small group totally relies on association dynamics and NGOs don't have approach to help in their regard.
4. The trivial reason conflicts arises from which group breakdown, the difficulty is to re-build a group.
5. The interference of male members is exclusively women group resulting is group breakdown.
6. Some NGO have broad agenda in variety of program but lack of focus on microfinance weaken he group.

### **Federated Self Help Group Approach**

The federated SHGs make the uniquely especial features of SHG based microfinance to ameliorate the continuity of SHG. Federations enhance many economic opportunity presented by SHGs expand development through leadership building. Federation covers under the Society Registration Act. MYRADA and PRADAN are two big NGOs who promote the thought of SHGs at present and these are earliest agencies to publicize SHG federation.

Federations appoint paid staff members working for them, these staff members have to organize the federation's affairs aside from the NGOs support.



The immense goal of federation is to facilitates and insure the SHGs' endurance. The SHG model has been efficacious regarding overextend resource generation and funds utilization. Without the help of federation SHG is not sustainable. In unavailability of formation and maintenance cost, SHG responsibility goes on the shoulder of promoter organization. It is noticeable that SHG not only arrange to bear all maintenance charge but also bear part of promoting cost for new SHG. Besides this liability, Federation helps SHG's members to consider as a component of large organization and create sense of unity and teamwork amid members of other SHG in the area. During informal group meeting, experiences, information and exchanging resources is necessarily done by facilitating the practice of federating. The federation may be constituted anywhere from two to five years of SHGs formation. Based on experience of SHG and NGO, the Ngo federation reduces NGOs direct interaction with SHG's member working as an intermediary. When it happen the support and training is puts of the NGO are targeted primarily at leader of federation.

### **The Grameen Bank Model**

This Methodology, in fact, is an incident of exceptional success. The Grameen Bank opened out its methodology in Bangladesh but some organization in India like SHARE Microfinance, Activists for social alternatives (ASA) and CASHPOR financial and Technical services ltd. have followed this methodology with small changes. Some salient characteristics of grameen model are as follows-

1. Five members group are constituted at village level.
2. The field worker assists the procedure of group forming.
3. Group members take a seven days compulsory training of one-two hours each day.
4. Some groups face group identification test.
5. Once preliminary groups passed the GRT. Women become Grameen bank's member after paying one time membership fee.
6. Eight joined liability groups associated together to form a Centre.
7. The Centre weekly meets at a fixed date and time. The meeting is attended by bank assistant.

The Grameen Bank concept by Dr. Yunus of Bangladesh was appreciated and spread globally as its aim and objects was to succor poor and let out them from famine and get free the poor from exploitation of money lenders.

Major principles of Grameen Bank are as follows-

1. It is believed that destitution is a creation of wrong policies surrounding them. The poverty can be eliminated through effective changes in policies by replacing the new ones.
2. Charity cannot be a permanent medication to poverty .It acts indirectly as a drive of destitution and curtails the self-development of an individual. It enervates the moral of individual to devastate the wall of poverty. The solution of the poverty might be done by self-transformation.
3. The Grameen Bank structure is built on the thought of that no disparity is in the capability of poor person in comparison of other. Owing to unavailability of opportunity, the unprivileged being unable to exhibit their potentiality and abilities unused or underused. They could modify their lives certainly on giving opportunity to work.
4. Grameen Bank planned/Designed a credit delivery scheme based on procedure made by them. The policies of Conventional Bank are to ignore the economically weak people and prefer to lend on the ground of borrower's assets and provides credit easily to financially strong /well off persons. Comparably principles of Grameen Bank have been give priority to lend financially weaker section of people.
5. It is firm faith that poor usually pay back. On this belief of Grameen Bank huge risk are taken in granting credit of this nature for very first time. It is further belief that poor will return the loan even if takes longer period.
6. Money lending to women brings more advantageous to the family. If mother a borrower, the children become immediate beneficiaries. Women have generally better long term vision. They have always willingness to bring changes in life during course of life. In accordance with Grameen Bank priorities, more than 96% members are women. They devote time efficiently in the work and return the loan in shortly to the lender.

The Grameen Bank's experiment with its peer group micro-lending model was most successful. The success encouraged more countries for transplantation of the model. Not only this, it was replicated by many MFIs in 1990; micro-lending business start to progressively transform itself from a donator oriented model towards regulated financial organizations. This also promoted few banks to furnish microfinance services.

Owing to successful attempt to stimulate the benefits and potential of micro-finance industry United Nations asserted year of 2005 as Microcredit Year.

Microfinance derives locally and facilitates micro borrowers to upgrade position by their self-effort and not only external developmental strategies could bring micro loan a better economic prosperity besides community development. Grameen Bank's Micro Finance was copied by many NGOs worldwide.

### **Co-Operative Model**

The co-operative evolution in India has a very strong emergence. The co-operative bank categorized between the two, first the urban bank and second one is rural co-operative credit institutions. There are beyond 100000 Co-operative institutions in city and village area. It is notable that urban co-operative banks are primary credit associations which have banking as its primary business but other co-operative societies are not allowed as members. The institution provided capital and reserve of at least INR 100000. The rural Co-operative credit societies are divided into the organization which provides long and short term loans. The short term credits are provided to agriculturist and village artisans for crop cultivation by the institutions in such area are known primary agriculture societies at village level. While district central co-operative bank acts as the intermediate level, So far as long term loan is concerned state and primary co-operative agriculture and rural development banks provide long term loan. National Federation of State Co-operative bank is a significant facilitating institution among the co-operative sector. The organization functions as an alliance for its bank members.

Actually, the organization became most successful in utilizing co-operative form under rural microfinance in India. It has the Co-operative development forum (CDF) in Hyderabad. This forum relied on credit union model including a saving first policy. It has developed a networking chain of financial co-operative based upon women and men thrift group.

## **Non-Banking Finance Company (NBFC) Model**

NBFCs became as a substitute being a full-fledged bank for those who want to adopt the route of profit has to get registered themselves as private bank having followed the principle of recognition in which promoter has to put-up a startup amount of rupees 200 crores. The Local Area Bank (LAB) idea has not considered and the NBFC route for profit was chosen increasingly.

In this regard, the deep thinking is that impoverished people are bankable and money granting to them may be commercially viable, so it is inessential to rely upon low amounting fund to them. Since the required money are huge and roughly estimate is made in poor India is about 50000 crores a year to credit while existing mainstream sector meets only 20% of it. Indeed, the financial markets are the single way to mobilize resources. This means, it's a mobilizing debt at market cost of interest, so profit NBFC route at present is the perfect manner to operate in the securities market. Today, best example of NBFC is BASIX that has promoted good financial assistance to poverty stricken people.

## **1.4 EMPOWERMENT**

Empowerment being process allows individual to achieve power, control and authority over others institutions and society. Probably empowerment is entirety of the following-

- 1- To have self-decision making capacity.
- 2- To have accession of knowledge and resources for taking suitable decisions.
- 3- To have affirmative thinking on the potentiality to do a change.
- 4- To have potentiality to acquire skills for enhancing one's personal and group power. In short terms, empowerment is a process that enables an individual to acquire the knowledge, skills and aptitude needed to understand about changing world and the circumstances within which one lives.

Empowerment as a multifaceted social process helps in increasing psychological, constitutional, communal and financial strength of individual and societies. It enriches power in a person for own living and communities.

Empowerment connotes extension of people's estate and abilities to determine control and clasp accountable establishment that influence their lives. It can be considered by making a societal environment within which individual can take best decisions and make selection either personally or collectively for social transfiguration. It strengthens congenital capability by obtaining knowledge, skill and experience.

## **1.5 WOMEN EMPOWERMENT**

Empowerment, a process proposed to transform the attribute and response of the organized forces which disparage females and other underprivileged sections. Empowerment has turn significant as to enable one to bring out the disadvantaged groups on path of prosperity and also become a grassroots movement.

Empowerment regarding women's upliftment is a right means of challenging and overwhelming barriers and hindrance in a women's life by which she enables and enhances her capability to fabricate her life and surroundings. It is commonly limited in women to realize their full personality and potentiality in all sphere of life.

Women Empowerment means to let women partake completely in economic activity across all sphere to construct vigorous economies and let them live a life with dignity, mortality, esteem, self- sustenance and self- reliance.

### **THREE TYPES OF EMPOWERMENT**

- Economic Empowerment
- Increased well-being
- Social and political empowerment

**Economic empowerment-** It is capacitance women to take part and contribute in growth processes of life. It enlarged women's accessibility of economic resources and opportunities for their economical upliftment.

The financial feasibility and financial advancement emphasize women self-employment activities. During poverty the main attention is on income up-gradation at the family level to leave better lives.

**Increase well-being-** when women get approach to credit and saving facilities and a better possibility to make decision on economic matters, it strengthen the women economic decision inside the family too. The women can increase expenses on own welfare and their children; the main concern of this on the poverty elevation paradigm.

**Social and political empowerment** – The combination of women's excessively done economic exercise and control on income get the beneficial result comes when improved women's skill, mobility and good knowledge are utilized giving support in accession of microfinance. Now for further development and changes a women's group of such caliber and skill are informed to lead to wider movements for the socio-political change.

Microfinance creates a clean pathway to the poverty stricken people and a powerful mechanism to aid the stumbling economics to recover strengthen in order that millions of unprivileged people lives may be made more dignified and respected. Indeed, Microfinance has enabled women more effective and productive by offering favorable circumstances to be self-dependent in financial matter. By helping them in earning, making them independent in this way, they are made empowered socially, politically and financially.

Now women are included in socio-economic activities of country. They are in a condition to contribute to household earnings and they are now an active partner in the family's decision making process.

### **Why target women?**

History is apparent that gender discrimination was an essential part of customary patriarchal culture. It wasn't only prevalent in Indian societies but also the world was affected from time immemorial. Atrocities and discrimination are two major problems; Indian women particularly

face within society at presently. As per Indian traditional mindset the females are only for the household deeds like kitchen chores and children's upbringing. Even after seventy years of India's freedom women remain powerless and neglected part of society .The 2011 census reveals the lowest gender ratio of India, 914 in the world. The literacy rate of female is 65.46 % against literacy of male i.e. 82.14% in India.

Women's appearance in parliament and state assemblies was not ever above 8 to 20% respectively. Mostly working women stay aside from organized sector merely 2.3% women hold administrative and directorial position, 20.5% professional and the technical position and earn 25% of shared income.

It is said that out of total world's poor, 70% are women .But traditionally women are underprivileged in taking credit and concerning financial services.

Commercial banks give advantages mostly to men in comparison of women while microfinance target women in few case exclusively. 85% poorest microfinance beneficiaries are women. Thus the business with female is substantial because women clients give higher repayments rate. Not only this, they contribute their bigger share of revenue to household consumption than their counterpart. Microfinance borrower's children also take the benefits due to abundant livelihood of whole time school involvement. It is notice that new income produced from microenterprises is mostly invested firstly in children education specifically benefiting girls' students. The microfinance recipients have access greater nourishment and health benefits in comparison of other household's, micro financial programs may encourage environmental and sustainable energy system. Therefore microfinance makes a leading contribution in the Millennium Development Goals.

Microfinance provides numerous financial aids to the people who are impoverished and to be neglected by regular banks. Generally banks are for moneyed people not for poor without money. Microfinance serves opportunities to unprivileged people having capability, ability and potentiality to associates with financial services. It is vivid that objective of microfinance is to entrust low earner a facility to enhance self-sufficiency in borrowing money, saving and insurance.

Microfinance aim to capacitate women as women may be large microfinance beneficiaries. It is perceive that traditionally women belong to under develop countries haven't been readily involve in economic functions but microfinance provides such women with economic backing for establishment of business and actively partake in economic program, It enhances courage, confidence and improves their standard in the society. Because of sound financial position of females, oppression against women lowered.

The maximum microfinance institutions target on women upliftment. The cause is that females have low credit risk; they timely repay the loans and also tend to give many benefits to their family.

Some conflicting views are in respect of providing the women more status in socio economic way and changing the current conservative relationship between gender and class by microfinance.

Recently World Bank report affirms that communities who discriminate on the ground of gender must face greater poverty, low economic growth, weak governance, and low living standard for the people. World's 70% of poor are women, the reason is that females more unemployed than male in almost each country and they mostly engaged in informal sector. MFIs comprise bulk of strategies to those who want micro-financial services and increasing women accession of microfinance loans-

- **Strategies for advancing gender equality through microfinance**

The strategies are to assist women through microfinance policies in consideration of practice and produce better products to balance the gender for the women empowerment.

- **Internal MFIs gender mainstreaming**

Proactive women's developmental strategy involves MFIs employees coaching on gender analysis, the utilization of women loan officials and allocation of equivalent employment and administration opportunities for women.



- **Adjusting financial services to better address women needs**

Micro financial products produce different results for both genders. MFIs should make product specifications. Such as amounts of loan and paying back schedules to meet out clients' needs, individual credit products especially designed for females are relevant for enabling firm growth.

- **Non-financial services**

Non-financial services with conditions to credit accession, carefully designed for adult education and employment training program may uplift the women for superior jobs and sources of good income opportunities.

- **External marketing for community awareness**

Marketing campaigns by women can affirmatively influence both male and female owing to excellent attitude of women within marketing campaign. Male society members may upgrade the women status by supporting them to obtain economic opportunities to rise up women's self-confidence through sanction of women's project.

- **Groups to strengthen women's network**

MFIs women's groups should be used to develop and strengthen network of women ,women's groups are utmost useful for delivery of non-financial service in the matter of knowledge and nutritional program groups are important as it encourages to connection amid females and other operative community association with better civil society network fully.

### **Microfinance Instrument for Women Empowerment**

Microfinance is in fact a powerful mechanism for poverty mitigation in recent economy particularly in India microfinance sector is governed by self-help groups(SHG's) bank linkage program made to furnish an economical tool for giving financial services to unbankables relied

on the conception of poor compels and associates savings as assurance substitute. In this way SHG plan has been advantageous in meeting out the necessities of poor beside also in strengthens collective self-help potentialities of poor at local level.

Microfinance for poor has got capacious recognition as a plan of action for poverty elimination and for economic progression. The aim and object is that poor may mobilize and utilize their own fund, strengthen their competencies and enables them to obtain external credit.

It is noteworthy that before 1990s credit scheme for countryside women were mostly negligible. The thought of women credit came in existence on the persistence by women orientated studies, and was lighted this partiality and unfairness towards women for the accession of credit. The knowledge of SHGs discloses that rural poor are efficient organizer of financial affairs so credit is most necessary for them.

### **World Bank Empowerment Framework**

The empowerment framework that the World Bank developed (Alsop, Bertelsen & Holland, 2005) consists of two main components; agency and opportunity structure. Agency is the ability of an individual to make premeditated choices for one, whereas opportunity system determines the degree to which participants can transfigure their agency into action. Under this framework, economic, societal, political and psychological resources are indicators of agency. The institutional strategies that govern which choices are available to certain people along with how one's make choices are called opportunity structures. Opportunity structures influence the extent of power an individual has to act on their agency. According to this framework, both agency and opportunity structures decides an individual's degree of empowerment. In addition, this analytic framework comprise of three realms (the state, the market, and the society) and three layers (macro, intermediate, and local) that shows several geographical, economic, and socio-political circumstances.

## **MICROFINANCE INSTITUTIONS-**

### **SEWA (Self Employed Women Association)**

SEWA is registered in 1972 as trade union. This organization consists of underprivileged self-employed females workers. These associated women earn a livelihood using their own workforce or small business. They are not regular salaried employees with lots of benefits just like worker of an organized sector despite they are workers of unorganized sector so they are unprotected workforce of our nation. In India, beyond 94% women workforce is in non-organized sector. Still these women's work is uncouncted and remains invisible.

The prime aim of SEWA is to coordinate these women working person for full employment, it is clarified that in full employment the workers have job security, earning security, nourishment security and societal security which consist of health protection, child care and dwelling facility. SEWA's main goals for poor women workers are to ensure every family to get full employment. They should be self-reliance and autonomous individually, collectively and economically.

SEWA, in fact, organize female workers to obtain employment and autonomy by doing struggle for upliftment of these women; have to march en route of struggle to defeat the restriction and limitation foisted by the society and the economy. Because these developmental activities fortify women's bargaining capacity and present them new options. It can be possible only due to joint action of the union and co-operatives and on adopting the 'Gandhian' thinking as guide line in this regard such as Satiya, Ahinsa, Sarvadharm and Khadi.

SEWA is an institution and movement both. SEWA movement is strengthen by assemblage of three movements-the labor movement, Co-operative movement, Women's movement but an important movement of women also came in existence to attain goal of self-employment through the SEWA organization and because their own movement women became strong and visible owing to their socio-economic contributions, these organization was recognized with globalization, liberalization and other economic changes.

These organizations' members are willing to face the variations. They cognize well as to how the organization can developed their own potential and meet challenges. It is painful to mention that despite of their hard work, lots of women still remain in destitution and are exploited and bear

force of the social evil in India. Women must be taken in a main stream so they avail the new opportunity regarding employment.

#### ➤ **SEWA's Membership**

SEWA members are those women worker who has no employee or employer relationship, depending on their personal workforce for survival. These workers are illiterate unaltered and poor, having no assets and capitals. These women are active and by their labor uplift the social standard in economy. In our country, there are generally four kinds of freelance workers.

1. Hawkers
2. Home based workers
3. Laborers
4. Producers and services

#### ➤ **SEWA Services**

Some services are most important for impoverished women as such credit insurance, legal assistance, health maintenance, child care, and capacity enhancing and communication services. It is necessary to the women workers to do these services to fulfill their goals of employment, self-esteem and self-reliance. SEWA used to serve women workers to take numerous initiatives in managing these services for them. Through these organizing auxiliary services women workers learnt many important things. They utilize these services in a better way and affordable manner. These services provide self-employment for instance midwives and crèche workers receive fees for infant care. The outcome of these activities are fruitful as these worker do not totally dependent on subsidies and grants. Some auxiliary services like health and care have organize their own co-operative. The cooperatives formation result is positive and has gained operational independence.

SEWA bank successfully achieves financial feasibility for several years while the others cooperatives are moving towards this goal.

## **HOPE**

HOPE International being a Christ Centered microfinance organization gives microloans and saving program to poor of all faith in third world countries. This organization has assisted over 4,00,000 entrepreneurs since 1997 and out of them approximately 82% clients are women.

It is not astonishing that 80% HOPE's clients worldwide are women, in the commencement of microfinance, Muhammad Yunus, well known as 'father of microfinance' has himself loaned just \$ 27 to an association of 42 business women who were struggling in their business. These women used the petty amount to buy their goods for supply and earned good profit in a fair interest rate successfully.

It is belief that women both topically and globally hence a better opportunity to combat poverty. HOPE periodically sponsors events, provides loan based training and saving services especially for women.

## **WOMEN FOR WOMEN**

A woman for Women International is a women's society who works with socially discarded women in light countries where women's lives and societies have badly been destroyed due to war and conflict. The reason of destruction of each woman's life is on her own story. Some affected owing to murder of loving partner and others one physical and mental assault or injury. Most have endured firmly a struggle for survival.

In this women society, women who enroll under one year program for learning job expertise and get business training to earn her livelihood. Here during their training period, the women come to realize the rights and art of fighting for those rights in the house, communities and country.

Women for Women International (WFWI) consider that enduring change can only be attained when women have approach to knowledge, information and resources.

## **VIDYARANA**

This Vidyarana organization was established on 29<sup>th</sup> October 1991. At present the organization has been concentrating in five districts such as Bangalore Urban, Bangalore Rural, Hassan, Chikkanballapur and Ramanagar of Karnataka and commenced different development program for women. These programs was made for upliftment of aged, baled person, slum children, orphans, adolescent girls, youth farmers etc. on education, health, socio- economic environment, ecology, cultural welfare programs for the aged, disabled persons, women empowerment, livelihood, agriculture and water issues.

Vidyarana organization is endeavoring the upliftment of poor oppressed women, it is running two rehabilitation center for women namely “Sarojini” under Swadhar Scheme, and second “Sarojini” under Swadhar scheme. These schemes are a Central Government schemes sponsored by Ministry of Women and Child Development, New Delhi.

### **➤ SAROJINI REHABILITATION**

This center has been incorporated to target on widows and women survivor of natural disaster. The principle aim of this scheme is to rehabilitate these women socially and economically.

### **➤ SANJEEWNI REHABILITATION**

Sanjeewni Rehabilitation center has been incorporated to focus on empowerment of oppressed women. The main target of this scheme is to gratify the primary requirements of marginalized women.

### **➤ UJJAWALA PROGRAMME**

Ujjawala program is an organization supported by Ministry of Women and Child Development, New Delhi. This program is being executed in urban district of Bangalore and concentrating on five components i.e. Rescue, Rehabilitation, Prevention, Reintegration, and Repatriation.

## **WOMEN, MICROFINANCE AND THE INTERNATIONAL LABOR ORGANIZATION**

It is rightly said that microfinance is a crucial component of encouraging the women's empowerment.

The Social Finance Program (SFP) is the ILO's main point for microfinance. It is operating through Social Finance network for sectors and regions. The SFP provides to get gender uniformity and women's advancement by progression of comprehensive financial systems. The SFP's Microfinance targets to reduce perplexity and oppression on women, creates better job and strengthen social partner's capacity to enhance access to finance. Apart from it, the SFP also endeavor in co-operation with the Gates Foundation to manage Micro-insurance innovation facility, an experimental program is designed to enhance individual's capability to handle risk through Micro-insurance.

The ILO Bureau for Gender Equality assists institutions' policies and programs that promoting gender equivalence and encourages women empowerment. The ILO SFP Program researches microfinance scheme is an exercise to cultivate poor's social protection. The wages team is part of ILO's Small Enterprises (SEED) program works specially to create economic opportunities for females by making plan and strategies to meet out the requirements of female entrepreneurs by functioning to place gender in mainstream throughout the program.

## CHAPTER TWO: REVIEW OF LITERATURE

Microfinance is a good way of financial assistance to low income individual that get hardly access to banking services. It reduces poverty by giving financial services to poverty stricken women to reuse their income. Microfinance is a tool of development to reduce poverty in Asia. South American and African nations, successfully provides quick good result to weaker and down trodden people particularly women. The availability of finance to impoverished people through micro-credit capacitates them to come out of spare of poverty.

It is widely known that in developing countries Empowerment of women is an important issues. Women, being an essential element of society, their involvement in economic activities and in decision making are very low. The role of microfinance is significant in improving women decision through participation in economic activities. In comparison of men, women are poor and underprivileged. **Manjoor and Manders (2009)** observed in their study of women's financial condition that women are about 70% of world's poorest people owing to gender inequality. India is developing country, where women are dominants controlled by male in domestic matters which exhibits a very weak position in society. The annihilation of women by the society effects more poverty, less economic growth and low standard of living. The only root to eliminate these social evil from the society, empowering women through microfinance is considered as the light of hope.

**Tiwari and Thakkur (2007)** in their study observed that microfinance plays a significant role to make India economically strong. Continuous efforts by Indian Government to empower women and NABARD had commenced microfinance schemes since 1990s raised up financial condition of poor women and their families. Microcredit reduces poverty as **Weber (2006)** observed 'the provision of small loan to individual, mostly within groups as capital investment to facilitate generation of income through self-employment.'

**Lindvert (2006)** said at present, in the field of microfinance two main approaches exist-first is portrayed as subsidized credit delivery. It means poor populace are not in a position to lend and save so they are needed subsidized credit services: second is known as Commercialized Sustainable Microfinance, the basic idea is that poor can save money and return their loans as per market-interest rate, but assistance of financial organization in doing so is a must. He said this



approach has a more long run perspective to create sustainable institutions, societies and markets. Microfinance establishes itself as a new poverty reduction strategy and acts a winner itself through this 'win-win' combination, **Armendariz,B., & Morduch, J.(2005)**.

The aim of microfinance is to offer financial services to poor who have low income and have no access to formal financial institution. According to **Rajasekhar (2004)** microfinance provide financial help to unprivileged people in rural and urban areas specifically poor women with saving and credit facilities to establish business or expand it, and also invest in self-employment to rise up household security. **Schreiner and Colombet (2001)** also define microfinance as the effort to ameliorate access to increase small deposits and loans for poor people completely neglected by bank. Therefore, microfinance includes the procession of financial services such as savings, credit and insurance to poor living in both urban and rural area who are incapable to get such services from the conventional financial sector.

Microfinance Institutions offers financial services to the people who are expelled from the formal banking sector and standardized financial system, **Morduch (1999)**. So far as high standard financial system operating only in developing countries, their specialization are in providing minor loans to people to commence small production business and enhance their business. But in rural areas of developing countries, the progress of financial setup is hardly to poor people. Microfinance institutions give first opportunity to local inhabitance to take part in the financial system in order to be benefited in their enterprise and capital.

Microfinance targets women on their ground that in comparison of men, women performance in microfinance institution is better and desirable developments outcomes. **Pitt and Khandker (1998)**.

Microfinance has a large theoretical literature; it can be divided into two parts. The first part belongs to specific problems experienced by poor people in getting access to financial services at a reasonable cost and secondly lenders are also deterred by higher cost of collecting useful information about the real incomes that borrowers might be capable to lend against, **Von Pischke (1991)**.

## 2.1 Benefits of Microfinance

Microfinance has been a tool to reduce poverty. It is conclusively argued that microfinance gain aim by promoting productive activity, by self- employment and income generating activity, it protects borrowers from financial hardship and encouraging savings, facilitating borrowers to access resources which are needed for survival and increasing educational of youth.

- **Increasing income through self-employment**

The first assessment of microfinance endeavored to measure the casual impact of microfinance on borrower's income. The calculation of these effect is challenging, researchers face hindrance as such placement of non-random program self-selection as well as client selection. **Armendariz & Morduch (2005)** explains that Microfinance may make households financially sound and increasing income that push up total consumption levels and can increase a demand for children's health benefits, education and leisure. But, they state, running microenterprises also take time, yielding 'substitution effect' that may counterbalance the increased income effect. For example, borrowers who have devoted more time in their business enterprise may choose to take help from their children by keeping them at home instead of sending them to school.

- **Protection against financial hardships**

The economic poverty is owing to cause and consequence of financial vulnerability. People are poor in the way but are poorer in another way due to result of unforeseen events, as such natural calamities, medical emergencies or untimely death of small wage earner in the household. People facing disastrous events make them difficult to come out of poverty. Thus, reduction of financial vulnerability is very difficult task. The global studies demonstrate that economic benefits are experienced associated with microfinance in Bangladesh. **Mahjabeen(2008)**, Bosnia and Herzegovina, **Dzafic, Rovcanin, & Grzinic (2008)**, and South Africa **Makina & Molabola(2004)**, Microfinance has proved its potentiality in providing protection from financial risk, Mosley & Rock (2004), and provides immediate along with long term benefits to borrowers and their families. It has been a popular poverty eradication method, **Kidder (1997)**.

- **Savings and diversified incomes**

It is established by the argument for microfinance, is an instrument to provide revenue stability to the borrowers who are connected with microfinance through consumption and save extra money to spend it at the time of its need. **Morduch (2007)** argues, “With savings, households can built up assets to use as collateral, smooth seasonal consumption need, self-insure against major shocks and self-finance investment.” An excellent change has been towards expanded microfinance, and saving services has also been a means of securing savings and encourage poorest persons to save finance more and more, **Diop et al.(2007)**.

An increasing numbers of MFIS are emphasizing the significance and are inspiring borrowers to serve in different forms of income generating activities as such Grameen Bank incorporates mandatory savings plans for borrowers and sends 5% loan of clients to their saving accounts. The amount must be in this account for three years, thereafter it can be withdrawn with minimum balance restriction, **Dowla and Barua (2006)**. Saving practices assist to reduce financial hardship by giving assess to meanwhile emergent financial need. Some forced savings programs to permit families for future planning to achieve long term financial goal. For example: to finance their children education in view of increased savings, studies shows that numerous microfinance borrowers have been encouraged by MFIs staff to diversify their income. They followed this advice having made up a business which offers a variety products and services or serving commenced multiple pity business, **Armendariz and Morduch(2005)**.Diversity of income diversifies risk also, and reliance on different sources of income assist in protecting entrepreneurs against unforeseen events that may have bad effect on their business and even on their lives. At last, saving and varied income are in ways to defend households opposite to financial hardship, owing to taking part in microfinance programs, **Park and Ren (2001)**.

- **Access to resources**

The benefits of microfinance heightened not only beyond saving but also make another way to increase income. The major benefit for microfinance borrowers is their successful effort and ability to access resources which are critical for survival. It is painful to maintain that mostly world’s poor people are not in a position to afford an enough amount of nutritional food for the

family, medical care or other services related to health. Those microfinance borrowers living in a region where people are affected due to malaria disease and dies, with the help of increased income to families may adopt prevention measure such as buying of mosquito net and malaria medicine to protect their lives from this dangerous disease. It is fact that women having proper resources can be in a position to help the whole family sincerely as well as the entire poor communities to get rid of this poverty and women having access to finance for entrepreneurial activities, microfinance services play a key role to develop women ability and capacity to work freely which decrease their poverty level, **Wrigley-Asante (2011)**. Providing loan to women is now globally recognized as a means of economic development, **AcKerly(1995)** and an effective means of empowerment is women.

- **Increased number of educated youth**

Microfinance has been connected to increased educational opportunities for youth. According to **Yunus(2007)** microfinance has provided immense contribution in increasing numbers of formal educated youth in rural areas of Bangladesh. Many students studied up to high school standard. Merely, increased household income helps families to afford the burden of school fees, books and uniforms. Because of its help parents is in the position to manage household expenses independently without relying on children to earn wages. **Yunus** writes, basically each village family has entire of its school-age children attending class regularly, largely a success for borrowers who are mostly illiterate. In the present time and condition within which people live, may give impression that high standard education may not have a good impact microfinance in evident that growing numbers of educated youth promotes intergenerational sustain ability, because children may afford opportunity to secure employment or develop their parent's business after their school study.

Moreover some benefits connected with microfinance are position changes in self-esteem, increased self-efficiency, **Mosely and Rock (2004)** opportunity to adult literacy, education in training to build a business, **Dunford (2002)**. Additionally, **Mutua (1996)** affirms that microfinance has been a decision agent in changing the social status of poor as MFIS as an open

challenge in the point that poor are merely consumer. They are unfit entrepreneurs and cannot be reliable with credit.

## **2.2 Empowerment**

The concept of empowerment is due of the dynamic suspects whose definition discloses it widely over the years. Empowerment is thought of as both a process and outcome having three interrelated dimensions; empowerment can be exploding such as agency, resources and achievements. Agency symbolizes the process to build choices and insert into effect and it is main concept of empowerment. Resources are medium by which agency is practiced and achievement refers to outcome of agency.

Empowerment is the process of growing the capability of women to make choices and to convert these choices into desire actions and outcomes, **Krishna (2003)**. **Malhotra (2002)** explain empowerment as the capableness of people to make good selection in areas which affect their lives. **Kabir (2001)** defines that empowerment as the extension in people's ability to make strategic life choices in a relation where this ability was earlier denied to them. This definition shows two elements (i) process idea or change in conditional disempowerment (ii) idea of choice. It assists in verifying empowerment from close connected concepts as such women autonomy, equality of gender, and discrimination of gender etc.

**Page and Czuba (1999)** explained that three main part of empowerment are found (i) multi-dimensional, social and a process. The reason multidimensional is because it happens within psychological, sociological economic and other dimensions of different stages as such individual group and community. It is found social because it happens in relationship of others. It can be said process as it remains ongoing without any result. **Chambers (1997)** explained empowerment as an interactional process; it wants and indicates incremental change in power relation and actions within the individuals and institutions of community. The power relation can be determined by personal, professional and institutional component of the community.

**Rowlands (1997)** defined empowerment as a process to enable person to think in right direction, take reasonable action and manage work in an independent way. Some level of personal

development involves in it. People are empowered when they got the right to select choices in life and an availability of opportunity to use ability to control over material and non-material resources. World Bank also defines “Empowerment source book” empowerment is the same way. **Batiwala (1994)** defined empowerment as control over resources on material along with intellectual ideology, an authorized and empowered person is enable to utilize income as per belief and ideology. It is a process of challenging existent power relations to gain more control over power sources. The empowerment is augmentation of power according to author.

### **2.3 Women Empowerment**

Recently, the World Bank made a gender mainstreaming priority for assistance in development in a policy research report; **World Bank (2001)** identified both gender equality, Women empowerment is a method to development object and means of growth, it reduce poverty and give better governance. In the available literature on women empowerment different concept like gender equality, women status and female autonomy are found, but need of women empowerment is to provide access and control of material resources, Moreover also challenging cultural ideology and practice.

As described by **Kabeer (2001)** two fundamental component of women exist (i)Process (ii)Agency, Defined process as the string of affairs that produce global change. Process of women empowerment goes ahead to expansion in their expertise to have resources in order to make a fine life choice. The agency in women empowerment reveals that women themselves are capable in playing expressive role in the process of change; owing to process choices are made. Empowerment cannot be entrusted by third party; it is hold by those who would become empowered. According to **Sen and Batliwala (2000)** women empowerment leads to an amplifying strong capability, greater self-confidence and internal transformation of an individual consciousness enabling to conquer external barriers. This view mainly shows two important aspects. (1) The power is only for achieving desired goal not a power to overcome others. (2) The idea of empowerment is more applicable to the powerless individuals, group of individual class and caste.

According to **UNIFEM (2000)** the important elements of women empowerment are to create choices, increasing the ability and effort to obtain power, developing a sense of self-esteem to secure desired changes, belief in his ability and right to control his life. Women empowerment is also defined as a change in the life of women which enable to increase capability for leading a life of a successful women life. **Kabeer (1999)** defined that the women's empowerment indicates to the process by which people acquires the capability to make strategic life choices who have been denied such ability. The capacity to exercise choices include three inter-linked dimensions: Resources, which includes approach as well as future requirements to both social and material resources; Agency, which includes the process of decision making, discussion, administration and achievements, refers to best outcomes of choice.

**Bisnath and Elson(1999)** defined Women's empowerment is a process in which women achieve larger share of control over means, material, mankind and cerebral such as ideas, information, knowledge and financial resources like money and access to money and control over decision making in the home, community, society, nation and to gain process.

**Stromquist(1995)** explained that empowerment contains cognitive and psychological elements both. It involves the self-understanding and exigency to make choices that may be against cultural and social hope.

**Longwe and Clarke (1994)** explained women empowerment as on moving cyclical process which have five stages. The *first* is welfare stage, at this stage the resources of women are not recognized fully. The *second* is access stage, at this stage women recognize it endeavor to gain access to these sources. The *third* is conscience level stage under which women feel their lack of access to resources and their common subordination level because of social constructed belief. *Forth* is participation level under which women involved fully in decision-making process in their households, communities and societies and *fifth stage* is control stage where women control over access to resources and distribution of benefits having increased in participation, In this way women's power increases in the spare of household communities and societies.

It clarifies that entire process of women empowerment needs the ability involvement of women activity. In exclusion of women as in agents of change means disempowerment of women empowerment of women cannot be entrusted from outside but it can be obtained by women

through active participation in the development process it does not mean that all improvement in women is the result of women efforts. Social and political environment also play a significant role in their increasing position. In other words, it is explained that women empowerment is a process of improvement in women's abilities and status in order to lead their lives in a right way. Women empowerment is continuous process, they aim of it is changing the way of right for all thinking of entire society to make sure to enjoy human right equally. No doubt, the continuous process is a must in increasing the economic, social, political and psychological power.

## **2.4 Economic Empowerment of Women**

The various definition of women empowerment ensures about the economic dimension and the dimension is increasingly visible recently. The Beijing Platform for action expressed the need to promote women's economic independence providing employment, resources, opportunities and public services. The Millennium Development and gender equality and women's empowerment accepted an increased in women's share of non-agricultural employment to indicate the women's empowerment.

An ICRW publication wrote that economically empowering women must realize women's right essentially and achieve development good in a broad sense such as poverty reduction, economic growth, health and education etc. **Gala et al (2011)**. The view of its author is that economically empowered women are those who have the potentiality to succeed and overcome economically and attain power to make economic decision.

The OECD-DAC network on gender equality defined women's economic empowerment are as their capacity to participate, contribute and benefit from growth process in such way that recognize the value of their contribution, and respect their dignity, **OECD (2011)**.

**Tornqvist and Schmitz (2009)** defined women economic empowerment as continuous exercising process increasing women's real power over economic decisions which influence their lives and priority in society. It can be obtained through uniform access and control over economic resources and opportunities and elimination of gender inequalities among labor market.



**UNDP(2008)** desired to increase the five elements highlighted in the UN Task Force definition cited earlier to the economic sphere where women's economic empowerment can be achieved by expanding economic opportunity, strengthen their rights and legal status, assure their voice, presence and involvement in economic decision making.

Women economic empowerment is needed in two level; first of policy level is making market for women, second of the agency level, empowering women to compete in market, **World Bank (2006)**.

## **2.5 Socio-Cultural Empowerment of Women**

Women's empowerment has also been viewed and discussed in terms of socio-cultural development and collective thinking as a group. **Kabeer(1999a)** wrote that process of empowerment must involve themselves in shredding their negative social thought against women by developing in women a sense of capacity and right to act. In this way, socially constructed self-impact cannot be undone at a personal level. **Kabeer(1994)** argues that women's empowerment must also involve collective action in bringing social and political empowerment.

**Moser (1993)** expressing view of empowerment, economic empowerment in increasing but it is not sufficient to focus gender equality. According to **Moser (1989)** Empowerment is the capability of women to increase their self-reliance and self- confidence. This is determined as the right to describe choices in life and to effect the direction of change, through the capability to achieve control over material and non-material resources. Moser's targets on self-reliance and self-confidence stress the importance of the individual. However, she offers transformation of all the framework of subjection from family to local and global level. To change the framework, a sense of self-possession and self-satisfaction are influential players to mobilize women resourcefully, identification of women's experiences, examining the issues that supplementary omen want to be focused to introduce and cultivate this power from within.

## **2.6 Political/Legal Empowerment of Women**

It is exigency for political empowerment of women and at present time, the significance in a development context is much, as a fruitful result cannot be unless and until women is made politically empowered.

**Young(1993)** emphasized on political power, women having political power means gaining control of own lives, to make own agenda, to organize assembly of women to help each other and place demand on the state for support to bring change. The suggestion for empowerment-Through political change is given to attain their goal. Hence, it is the need to transform the position of women through political change; a political change initiated by women would help them become empowered individually in their personal capacities.

**Friedmann(1992)** conceived power in three forms: social power, political power and psychological power. Psychological/individual power results from development in social and political power. Social power includes skill and knowledge which is enhance production at household level and provides base for political power. Collective action can influence in political power, once the political process of policy making influenced the legal structure it would make psychological power.

## **2.7 Microfinance and Women Empowerment**

Microfinance plays a specific role in gender as well as development programs owing to its direct connection with poverty alleviation and women. The poorest condition of women tells financial security is needed to more empower in household and community affairs. Not only access to resources empower women but also access to material such as credit, property, money, human and social resources i.e. education, business also matters. Microfinance increase women's ability decision making and self-confidence that is closely connected with knowledge, women's status and gender relation in household. Microfinance programs make strong women's economic autonomy and encourage them to pursue non-traditional activities. Through these programs women involve in a good relationship. Thus program also impacts the political empowerment and rights.

Microfinance is a movement which focuses on serving women uniquely. It provides economic benefits, most MFIS also incorporates a social components in their missions which include access to education, getting a good level of health care, better housing conditions improved social relation and sufficient amount of food; **Coleman (2007)**.

**Fernando (2006a)** explains that the making of general relations in the (conversation) dissertation of empowerment through microfinance is a good adjustment for feminists matter with both gender discrimination and achieves their respective goal. In facts, this harmonizing of feminization and development institution was ill-fated, without empowering women.

**Cheston and Kuhm(2002)** explains empowerment enclose choice and power both. It involves them having options to make choice among the available options and power. It respects the choice component of power, not the power component. For example, women who has increased economic resources because of participation in microfinance program, she may have more choices in comparison of previous made choices. In this way, it does not mean that she has the competence to make more or dissimilar choices than she chosen before. Daley-Harris explains that women's power to make choices largely depends upon the standard of the society in which they lives. The promotion of microfinance is made in view of a main poverty mitigation strategy to capacitates poor women to cope with unfavorable economic and social impact of structural adjustment- policies of the world, **Mayoux(2001 forthcoming)**. Yunus envisioned microfinance as having a capacity building initiative to help poor in improvement of their living standard. His thought is quality of life in term of empowerment is related to increased access to resources and social spheres in which poor people live typically having no access, **Yunus (1999)**. Empowerment is not only depending upon economic factors. Strategies have to be adopted to eliminate poverty. The problems emerges, however, when MFIs choose a financial sustainability approach, **Mayoux(1998)** and decline to acknowledge several dimensions of empowerment.

## **2.8 Women Empowerment through Microfinance Services**

On microfinance, theorists argue that financial development microcredit paly important role to foster in capability of their wealth-deficient entrepreneurs. The study confirmed that access to microcredit-services increased income level, increased expenses on health and education services

and raised stocks and output of their enterprises. Moreover, micro-saving services that are available to women have increased capital resources to provide food, education and health care services. It smoothen irregular income levels to meet the domestic expenditure need and also increased income to be wealthy, while micro-insurance services enable women's confidence, built stronger trust bonds on opportunity to create special network and also motivate in participation in development programs. At the last, non-financial services with the help of microfinance stabilized income level that relieved its difficulty in production constrains, improved inter-personal skills, this program instilled good practice in preventive health measures.

### ➤ **Micro-Credit Services**

Micro-credit refers to program connected with poverty and provides financial business services to poorest persons for generation of self-employment and income. Credit is an effective tool to fight poverty. The micro-credit role in reducing poverty has been well recognized by the entire world. Credit provides self-employment opportunities rather than waiting for employment creation. It helps to poor and women in bringing out of the clutches of poverty and brings them into the stream of income while access to credit through appropriate financial institutional structure and arrangement an individual can earn handsome amounts of money and can overcome poverty. A person can become a builder of one's destiny and an agent of change for his family as well as the whole society.

**Awojobi(2013)** being proponents of the school of thoughts believe that micro-credits empower women economically. There is a condition that women started saving in microfinance institution have right to access to loans after six months. They, having used this loan in their business and expand their business. In this manner, the saving and profit from their business which are considered to be income of the women empowered them economically. It is also seen, in some cases, people use profits and saving to expand their business.

The economic empowerment of women and decision making process can be put their socially and politically empowerment in the community. Women are very conscious to this significant contribution to the maintenance of their household which give them a proper balance and self-

assurance, **IFAD (2009)**. As an outcome of this, women can improve their status in society with their self-assurance, skills and with their knowledge and formation of group networks through market access. The access to micro-credit may improve to maintain the household and well-being. For example, the business profit can be used for children education and decision making process within the households. It is also argued that self-profit can be spent for health care and proper nutrition of the family. In short, the saving and accessibility to loan to women reduce their vulnerability.

**Weber (2006)** describes micro-credit programs as providing of small loans to person, within groups, to invest as capital enable income generation through self-employment. Weber further added that business of poor seems to be the result of unmet-demand for credit. Moreover, poverty was thought a result of market failure, market imperfections, irregular information, high fixed cost on small lending, and limited access of the poor to formal finance. Backwardness of poor in the informal financial sector or exclusion from financial sector is main cause of failure to reduce vulnerability. It is also argued that micro-credit enhances human capital regardless of poverty level because expenses on education and care are increased. The money may extend to poor persons through intra-household and intra-generational effect. According to **Mosley and Rock (2004)** micro-credit enables women empowerment providing money and allows them to earn money independently in order to contribute economically to their families and community.

**Cheston and Khun(2002a)** in theory, women invests their micro-credit in their own business to earn more either in the form of micro-enterprise or agricultural production and they control their increased income. In other words, involvement in a fruitful income earning activity provides opportunity to greater control and economic empowerment. Women's economic empowerment makes an expectation to lead to increased well-being not only for themselves but also their families.

**Leach et. al. (2002)** found that micro-credit has succeeded empowering women socially while economic empowerment is impossible due to inadequate knowledge and understanding in women about business affairs. Moreover, the economic empowerment is found in enabling women to make remarkable change in gender roles which leads to social empowerment, **Mayoux(2001)**. Micro-credit may possibly lead to increased women empowerment and also increased power in decision making.

### ➤ **Micro-Saving Services**

While credit has been the conventional focus of microfinance institution (MFIS) and donors the significance of micro-savings program for the poor is to gain recognition within the microfinance literature. **Diop et. al. (2007)**, explains that there is a change towards expanded microfinance saving services mean to securing savings and encouraging poor people to more and more money.

**Morduch (2007)** argues that savings enable women to maintain households and build up assets to use collaterally and meet consumption need, self-insure against big events and self-finance investment defining micro-saving for the means of calculating stocks effects and impacts is very challenging. Some others approach are in existence who focus on the people saving under which amounts are saved or such institution in which the savings are made. Thus, micro-saving may be a thought of as saving by poor people or small income or low amounts of saving, as saving held as institutions which specialize in micro-savings. It is also defined that micro-savings as mobilization through deposit activities run by microfinance institutions, **Hirschland (2005)**.

### ➤ **Micro-Insurance Services**

Micro-insurance is the provision of insurance to low income households. It includes insurance for life, health, property, disability and agriculture (crop) that involves a risk of pooling element which entrust a large group of insured persons to share losses owing to uncommon event. In fact, this risk pooling act makes insurance more complex than savings, credits or payment services. Poor families face risk both in the form of disasters and more regular incidents of accidents and ailments.

Since, micro-insurance sector is not old, the impact assessment are still under way regarding impact of micro-insurance on the interest of small-income individuals. Micro-insurance also plays an important role to help in the upliftment of poor's by reducing their vulnerability. Insurance companies' effort to connect the people with their policies is appreciable as it helps to poor policy holder at the time of unnatural events as per their policy terms, **Dercon and Kirchberger (2008)**. In nutshell, it is known collectively as micro-insurance being new financial product benefit the poor by decreasing their exposure to unusual shocks like disease or death.

### ➤ **Non-Financial Services**

Another expectation of microfinance is of social services offered by some microfinance organization under which the aim is to educate women, encouraging their children's education and enabling them to provide better healthcare for themselves and their families. Some researchers argue that microfinance have the ability of job creation, poverty reduction and improvement of household risk management through training and building up of social network. This improvement can stabilize village income and reducing the vulnerability of the poorest people. **Mosley and Rock (2004)** moreover, some authors version are increase of healthcare in the outcome of microfinance help in education such as increased use of contraceptives, **Schuler, Hashemi and Riley (1997)**.

There are at least five methods available through which microfinance benefited the poor. Firstly, through microfinance poor could have better access on nutrition; **Swope (2005)** microfinance in rural areas could help the unprivileged people to meet out the expenses and consumption level in the hard time. This adopting stable consumption pattern increases probability of the poor to get better nourishment; ultimately it will increase productivity of the poor.

Secondly, microfinance helps in increasing the income through intensifying production capacity and protecting their income risk, **Morduch and Heley (2002)**. Thirdly, **Simanowitz and Walter (2002)** find that the people connecting their microfinance institution feel consumption smoothing and increasing in potentiality to sustain overtime through risk diversification. Fourthly, access to microfinance will help the poor to gain access on education, **Morduch and Haley (2002)**. From dynamic point of view, microfinance will facilitate the poor to leave bad circle. The last mechanism act through empowering the women in rural areas are getting loan from Grameen Bank. Through microfinance institution, because of increasing in financial access for women could be in position to broaden the sources of production capability in the society, **Sinamowitz and Walter(2002)**.

As soon as women, to access microfinance services, these services commence changing lives. It is believed that growing women's access to microfinance provide a set of commonly reinforcing of developing economic empowerment, improved living standard, social, political and legal

empowerment *for empowering women through microfinance empowerment: Evidence from Tanzania women*, **Mayoux(2002)**. The economic empowerment changes the self- perception of women themselves. The women start believing these facts that they have new ability and capacity to run their business and making decision and make choice of their business and families.

**Puhazhendhi and Satya Rai(2001)**, In their research study, that SHGs have been a tool in economic and social empowerment of the poor living in rural areas it provides opportunity to take successive loans. It is the microfinance institution who has given a great opportunity to rural poor in India to attain reasonable economic, social and cultural empowerment, in order to lead better living standard and quality of life.

In the study of **Hunt and Kasynathan(2001)** found that most of the women being member in various credit groups have gained confidence, knowledge, as well as training they have taken. Some of the women asserted that they have been in a capacity to take action against those who are doing wrong after they became member of credit groups. Moreover, It is also indicates that participation in microfinance services increases women self-esteem and self-efficacy which enable them to take active role in decision making both in the household as well as in the community. **Mayoux(1999)** viewed that Microfinance programs have made some changes in gender roles, where women who formerly had no access to earnings set up economic activities and specifically where they are engaged in marketing, this act brings a significant changes in women's motility and knowledge of the world outside the family. According to **Morduch (1999)**, Microcredit is an effective instrument for the empowerment of women, for poverty mitigation and almost new path for cultivate economies to solve the women's economic and financial hardship.

## **2.9 Is Microfinance a 'Magic Bullet' for women empowerment?**

There is limited research literature containing a discussion on changes in and/or matter affiliated with women's empowerment in specific remark to them being microfinance borrowers. There is different opinion on the impact of microfinance, one group of researcher opinioned that microfinance is a "Magic Bullet" for women empowerment and other who are dismissive its



abilities as a cure all panacea for development. It is apparent that owing to access to financial services can make essential contribution to economic productivity and social welfare of impoverished women and their households, It does not ‘automatically’ empower women; it can be with other interventions such as education, political quotas etc. that seek to make a radical structural conversion that real empowerment implicates. These innovations form several entry points into bigger project; every with the potentiality for social transformation, but each is set on framework, engagement and volume if this potential is to become a reality.

According to **Mukherjee (2015)**, Microfinance initiated affirmative and remarkable influence on women’s empowerment. They found elevated capacity to deal gender obstacle, rule over own life, position in family, level of economic function, financial contribution to family, self-confidence and decision-making capability. **Al-Mamun et al. (2014)** defined that microfinance also expanded access to financial services, holding of assets, decision making power in family( assets, purchases, family planning), control over resources, education of children and legal awareness and mobility whereas **Vaessen et al.(2014)** stated that “the social status of woman within the household and the community has increased moreover in ultimately gender relations”.**Nallari and Griffith (2011)** argue that “Access to finance and credit empowers women. This empowerment is manifest in the form of increased earning capacity and control of household assets, resulting in greater autonomy and decision making within the household”. They further stated that owing to Increased gender equality in households, markets, and society enlarge women’s access to markets, education, and health and provides them more control over decision-making within the family .Higher levels of self-assurance and other form of empowerment are associated to the pattern and operation of the microfinance program more than to increases in income levels. For example, the women’s study admired the knowledge and training that they acquired from the program more than their capability to contribute economically to the household. In the area where women have been expelled from education and other mode of necessary training, the MFIs that provide literacy and business training as part of the program help female borrowers to access social fields that they formerly could not access. The group framework of microfinance programs inspire women to be more actively engaged in the community as well as participate in local political processes. In addition, the lending group model often gives rise to the composition of women’s social networks in the community. Most of

the women's groups have taken benefits of these networks to challenge the prevailing social and cultural norms that discriminate against them, **Swain & Wallentein (2009)**.

The few studies that have enlarged beyond the scope of financial conceptualizations of empowerment, **De Mel, McKenzie & Woodruff (2009)** have had contradictory findings. **Tuuli and Rowlinson (2007)** assert that "attaching only one understanding to the empowerment construct will ultimately hinder research and practice". A confined scope of empowerment may lead to deceptive conclusions so it is most relevant to take miscellaneous aspects of empowerment in research. In addition, **Mayoux** cautions that fundamental assumption of the financial sustainability approach is that the women contain control over their incomes and have decision-making agency concerning their increased resources, which may not always be the case. Also, within this approach there is no prominence on challenging gender-based misery as a means to advance women's empowerment.

In comparison to the earlier discussed findings, studies found a negative relationship between microfinance participation and empowerment show increased burdens for women borrowers as well as increases in domestic violence. Taking loan from an MFI requires a time commitment to attend weekly meetings in addition to participating in training sessions which are organized by the MFIs. The increased load of work associated with borrowing from an MFI has been stated to increase exhaustion and health problems for some women, and is sometimes considered to be burdensome. Also, starting, running or expanding a business can place heavy demands on an individual's time. Sometimes Women have feeling less empowered because their work commitments take time away from their children, making them feel less confident in their role as a mother. However, the increased time demands are not always perceived as burdensome.

It has been found that there is a negative impact of microfinance programs on women, and that they may even be disempowering, **Kim et al. (2007)**. Findings with regard to microfinance and domestic violence are contradictory. In contrast to the previously discussed studies that report decreased levels of domestic violence, other studies have found that female microfinance borrowers are at an increased risk for domestic violence in their homes, **Kim et al. (2007)**.

Although microcredit loans are directly provided to women, there is no indication that they manage money by themselves. In fact, cultural circumstances prohibit women's control over money as they are not even accepted into the place where most of the women's goods are sold and transactions done. This idea is supported by **Mayoux (2006)**, women are "constrained by gender inequalities in access to other resources for investment, responsibility for household subsistence expenditure, lack of time because of unpaid domestic work and low levels of mobility, constraints on sexuality and sexual violence which limit access to markets in many cultures."

It has also been observed that microfinance programs are advantageous to women, with positive correlations between participation and empowerment, **Holvoet (2005)**. Findings from the studies that show proof of empowerment capability have reported that female borrowers experienced increased decision-making within the household, **Simanowitz & Walter (2002)**, higher levels of self-confidence, **Hunt & Kasynathan (2001)** and negotiating power in the community and in their families, and the ability to influence community-based politics, **Sen (1999)**.

As described by **Mayoux (1999)**, it is assumed that providing credit to women will lead to 'virtuous spirals' of positive impacts, where economic development, well-being and social, legal and political empowerment reinforce each other. It is expected that the women are able to successfully invest their credit in entrepreneurial activities and that this results in a higher income which can be used to acquire assets. And, as a consequence, this should have a beneficial influence on the well-being and life of women. There are several restrictions, or other forms of poverty, which prevent women from escaping poverty and/or increasing their well-being. First of all, not every woman will be able to invest their credit in a profitable manner. Second, if the women are able to invest and make a profit, this might not automatically result in an increased well-being. Besides individual differences, for example related to health, reasons for these constraints can be found in the social and cultural context where the women live; the 'enabling environment' is not a given in each context.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

The present study seeks to examine the role of Microfinance for Empowerment of Women in Allahabad District of Uttar Pradesh.

### **3.1 Objectives of the Study**

As the title of the project suggest, the objectives are as follows:-

1. To examine the client's behavior of credit management in respect of loan utilization and repayment pattern.
2. To elicit the Perception of beneficiaries towards the associated MFIs.
3. To find out to what extent Microfinance helps in economic development of women.
4. To analyze the impact level of the microfinance services on the social empowerment of women at household level and community level.

### **3.2 Hypotheses**

1. Microfinance has a direct relationship with the economic empowerment of women.
2. Microfinance services have led to the social development of women at household level.
3. Microfinance has a significant impact on social development of women at community level.

### **3.3 Justification**

To equip those financial organizations working with female clients with the tools necessary to strengthen women's abilities to identify and overcome the barriers that prevents them from leading a more satisfactory life.

### **3.4 Scope of the Study**

The scope of the study refers to the coverage or range within which conclusions drawn from Research work can be applied. Further scope can be analyzed with the help of depth and breadth of research work intended to cover up. The present research work was carried out to analyze the impact of micro-finance services on women borrowers' household income, expenditure, savings, assets and well-being along with empowerment outcomes.

### **3.5 Statement of Problem:**

The present research work was carried out to analyze the impact of micro-finance services on empowerment of women borrowers in Allahabad. The statement of problem, therefore, is ‘**A Study on Women Empowerment through Microfinance in Allahabad District**’.

### **3.6 Research Gap and Importance of the Study:**

Though there is large number of studies on microfinance and empowerment, issues of impact assessment and empowerment of women through micro-finance in various parts of India but there is no such type of study taken place in Allahabad district (Uttar Pradesh). After analyzing this, it becomes necessary to analyze the impact of micro-finance on women borrowers and empowerment outcomes. A review of literature has shown that majority of the research work done has been focused on the rural sector. Urban poverty and its impact on women empowerment has been overlooked in most published papers. Moreover the proposed study aims at comparing financial interventions available through the MFIs and its impact on the rural-urban women belonging to the poor sections of the Allahabad. Further, review of literature reveals that issues of impact assessment of micro-finance services and women empowerment have not been analyzed simultaneously. It has been argued that access to micro-finance services enhances economic well-being of women borrowers and it leads to empowerment in household. To justify the same relationship it requires first analysis of impact of microfinance services on borrower’s income and expenditure and in later stage empowerment of women borrowers both at household level and community level.

### **3.7 Research Design:**

A research design is a master plan specifying the methods and procedures for collecting and analyzing the needed information. It is a framework or blueprint that plans the action for the research project. Selection of research for present research work is affected by the research objectives, availability of data sources and the cost of obtaining the data. The present study was descriptive in nature which is used for description of status of women in response to microfinance. Here it was used to describe the effect of micro financial services towards empowerment of women.

### 3.8 Sources of Data:

The study was Descriptive in nature and was based on both primary and secondary data. Primary data was enumerated from a field survey in the study region and data has been collected with the help of a structured questionnaire. Secondary data was collected from various journals, articles, working papers, NGO reports etc.

### 3.9 Area of Study:

The study was undertaken in urban and rural areas of Allahabad region. Areas covered under the study were:

**Table 3.1**

Coverage Area	URBAN AREA	RURAL AREA
East	Kydganj,Pura Parayan	Handia
West	Pipal Gaon, Pritam Nagar, Sulem-Sarai Taarbagh, Bhola ka pura	Gohaniya
North	Katra,Mamfordganj,Bara Baghara,Shivkuti,Govindpur, Teliyarganj,Rasoolabad,Mehndori	Naini, Mauaima
South	Sadiyapur,Meerapur,Rasoolpur, Mutthiganj	Karchana
North West	-	Bharwari
	Total Respondents=300	Total Respondents=300

### 3.10 Selection of the Study Area:

Allahabad District was selected for this study. It lies in Uttar Pradesh, south-east part of India. To analyze the impact of micro financial services on beneficiaries, one of the oldest MFI i.e.: Sonata Finance Private Limited was selected due to its large coverage area in Allahabad district. As the unit of analysis is an individual, the data was collected from the female beneficiaries of Sonata Finance Private Ltd. Sonata Finance Private Ltd. has head office located in Lucknow and

several branches not only in Allahabad but also in entire India. The data was intended to be collected with the help of the following branches of Allahabad:

In Urban Area City Branch was marked due to its large number of clients i.e.: 3626. In Rural Area six branches were selected as per their maximum number of clients in respective region namely Handia Branch (no of clients-2324), Gauhaniya Branch (no of clients-5031), Naini Branch (no of clients-3192), Mauaima Branch (no of clients-3177), Karchana Branch (no of clients-4261) and Bharwari Branch (no of clients-4333).

### **3.11 Sampling Design:**

#### **Sampling Procedure**

For sampling purpose, at first stage, different urban and rural areas of Allahabad were selected to draw sample for the study. The objective was to have heterogeneous sample representing different urban and rural areas of Allahabad district.

In the second stage, the minimum sample size required for research work was determined and based on the same calculations the actual sample was finalized by taking sample size more than the minimum required criteria. To find out minimum sample size required for the research work, the ratio of observations to predictors and the formula based approach were used.

#### **Sampling Technique**

The present study aimed at studying the role of microfinance in uplifting women's economic and social status. Convenience sampling technique was used because it is an appropriate technique for drawing sample from large population with limited time and cost. Convenience sampling is a "non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher". Sonata is expanding its operation in different cities and at the time of data collection various field visits are being given to people who come from outside, this was also a reason to do convenience sampling as the loan officers were also engaged in that task.

#### **Sample Size**

600 samples have been collected for the research from all the selected urban and rural areas of

Allahabad to cover the entire geographic region.

### Accuracy of sample size

Null Hypothesis

**H0:**  $p_1 - p_2 = 0$ , where  $p_1$  is the proportion from the rural population and  $p_2$  is the proportion from the urban population.

As above, the null hypothesis tends to be that there is no difference between the two population proportions; or, more formally, that the difference is zero (so, for example, that there is no difference between the proportion of females urban population and the proportion of females rural population).

\*Significance Level: 0.05

\*hypothesis: two-tailed

*Equation:*

$$Z = \frac{(\bar{p}_1 - \bar{p}_2) - 0}{\sqrt{\bar{p}(1 - \bar{p})\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}}$$

- Proportion of individuals from sample Population 1=300
- Total number of individuals in sample Population 1=64469
- Proportion of individuals from sample Population 2 =300
- Total number of individuals in sample Population 2=7587

The Z-Score is **-31.6319**. The p-value is 0. The result is **significant** at  $p < 0.05$ .

The proportion of Yes or No responses for Observation 1 is 0.005. The proportion for Observation 2 is 0.04.



### 3.12 Data Collection:

The study entailed a good deal of preparation and planning in order to secure the necessary update data and information. Considerable time has been invested to identify the respondents and to establish personal contact with them. The inquiry process involved the following two broad phases:

#### ➤ Collection of Primary Data

The present study is a descriptive one to study the role of microfinance in women empowerment and to examine the factors that influence women decision making power. The primary data for the study were collected by using one elaborate structured questionnaire comprising of open and close ended questions. The aspects on which the data are sought to be collected from the sample respondents include socio-economic status of women.

The tools used in exploration of the women entrepreneur's questionnaire was finalized on the basis of the experiences of the pilot study, Fifty Microfinance beneficiary women of the selected sample were covered during the pilot survey. In the light of the observations and experiences of the pilot survey, necessary changes were incorporated in the questionnaire. This phase of the research process has helped a great deal in enhancing the contents of the schedules in tune with objectives set out for the study.

The interview schedule was composed of different sections as per dimensions, the first part was pertaining to **Demographic Characteristics** of the female clients as Name, Age, Religion, Marital Status, Educational Qualification, Family Members And Monthly Income then there were general questions about client associated name and number of the MFIs, purpose and amount of the loan. The second part is about Perception of borrowers towards MFI including Interest Rate, Loan Procedure, Operational Assistance and Work Excellence.

The remaining section covered the two dimensions in detail, firstly questions related to economic empowerment that is composed of Income, Money Management, Employment Opportunities, economic decisions, health purposes issues, buying behavior, Efficiency/Productivity, Expansion, Diversification and entrepreneurial skills of females is gauged.

The second dimension is about social aspects at household and community level is being explored following by the general questions. At household level Women opinion about Family's treatment towards them, Status at home, Assets name, Family's standard of living, educational level improvement. At community level their opinion about status in society, Attitude of men towards them, Social mobility and confidence building.

### ➤ **Collection of Secondary Data**

Relevant secondary data was also collected from published reports; issued by various local, national and international organizations. Besides this in order to streamline the present study, a number of books; journals; thesis and articles were reviewed.

### **3.13 Survey Measures:**

Measures used in the current research study were adapted from earlier studies .Each statement was measured on Five Point Likert Scale ranging from “Strongly Disagree (1)” to “Strongly Agree (5)”.

### **3.14 Statistical Test Applied:**

Descriptive Statistics (Frequency and Percentage), Reliability Statistics (Cronbach's Alpha), Correlation Analysis and Multiple Regression Analysis through SPSS version 20.

### **3.15 Statistical Tools adopted:**

The data were analyzed with the help of tables, percentages and compound annual growth rates in addition to some statistical tools like ANOVA and tests of significance.

### **3.16 Questionnaire Design:**

The questionnaire was divided into three parts:

The first part of questionnaire deals with women's personal characteristics and loan related questions in detail. There are 20 questions that address the extent of women empowerment. It also contains 4 categorical questions relating to perception of beneficiaries towards MFIs.

The second part of questionnaire addresses impact assessment of microfinance services in economic empowerment including 11 questions.

The third part deals with social empowerment at household level with 8 questions and community level with 5 questions.

### 3.17 Reliability of Questionnaire-

In order to prove the internal reliability of the model used, Cronbach's Alpha Test of Reliability has performed. Applying this test specified the items pertaining to each dimension are internally consistent or not. The resulting alpha values ranged from 0.70 to 0.87, which were above the acceptable threshold 0.70 suggested by Babbie (1992). According to Babbie (1992), the value of Cronbach's Alpha is classified based on the reliability index classification where 0.90-1.00 is very high, 0.70-0.89 is high, 0.30-0.69 is moderate, and 0.00 to 0.30 is low. The analysis showed the Cronbach's Alpha value, higher than 0.70, falls into the classification of high.

**Table 3.2: Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
.869	.937	28

Above Table 3.2 shows that Cronbach's alpha is **0.869**, which indicates a high level of internal consistency for the scale with this specific dataset.

### 3.18 Limitations of the Study

1. The present study was confined to Allahabad district only and the result cannot be generalized.
2. From several elements of microfinance the study was limited to microcredit only.
3. Out of many factors influencing the Women Empowerment in the area of study only two factors were considered:
  - a) Economic
  - b) Social
4. The biasness of respondents in revealing some negative responses about the MFIs.

## CHAPTER FOUR: RESULT AND DISCUSSION

This chapter represents the observational findings gleaned from the accumulated data. It gives demographic information of loan recipients with the statistical examination and presentation of the information cumulated from them. It is pursued by the interpretation and consideration about the results.

### 4.1 DEMOGRAPHIC INFORMATION OF RESPONDENTS:

This section examined the demographic background of respondents concerning age, religion, marital status, educational level, number of family members, monthly income and other relevant indicators. All are influences the stage of poverty and the point of socio-economic evolution.

**Table 4.1.1 : Demographic Information Statistics**

	Mean	Std. Deviation	Variance
Age	2.38	.894	.799
Religion	1.13	.346	.120
Marital status	2.18	.575	.330
Educational Qualifications	1.48	.753	.567
Members in family	1.95	.715	.511
Monthly income	1.40	.575	.331

Table 4.1.1 depicts that an ample proportion of recipients were from the middle aged group having  $M= 1.50$  and  $S.D=.894$ . A larger part of recipients belonged from Hindu religion with  $M=1.13$  and  $S.D=.346$ . Utmost loan recipients were married shown by  $M= 2.18$  and  $S.D = .575$ . Though maximal recipients had no academic education indicated by  $M= 1.48$  and  $S.D=.753$  that exhibits the continuance of the traditional phenomenon of the low education level among females. A significant number of respondent's family size was above 4 members with the  $M=1.95$  and  $S.D=.715$ . As far as status of monthly earning was concerned, highest number of recipients were covering in range of <10000 per month with  $M=1.40$  and  $S.D=.575$ .

**Table 4.1.2: Area**

	Frequency	Percent	Valid Percent
Urban area	300	50.0	50.0
Rural area	300	50.0	50.0
Total	600	100.0	100.0

Study (Table 4.1.2) discloses that, among the total 600 respondent, 50% belonged toward the Urban area and 50% them belong to Rural Area.

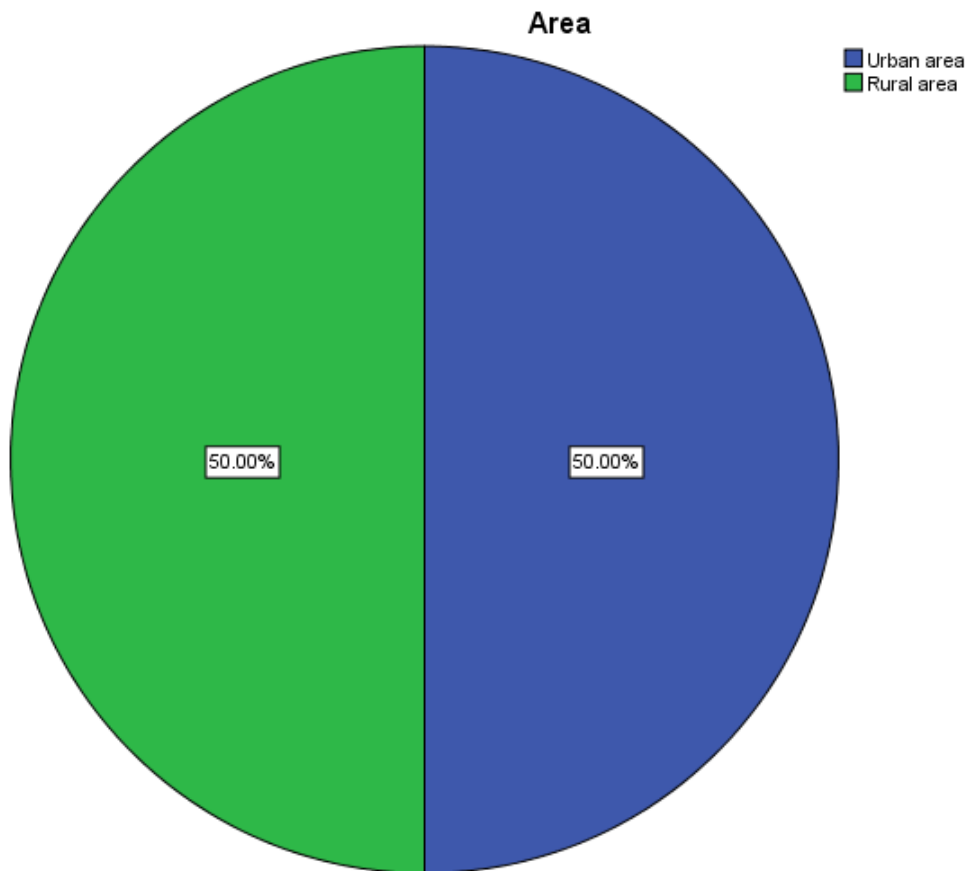
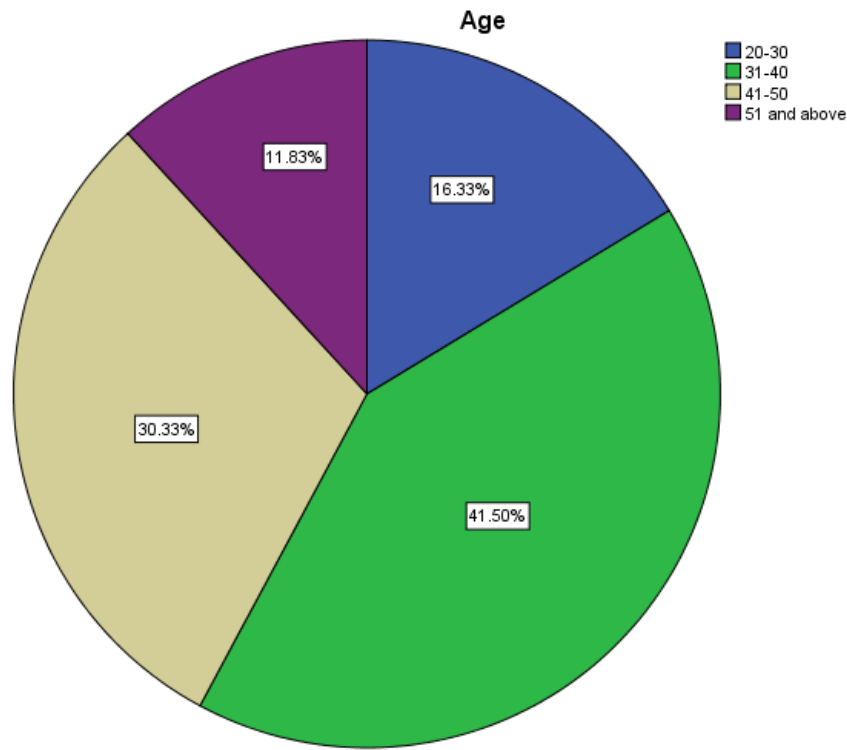


Figure 2

**Table 4.1.3: Age**

	Frequency	Percent	Valid Percent
20-30	98	16.3	16.3
31-40	249	41.5	41.5
41-50	182	30.3	30.3
51 and above	71	11.8	11.8
Total	600	100.0	100.0

Table 4.1.3 gives age classification of female beneficiaries. 42 % of recipients related to aged group 31-40 years, 30% concerned to aged group 41-50 years, 16.3% allied to 20-30 years while only 11% belonged to age group above 50 years. It is seen that maximum recipients come of the middle aged group while the eldest group participation was least. It is confirmed that women who have been allied MFIs for longer period were within the 31-50 age groups. The positive view is that the middle aged group women were more enthusiastic than their elderly counter parts. The younger group was more interested to join microfinance organizations to renovate their life. They desire to earn some more money from alternative occupation to help their families.

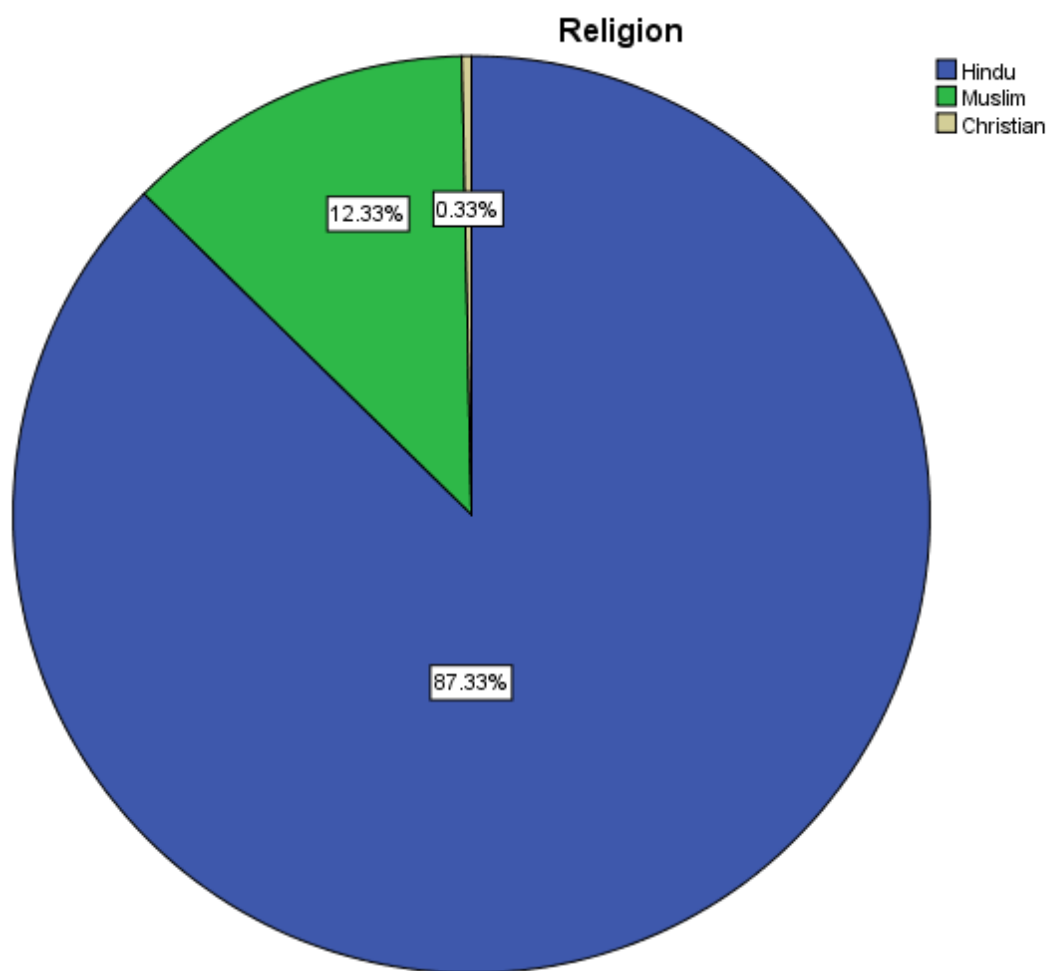


**Figure 3**

**Table 4.1.4: Religion**

	Frequency	Percent	Valid Percent
Hindu	524	87.3	87.3
Muslim	74	12.3	12.3
Christian	2	.3	.3
Total	600	100.0	100.0

It is exhibited from the table 4.1.4 that out of whole respondent, 87% were Hindu, pursue by Muslims who were 12% with the resting .3% were Christians. Surveys exposed to the most of recipients were Hindu.



**Figure 4**

**Table 4.1.5: Marital Status**

	Frequency	Percent	Valid Percent
Single	1	.2	.2
Married	545	90.8	90.8
Widowed	54	9.0	9.0
Total	600	100.0	100.0

It is apparent from table 4.1.5 that 91% recipients were married, 9% of recipients were widowed and only .2% was single. Married women are trusted as MFIs assumed that their spouses would support them to return the credit amount in the situation of default. This indicates that women's marital status plays a vital act in approach to microfinance resources. It is apparent that MFIs value married women on the ground of spousal support, where a spouse acts as a 'security measure' to loan repayment. Although MFIs do not spell out marital status in their lending policies as a criterion for favoring married women, this expectation leads to discrimination of those women without spouses.

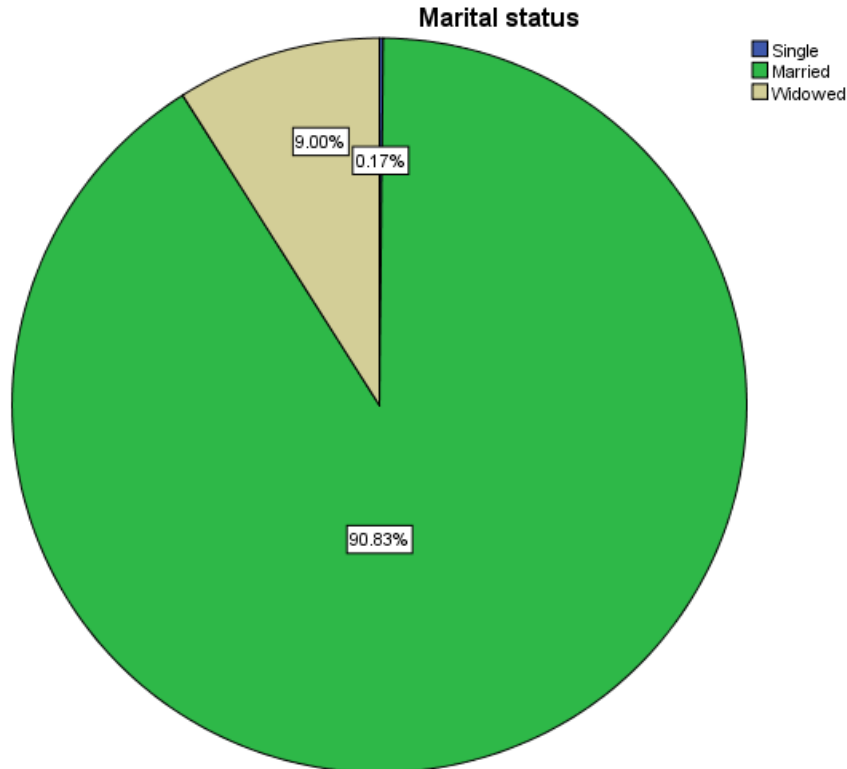


Figure 5



**Table 4.1.6: Educational Qualifications**

	Frequency	Percent	Valid Percent
No Formal Education	403	67.2	67.2
Primary School	112	18.7	18.7
Secondary School	80	13.3	13.3
Bachelor Degree	5	.8	.8
Total	600	100.0	100.0

The above table 4.1.6 shows that from the whole recipients More than 67 % were uneducated, 19% of the members had primary school education (class I to V), 13% of the members had secondary school education (class VI to XII) followed by .8% had college education. Thus education does not consider a necessary prerequisite to perform as a motive power to join microfinance institutions.

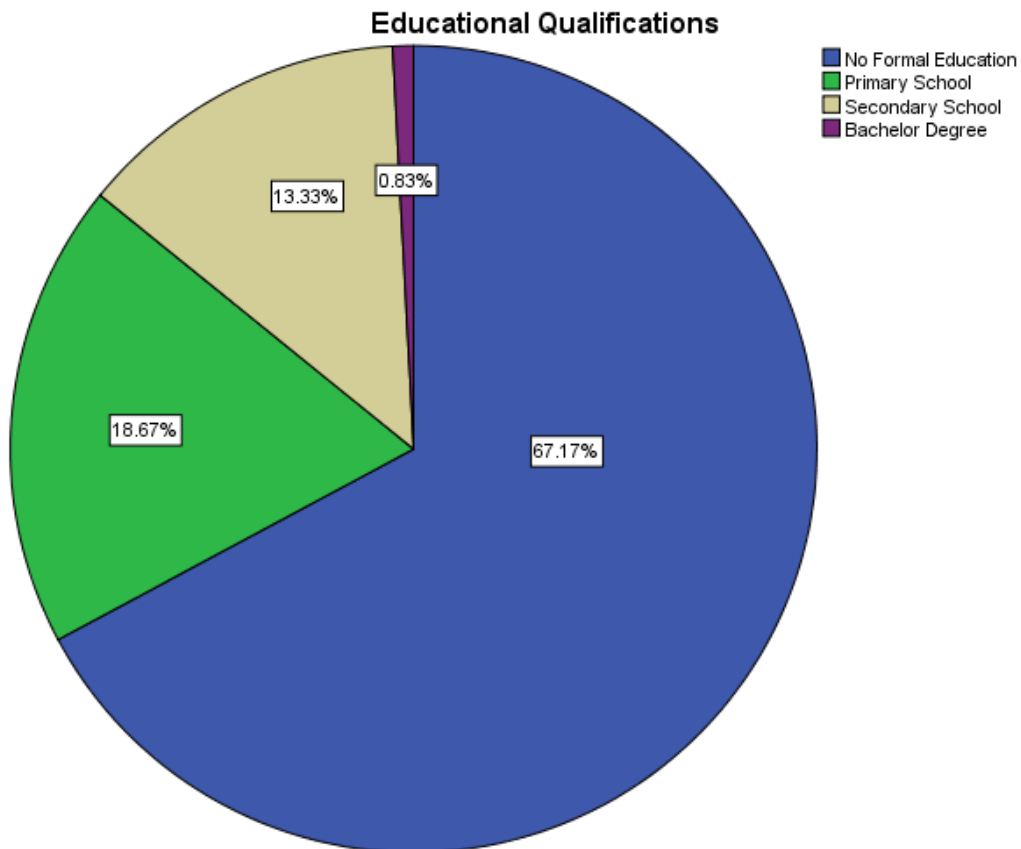


Figure 6

**Table 4.1.7: Members in family**

	Frequency	Percent	Valid Percent
3-4 people	170	28.3	28.3
5-6 people	292	48.7	48.7
>6 people	138	23.0	23.0
Total	600	100.0	100.0

Table 4.1.7 reveals that 48.7% of recipients belonged to 5-6 people family group category followed by 28.3% from 3-4 people family group category and 23% of recipients be member of the >6 people family group.

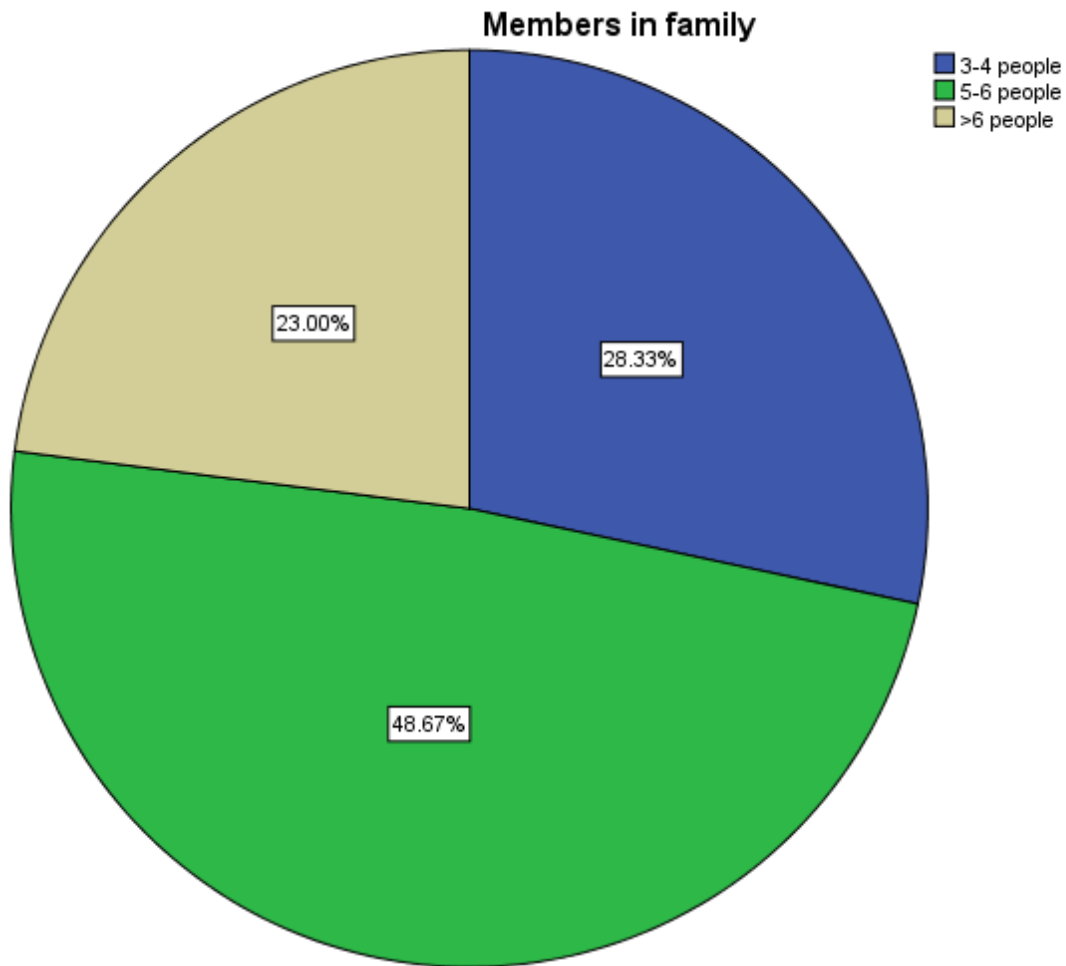


Figure 7

**Table 4.1.8: Monthly income**

	Frequency	Percent	Valid Percent
<10000	382	63.7	63.7
10000-20000	199	33.2	33.2
20000-30000	15	2.5	2.5
>30000	4	.7	.7
Total	600	100.0	100.0

The table 4.1.8 reveals that 64% respondents were earning monthly income Rs. <10000, 33% respondents were earning the income ranged betwixt Rs.10000-20000, 3% respondents were monthly income ranged between Rs.20000-30000, 7% respondents were range income of >30000. This illustrates that larger number of recipients had a substantive monthly earning of about10000 thus moving towards financial constancy with the initiation of the micro financial services at their ejection.

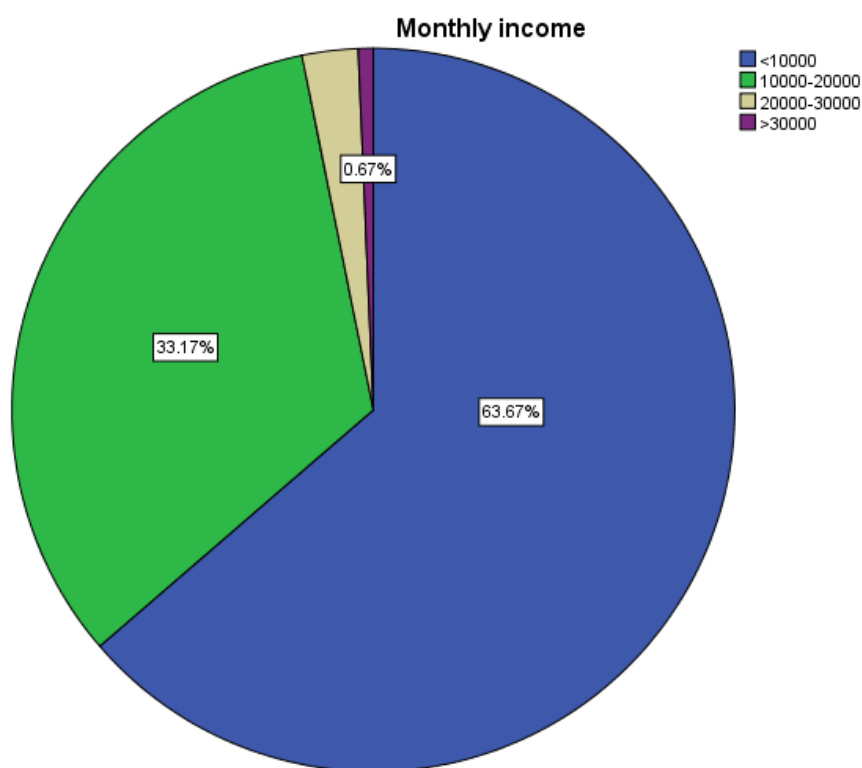


Figure 8

## 4.2 CREDIT MANAGEMENT:

This section analyzed the position of multiple borrowing, credit availing time, credit taken period, reason of loan taking, loan amount, installment period, continuous checking of credited money and management of the lend amount to know the real credit management capability and credit deservingness of recipients . Microfinance does not automatically empower women; it makes vital contributions and supports to economic productiveness and social well-being.

**Table 4.2.1: Credit Management Statistics**

	Mean	Std. Deviation	Variance
Number of the MFIs	1.79	.634	.402
Number of time credit availed	3.30	.996	.992
Credit taken year	2.97	1.116	1.246
Purpose of the loan	2.58	1.037	1.076
Amount of the loan	3.92	.277	.077
Installment period to repay loan	2.99	.122	.015
Monitoring of the Loan	1.00	.000	.000
Management of the loan amount	6.84	1.638	2.682

Results (Table 4.2.1) show that preponderance of several borrowing was very high. Majority of credit recipients had at least two loans from different MFIs at the same period showing by mean 1.79 and standard deviation .634. In addition, a significant number of recipients taken loan from MFIs greater than 3 times, the loan recycling process were high with mean score 3.30 and standard deviation .996. Greater number of the recipient had been clients of the microfinance institution from more than 7 years indicated by the mean 2.97 and standard deviation 1.116. Majority of the recipients used the lend amount as start-up investment of their work concern having mean 2.58 and standard deviation 1.037. Large number of recipients received loan greater than 30000 which was depicted by the mean 3.92 and standard deviation .277. Respondents also accepted that they return the loan on weekly installment basis with mean score 2.99 and standard deviation .122. In addition, recipients agreed that MFIs monitor the usage of loan amount continuously which registered mean score 1.00 and standard deviation .000. They also confessed that they manage the borrowed money by themselves having a mean score 6.84 and standard deviation 1.638.

**Table 4.2.2: Number of the MFIs**

	Frequency	Percent	Valid Percent
1 MFI	192	32.0	32.0
2 MFIs	350	58.3	58.3
3 MFIs	52	8.7	8.7
>3 MFIs	6	1.0	1.0
Total	600	100.0	100.0

Table 4.2.2 shows that, 58.3% respondents associated with 2 loan contracts with different MFIs at the same time. This indicates that the prevalence of several borrowing is high. 32% associated only with 1 MFI, 8.7% with 3 MFIs and 1% with more than 3 MFIs. The primary reason of several loan contracts is divergence between the loans size issued by MFIs and requirements of the clients. Other causes for multiple borrowing contain family liability, loan recycling, and relaxed or simple loan procedures, influence of friends who are taking multiple loans along with delayed loan distribution from the Micro financial organization in which the client first applied.

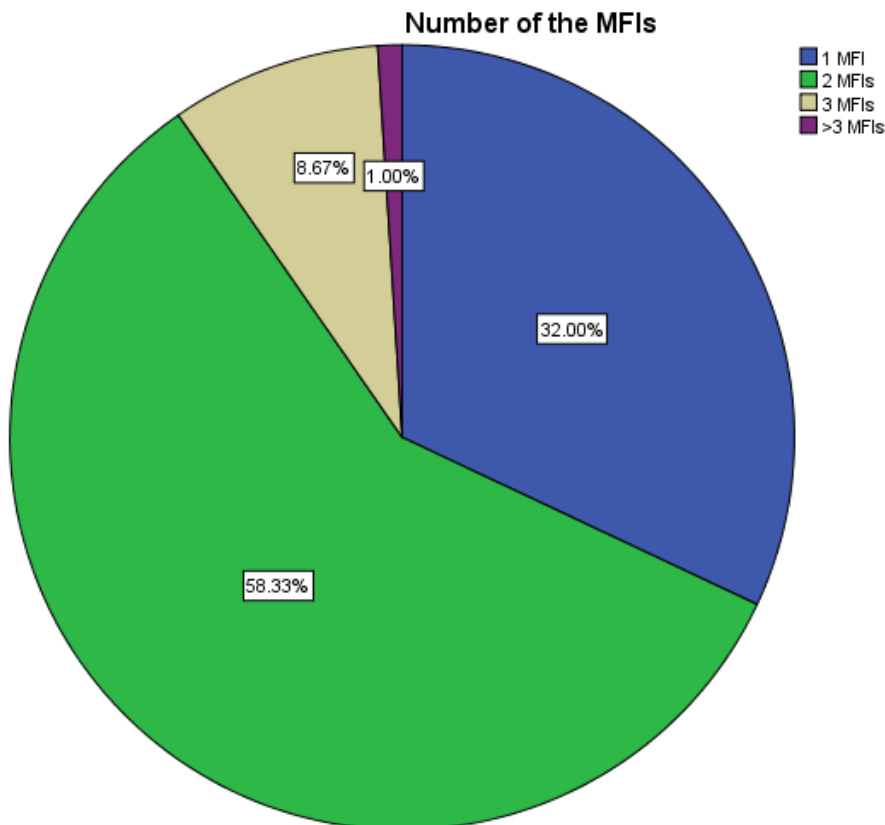


Figure 9

**Table 4.2.3: Number of time credit availed**

	Frequency	Percent	Valid Percent
1 time	44	7.3	7.3
2 times	102	17.0	17.0
3 times	83	13.8	13.8
More than 3 times	371	61.8	61.8
Total	600	100.0	100.0

The table 4.2.3 includes first time customers along with repeat customers. It shows that 61.8% respondents taken loan with MFIs from beyond 3 times, 17% from 2 times, 13.8% from 3 times and only 7.3% from 1 time. Most respondents were in more than three times loan cycle. The volume of loan disbursed relies upon the loan cycle of the customer. As the customer progresses into loan cycles, size of loan disbursed is higher.

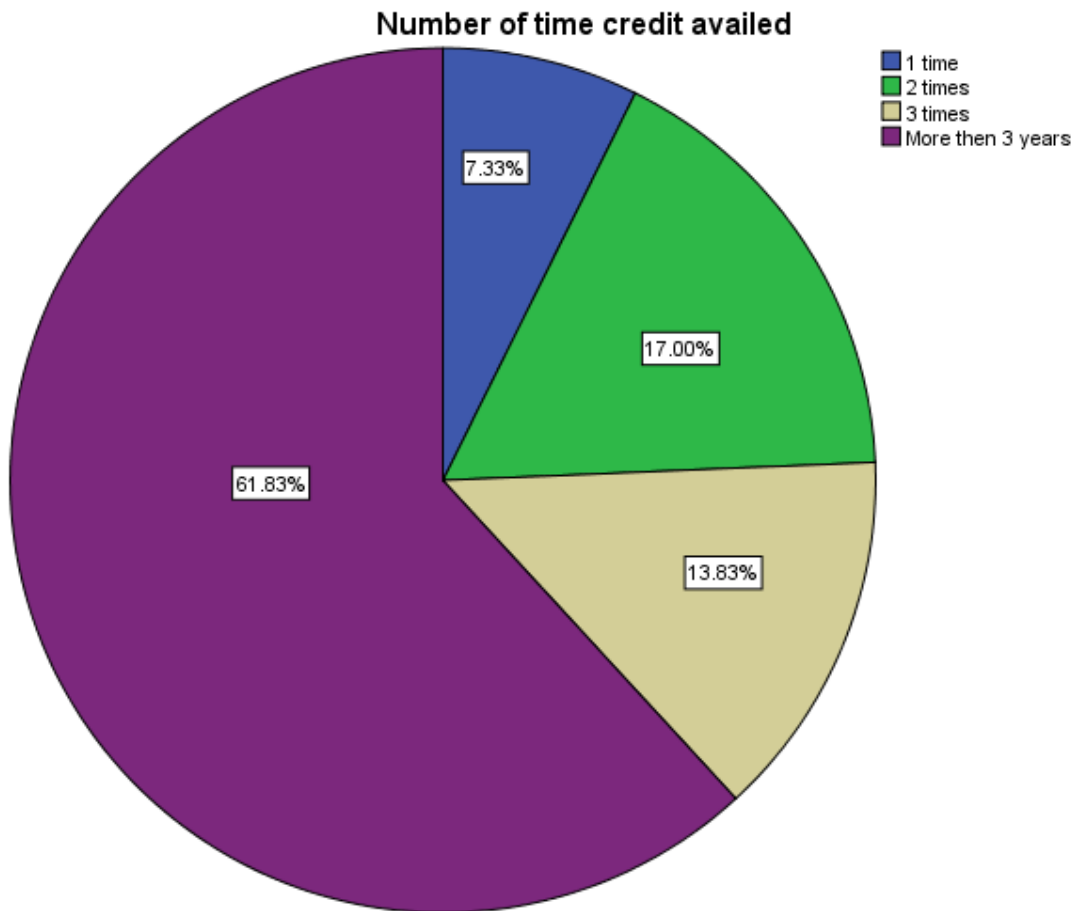


Figure 10

**Table 4.2.4: Credit taken year**

	Frequency	Percent	Valid Percent
>1 year	86	14.3	14.3
> 3 years	124	20.7	20.7
>5 years	111	18.5	18.5
>7 years	279	46.5	46.5
Total	600	100.0	100.0

The table 4.2.4 indicates the duration of time that beneficiaries had been client of MFIs. As per findings, most of recipients around 46.5% had been clients of MFIs for over 7 years, 20.7% for more than 3 Years, and 18.5% for more than 5 Years while 14.3% had been clients for more than 1 year. This shows that majority of recipients had sufficient experience about the organizational products and services to provide credible information with concerned to financial upliftment of women.

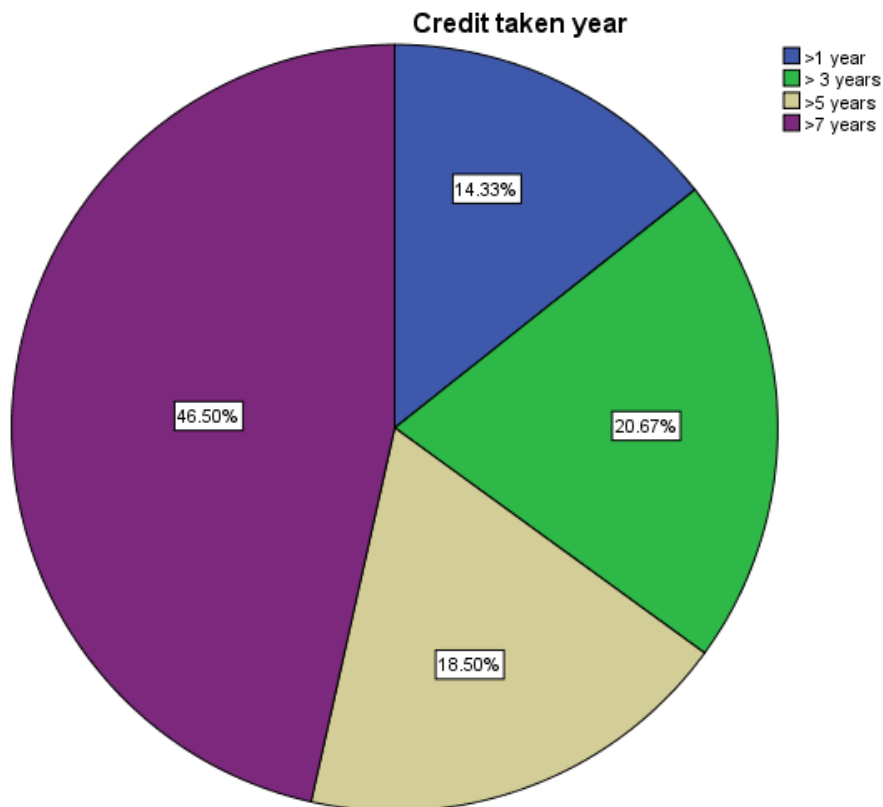
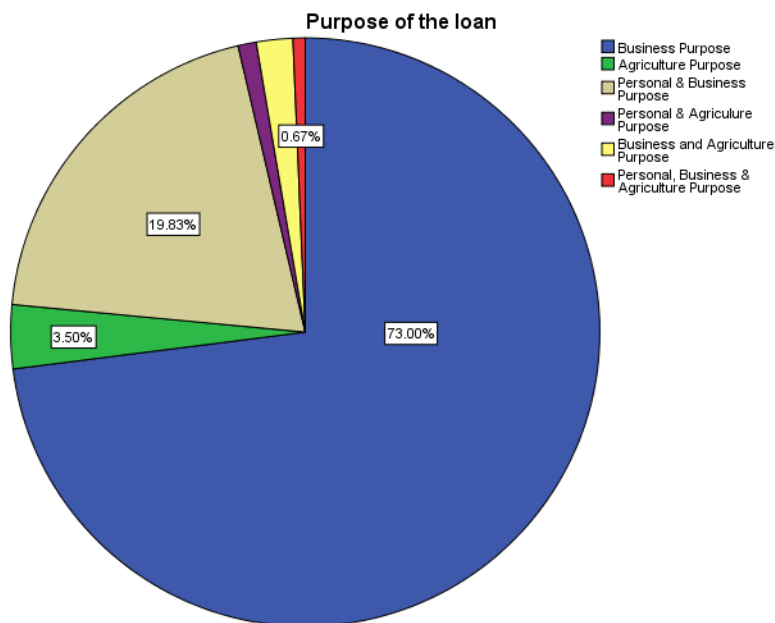


Figure 11

**Table 4.2.5: Purpose of the Loan**

	Frequency	Percent	Valid Percent
Business Purpose	438	73.0	73.0
Agriculture Purpose	21	3.5	3.5
Personal & Business Purpose	119	19.8	19.8
Personal & Agriculture Purpose	6	1.0	1.0
Business and Agriculture Purpose	12	2.0	2.0
Personal, Business & Agriculture Purpose	4	.7	.7
Total	600	100.0	100.0

Above table 4.2.5 indicates the way in which respondents spent that loan received from the MFIs. It shows that larger number of recipients 73% used financial resources as startup Capital, 19.8% for business expansion and household consumption, 3.5% for Agriculture purpose, 2% for business and agriculture purpose, 1% for personal and agriculture purpose while .7% used it for personal, business and agriculture activities. This describes that most of the financial resources acquired from the microfinance institutions were utilized for business affiliated purposes, meaning to start up the new small-scale businesses beside in the extension of old businesses.



**Figure 12**



**Table 4.2.6: Amount of the Loan**

	Frequency	Percent	Valid Percent
20000-30000	50	8.3	8.3
>30000	550	91.7	91.7
Total	600	100.0	100.0

Table 4.2.6 shows that 91.7% respondents received loan more than 30000 rupees. And 8.3% respondents received 20000 to 30000 rupees. This entails that MFIs primarily emphasize on micro-credit and provide sufficient capital to start up a small-scale business.

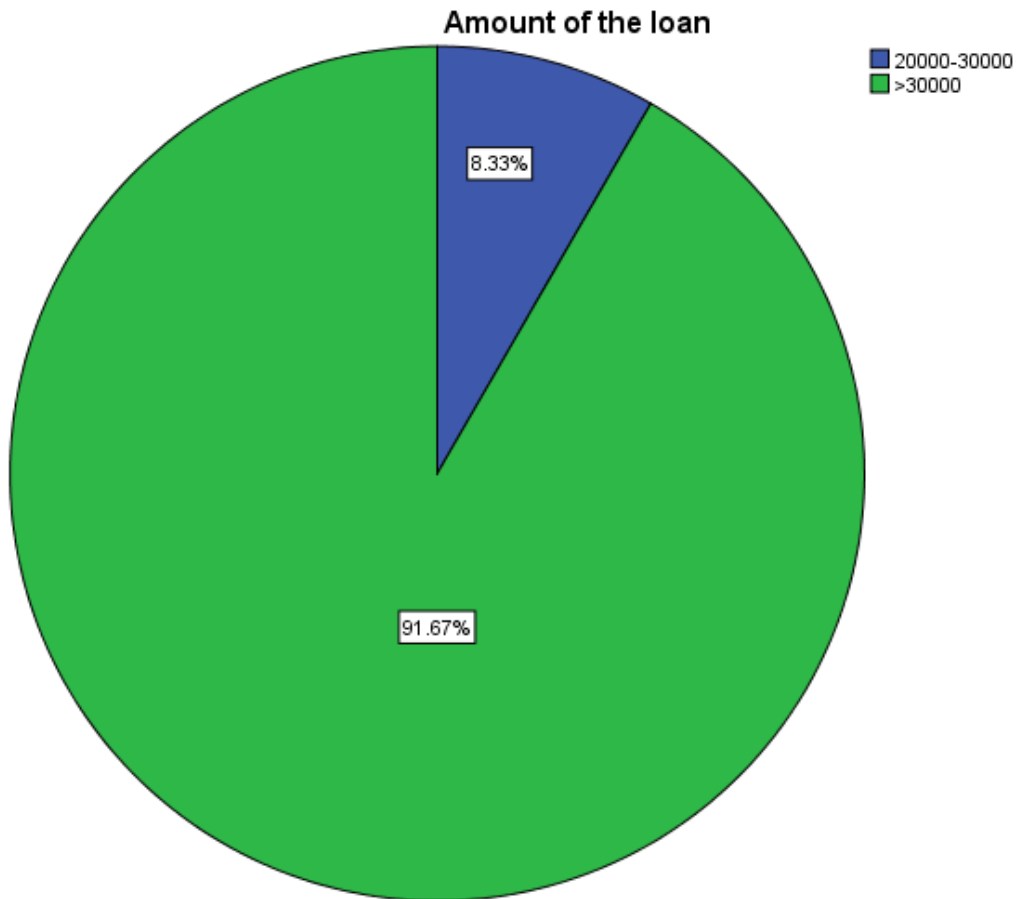


Figure 13

**Table 4.2.7: Installment period to repay loan**

	Frequency	Percent	Valid Percent
Bi-Monthly	9	1.5	1.5
Weekly	591	98.5	98.5
Total	600	100.0	100.0

Table 4.2.7 reveals that 98.5% respondents met in groups and repaid loans in weekly installments while only 1.5% repaid loan on monthly basis. Group based lending and collection of microfinance repayment installments on weekly basis reduces delinquency risk, granting loan to the poor making them financially viable. MFIs argue and impose fiscal discipline at weekly gathering that help clients in developing saving and repayment tendency. In addition, the classical paying back schedule raises interactions with loan official, which may help to build trust amid clients and MFIs.

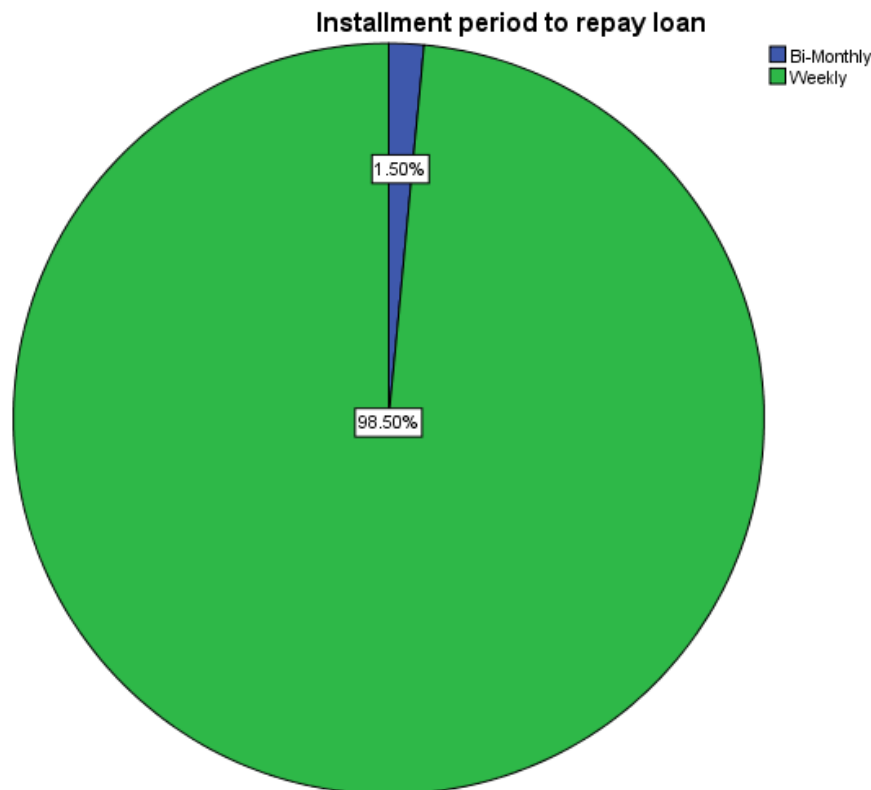


Figure 14

**Table 4.2.8: Monitoring of the Loan**

	Frequency	Percent	Valid Percent
Yes	600	100.0	100.0

Table 4.2.8 shows that 100% monitoring of the loan amount. The loan officer explains various importance of abiding by the terms of loan contract. Frequent monitoring visits help to emphasize the significance of timely paying back and usage of borrowed money. A microfinance organization is work to establish its appearance, its aim, and its assurance to the upliftment of women. Continuous Monitoring visits are also help to call upon new clients in the neighborhood, or to post informational person within the community.

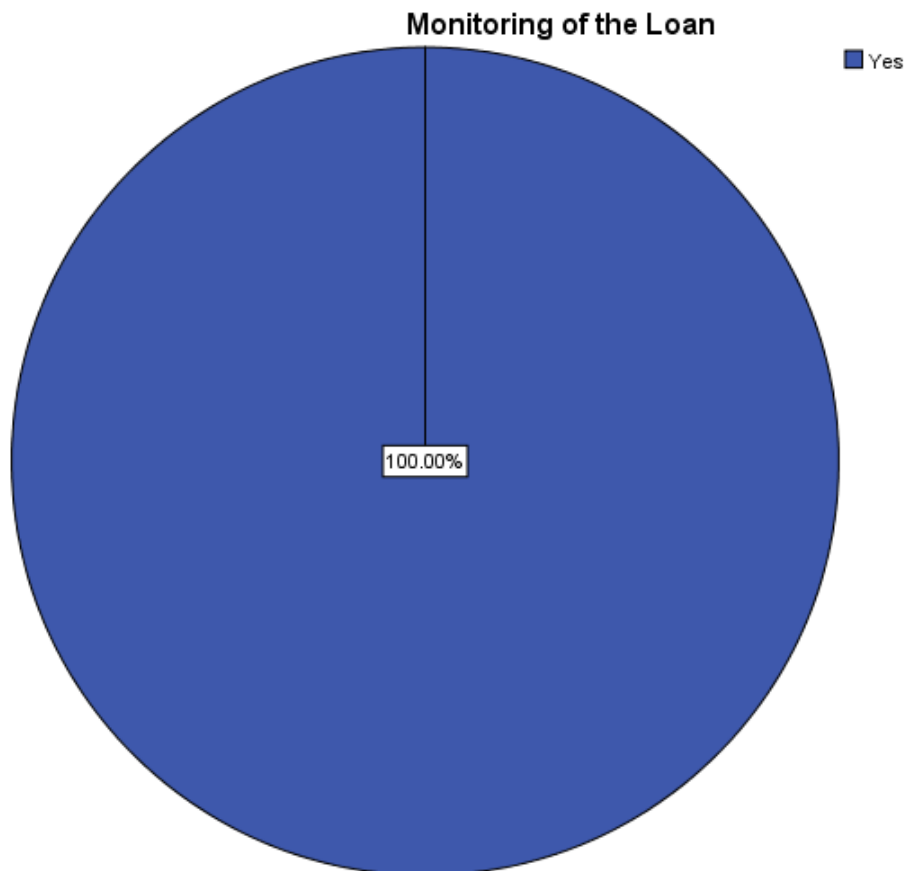


Figure 15

**Table 4.2.9: Management of the loan amount**

	Frequency	Percent	Valid Percent
Husband	124	20.7	20.7
Me	268	44.7	44.7
Others	3	.5	.5
Both Husband & Wife	198	33.0	33.0
Children & Me Both	7	1.2	1.2
Total	600	100.0	100.0

The above table 4.2.9 discloses that 44.7% respondents managed the loan amount themselves, 33% respondents managed it with their husband, 20.7% loan managed by only their husband, 1.2% loan managed by themselves with their children while only .5% managed by others. It shows that Women sometimes have little control over their loan. It is explicit that management and controlling within family are largely gendered; Women have a stronger influence in small financial decisions while big investment decisions are more likely to be jointly taken by the couple.

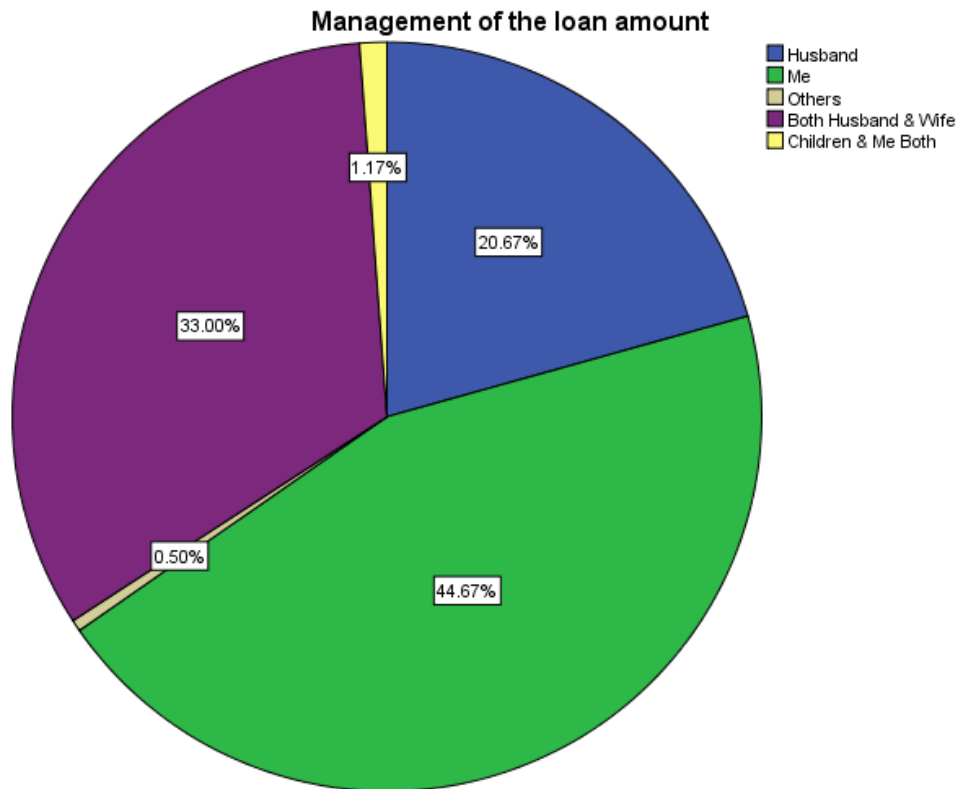


Figure 16

### 4.3 RESPONDENTS PERCEPTION TOWARDS MFIs:

This section deals with probing the respondents viewpoints towards microfinance services in respect of their satisfaction level and impact position of the services availed. Each variable rates on a 'five point likert scale' according to satisfaction derived from it and for determination of the respondents' satisfaction level, the variables were categorized as variables of strongly disagree, disagree, can't say, agree, strongly agree.

**Table 4.3.1: Respondents Perception towards MFIs Statistics**

	Mean	Std. Deviation	Variance
The rate of interest of microcredit is reasonable	4.79	.443	.196
The procedure of obtaining loan from MFIs is easier than Conventional banking	4.96	.192	.037
Operational assistance received from MFIs was helpful to start / run the business	4.97	.175	.031
The effort of Micro financing activities in the area towards empowerment of women is excellent	4.97	.180	.032

The study (Table 4.3.1) sought to establish the agreement level of beneficiaries' women after she had received loan from microfinance institution. According to the findings, the recipient agreed that interest rate of microcredit is reasonable which registered a mean score 4.79 and standard deviation .443. In addition, recipients admitted that procedure of getting loans from MFIs is gentle than conventional banking as indicated by a mean 4.96 and standard deviation .192. They also agreed that Operational aids received from MFIs were helpful to establish or carrying the business as shown by a mean score 4.97 and standard deviation .175. The effort of Micro-financing activities towards women empowerment is excellent as indicated by a mean score 4.97 and standard deviation .180.

**Table 4.3.2: The rate of interest of microcredit is reasonable**

	Frequency	Percent	Valid Percent
Disagree	3	.5	.5
Agree	117	19.5	19.5
Strongly agree	480	80.0	80.0
Total	600	100.0	100.0

Above Table 4.3.2 discloses that the greater number of beneficiaries 80% strongly accepted that interest rate of the loan is reasonable whereas only .5% beliefs that interest rate is not reasonable. The microfinance loan interest rate basically is not a problem for the poor. The borrowers were more interested about taking adequate capital to improvement their business, the refund schedule (weekly vs. monthly), and the time allegiance in the repayment meetings. In comparison of interest rates imposed by the Indigenous banker/ moneylenders, the rates, the non-forcible nature, and the insurance advantage of the microfinance organization seem even more sensible. Since the credit returning phase is short, the interest rates have not much effect compared to a loan. Also, due to simple interest rate the effect on repayments is not as striking as it would be on credit with compounding interest rates.

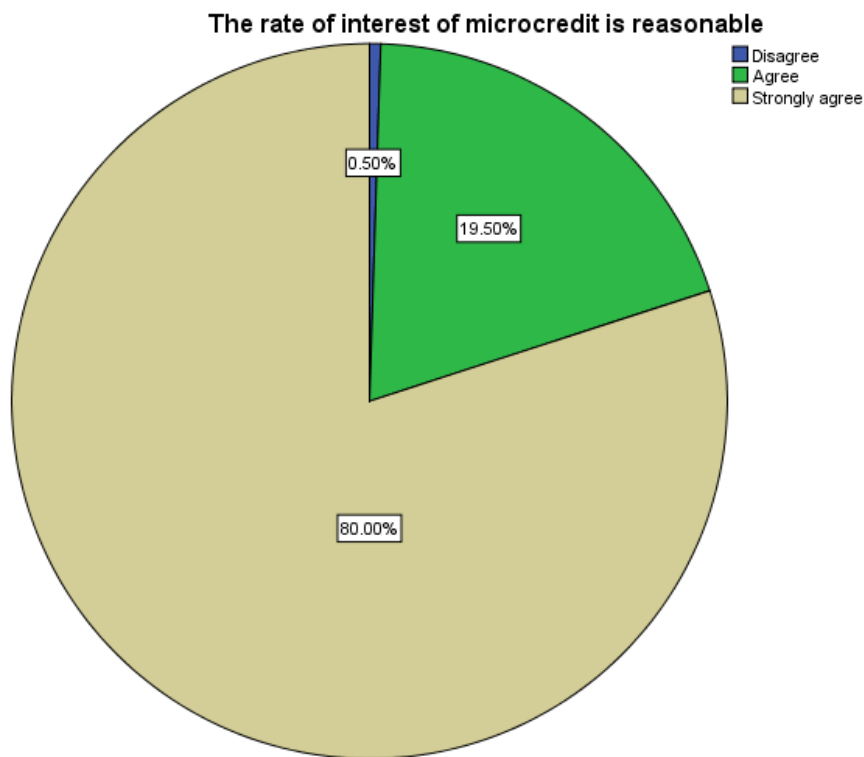


Figure 17

**Table 4.3.3: The procedure of obtaining loan from MFIs is easier than Conventional banking**

	Frequency	Percent	Valid Percent
Agree	23	3.8	3.8
Strongly agree	577	96.2	96.2
Total	600	100.0	100.0

The study (Table 4.3.3) shows 96.2% beneficiaries strongly agreed that obtaining loan from MFIs is much easier than conventional banking; women are not pleased with the bank formalities like call for collaterals, loan utilization checks, repayment policy. They faced the procedural complications too, for getting the loan sanctioned, particularly while going for conventional sources of fund like banks. They also believed that banking company give ‘bank door’ services: means to avail the monetary services the customer have to reach to the bank, Whereas MFIs offer ‘door step’ services; means the personnel of the microfinance organization render their pecuniary services at customer’s door.

**The procedure of obtaining loan from MFIs is easier than Conventional banking**

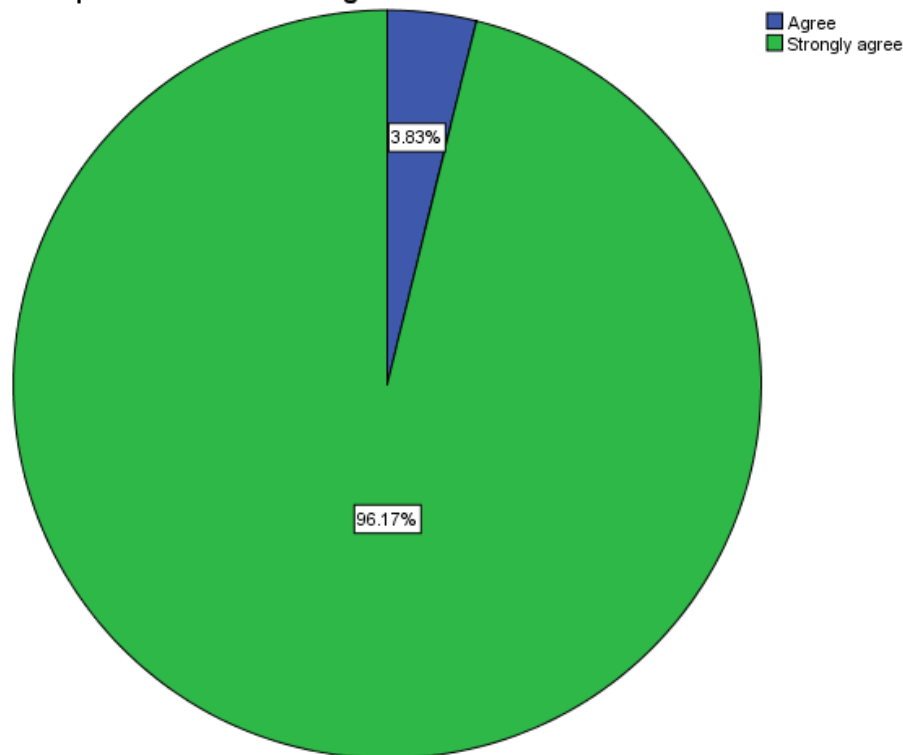


Figure 18

**Table 4.3.4: Operational assistance received from MFIs was helpful to start / run the business**

	Frequency	Percent	Valid Percent
Agree	19	3.2	3.2
Strongly agree	581	96.8	96.8
Total	600	100.0	100.0

As per findings (Table 4.3.4), the 96.8% recipient strongly agreed and 3.2% recipient agreed that operational assistance acquired from MFIs was beneficial to establish or run the business. MFIs presently support and further promote the sustainable growth of businesses. Women require access to funding for the businesses to flourish on a sustainable basis. It is remarkable to state that both financial and non-financial services supplied by MFIs have considerably assisted small establishments and have augmented the expansion of business skills and the sharing of innovative ideas. The consequence of this study is that, micro-lending inevitably promotes businesses by eliminating the resource gap for such work. Micro-financing has an immense potential for increasing the operations of businesses by the persistent provision and contributions of non-financial services.

**Operational assistance received from MFIs was helpful to start / run the business**

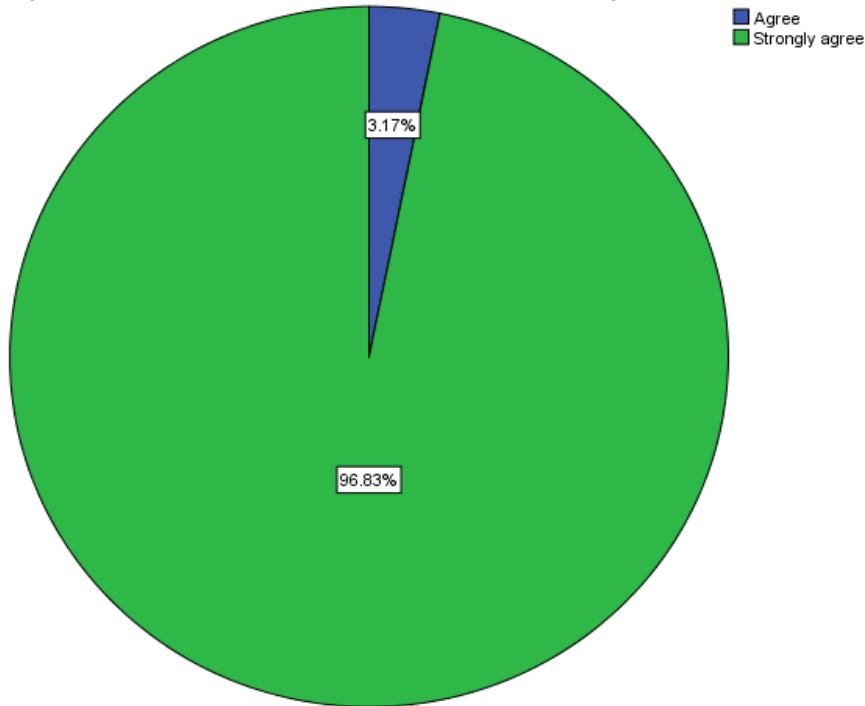


Figure 19



**Table 4.3.5: The effort of Micro financing activities in the area towards empowerment of women is excellent**

	Frequency	Percent	Valid Percent
Agree	20	3.3	3.3
Strongly agree	580	96.7	96.7
Total	600	100.0	100.0

Above table 4.3.5 depicts that 96.7% respondents strongly believed and 3.3% agreed that effort of Micro-financing activities in the sphere towards women empowerment is excellent. Microfinance organizations perform a great role in socio economic progression of women because; feasible development depends on the financial and economical upliftment of women.

**The effort of Microfinancing activities in the area towards empowerment of women is excellent**

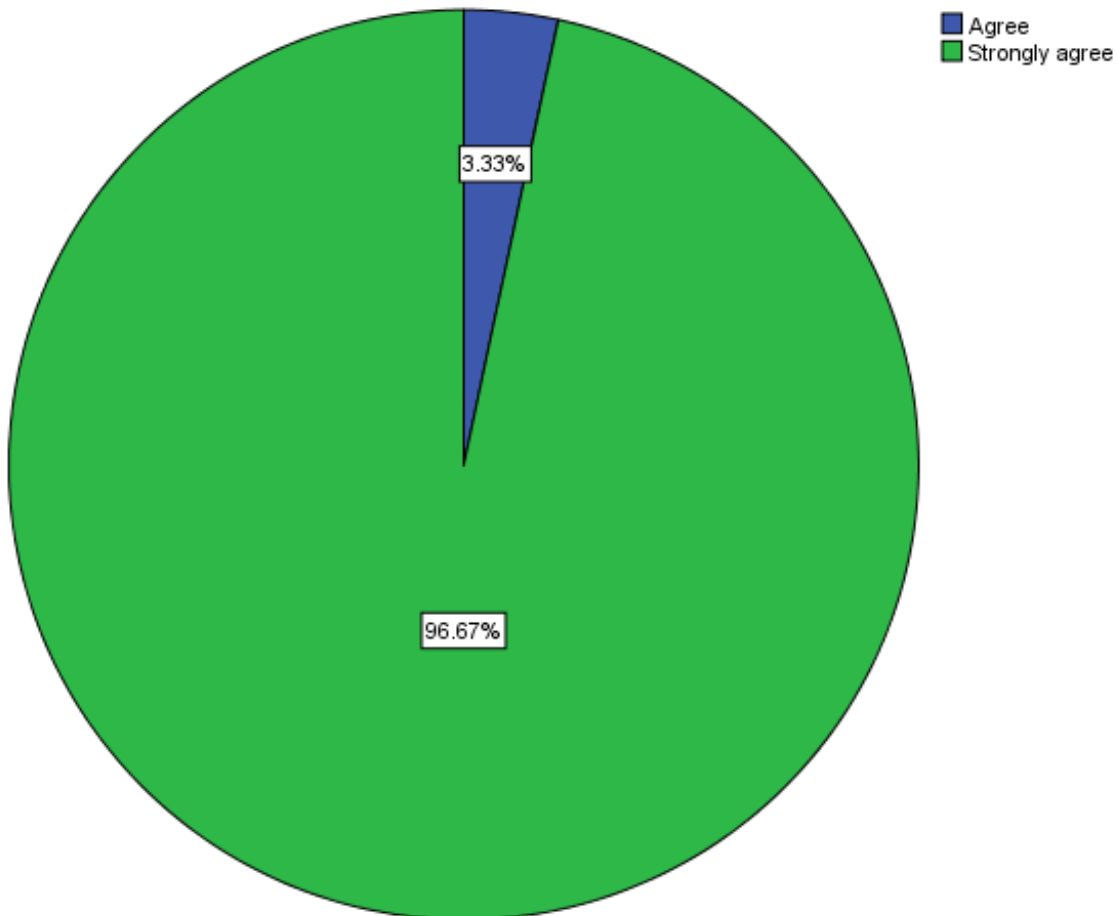


Figure 20

#### 4.4 ECONOMIC DOMAIN: Impact of Microfinance on Economic Empowerment of women

Economic empowerment assessment refers to the effects of microfinance on respondent's economic aspects. To reveal the economic influence of microfinance on women the main variable which were being undertaken are income, money management, employment, economic decision, investment on health care, control over resources, buying capacity, business efficiency/productivity, business expansion, diversification and entrepreneurial skill of the members. Each variable were categorized into five category viz. strongly disagree, disagree, can't say, agree and strongly agree by grouping the respondents.

**Table 4.4.1: Economic Domain Statistics**

	Mean	Std. Deviation	Variance
It has increased the income I have	4.93	.258	.067
It has increased my ability to manage money effectively	4.71	.470	.221
It has increased my employment opportunities	4.81	.390	.152
It increases my greater say in economic decision	4.51	.799	.638
I am able to spend money on health purposes of the family	4.91	.282	.079
It has increased my control over resources	4.81	.399	.160
It has increased my buying capacity	4.93	.258	.067
It has increased my efficiency/productivity	4.76	.438	.192
I have experienced an improvement in my business after taking the loan from MFIs	4.84	.415	.172
I have experienced diversification in my business after taking the loan from MFIs	2.01	1.483	2.199
I have experienced increased entrepreneurial skills in my business	4.36	.595	.354

According to findings of Table 4.4.1, the respondents agreed that their income had raised and it had increased their capability to manage money effectively as shown by mean score 4.93 and 4.71 respectively. They also admitted that operational aids provided by MFIs had increased their employment opportunity with mean score 4.81 and their part in economic decision making process had increased as indicated by mean score 4.51. Those who agreed on better control on resources and buying capacity had increased since joining this program registered a mean score of 4.81 and 4.93 respectively. In addition, the respondents asserted that they are more capable to spend money on family health purposes as indicated by mean of 4.91. On the other hand, the recipients were neutral that their efficiency/productivity had increased which had mean score 4.76; improvement in the business scoring a mean of 4.84; less diversification in business which score a mean of 2.01 and the significant increase in entrepreneurial skill in their business which registered a mean 4.36.

**Table 4.4.2: It has increased the income I have**

	Frequency	Percent	Valid Percent
Agree	43	7.2	7.2
Strongly agree	557	92.8	92.8
Total	600	100.0	100.0

The Table 4.4.2 reveals that 92.8% beneficiaries strongly agreed that microfinance has increased their income level. 7.2 % respondents also agreed that they experienced a positive shift in the members' income level after joining the microfinance institution. The members after joining MFIs could avail to expand their income generating activities by increasing their investments through the loans. There was enhancement in skills of the members through guidance which motivated them in appropriate utilization of money that led to upturn in the members' income. Some members before joining MFIs were not engaged in any income generating activities but after joining, by encouragement, financial support, ease to get and repay loan, they have participated in earning activities. These might be the reasons for increase in income of the members.

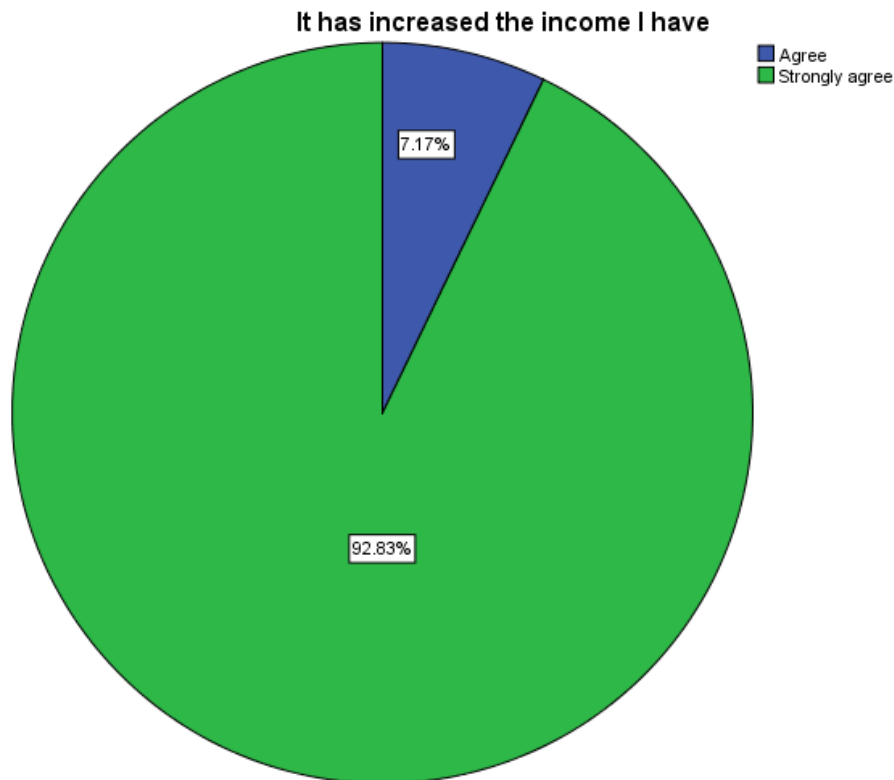


Figure 21

**Table 4.4.3: It has increased my ability to manage money effectively**

	Frequency	Percent	Valid Percent
Can't say	4	.7	.7
Agree	168	28.0	28.0
Strongly agree	428	71.3	71.3
Total	600	100.0	100.0

The Table 4.4.3 further shows that larger part of the beneficiaries 71.3% informed that microfinance has enhanced their decision making capacity to manage money effectively in consideration to generating income, building assets, utilizing resources, and managing risks. 28% respondents also opinioned that microloans support them to enhance income and adequately manage their money although .7% did not experienced any alteration or improvement in their money management ability. Through development in knowledge and information, microfinance enriched the decision making, co-ordination and financial management skills of the beneficiaries.

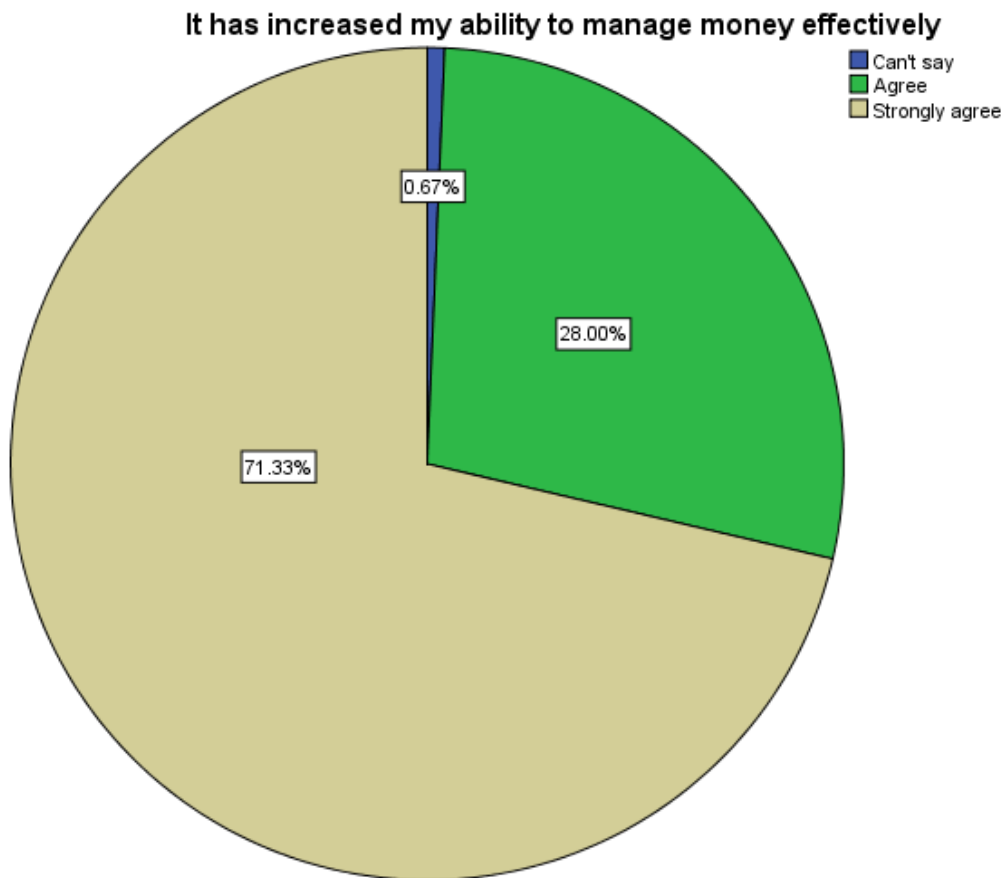


Figure 22

**Table 4.4.4: It has increased my employment opportunities**

	Frequency	Percent	Valid Percent
Agree	112	18.7	18.7
Strongly agree	488	81.3	81.3
Total	600	100.0	100.0

Table 4.4.4 shows that 81.3% respondents strongly agree that Micro finance encouraged undertaking income generating activities. 18.7% respondents also agree that microfinance can have a strong and sound impact on employment. Microcredit targets people who are usually unemployed or otherwise expelled from the conventional banking system and who wish to establish their own business. Study shows that microfinance significantly supports to self-employment and job creation.

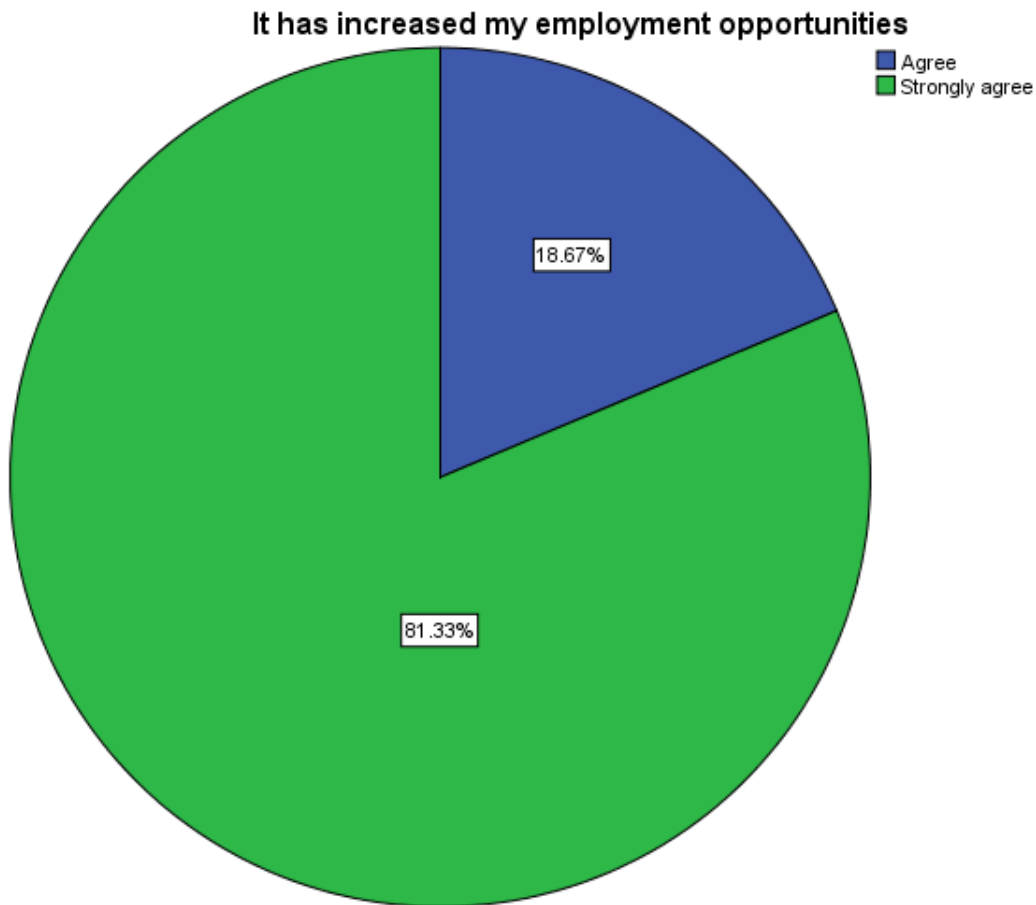


Figure 23

**Table 4.4.5: It increases my greater say in economic decision**

	Frequency	Percent	Valid Percent
Disagree	3	.5	.5
Can't say	107	17.8	17.8
Agree	72	12.0	12.0
Strongly agree	418	69.7	69.7
Total	600	100.0	100.0

Above table 4.4.5 reveals that microfinance resulted in improving decision making capability of women in finance related matters, 69.7% respondents played a high role in taking decisions concern to savings, 17.8% respondents can't clear their views as microfinance increased economic decision making aptitude or not, 12% agreed that microfinance has helped in uplifting their decision taking capability as an effect they have started taking some household firm decisions independently while only .5% respondents disagreed and said that microfinance is not increase their role among economic decision-making.

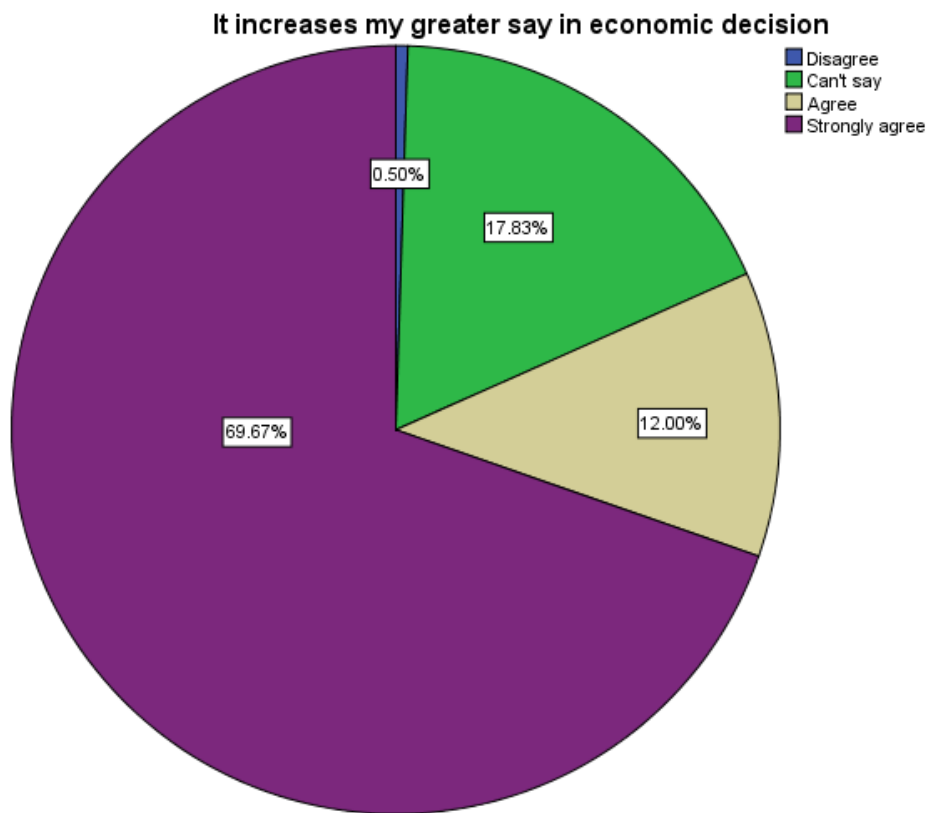


Figure 24

**Table 4.4.6: I am able to spend money on health purposes for the family**

	Frequency	Percent	Valid Percent
Agree	52	8.7	8.7
Strongly agree	548	91.3	91.3
Total	600	100.0	100.0

Table 4.4.6 shows that micro-credit provided by the MFIs have conducive to elevate the family earning of the beneficiaries. 91.3% beneficiaries strongly agreed that after involvement in microfinance program the expenditure in self-health treatment and their family members had increased. 8.7% respondents accepted that Microfinance enhanced better availability of health care services. The study exhibits that reliability of microfinance making the women capable of savings; creation and enhancement of income upgrade their health status through better, timely and easy access of health care.

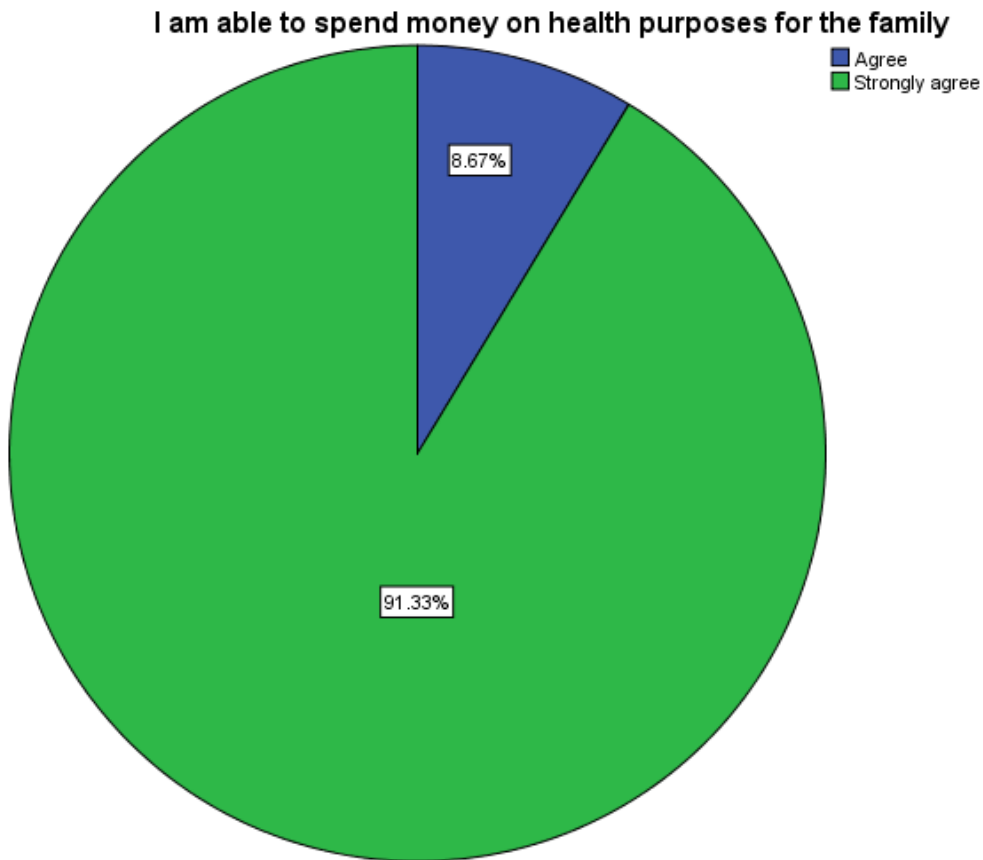


Figure 25

**Table 4.4.7: It has increased my control over resources**

	Frequency	Percent	Valid Percent
Can't say	1	.2	.2
Agree	114	19.0	19.0
Strongly agree	485	80.8	80.8
Total	600	100.0	100.0

Table 4.4.7 shows that 80.8% respondents were economically empowered; they are ready to face the financial crises in family, they have more control over resources in order of saving and spending. 19% beneficiaries agreed that they achieved greater control over resources like possession of material, intellectual resources like knowledge, idea, information and decision making at home, community and society while only .2% was in the criterion of non-confirmation in terms of an increased role in decisions regarding the decision to save and usage of income earned or generated.

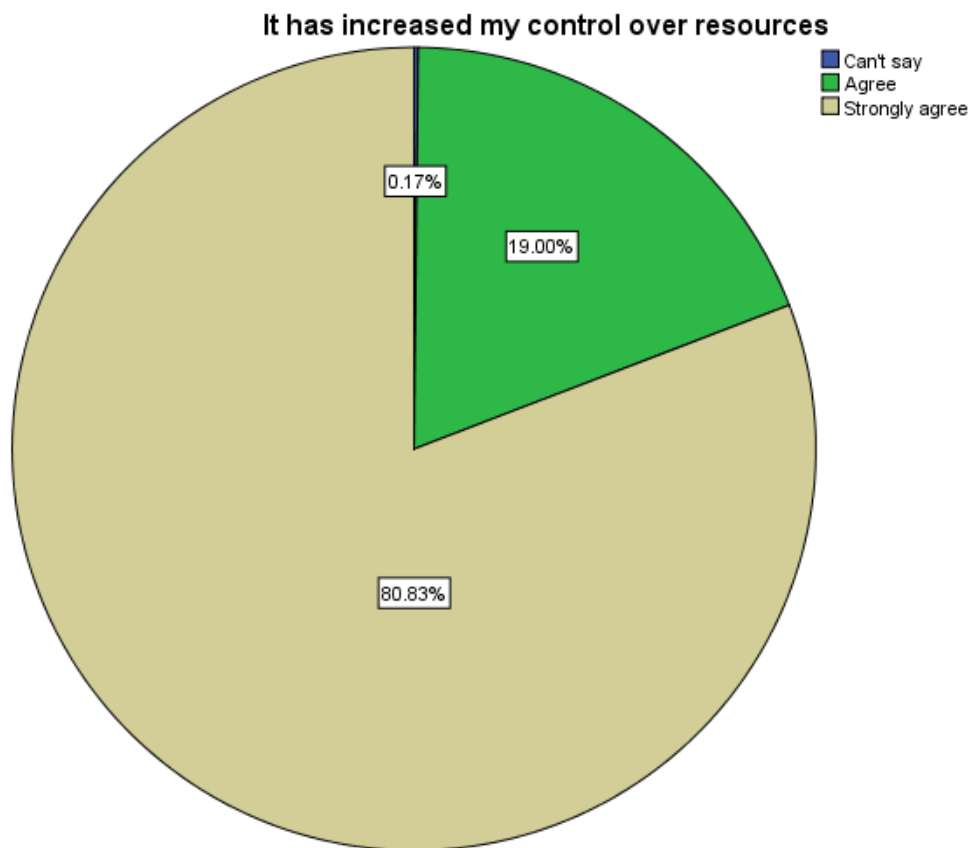


Figure 26



**Table 4.4.8: It has increased my buying capacity**

	Frequency	Percent	Valid Percent
Agree	43	7.2	7.2
Strongly agree	557	92.8	92.8
Total	600	100.0	100.0

It is interesting to observe from the Table 4.4.8 that most of the beneficiaries 92.8% strongly opinioned that microfinance elevated the savings habit of women, which supports them to satisfy urgent family needs and timely availability of money indicated that microfinance increased their buying capacity.7.2% beneficiaries also believed that microfinance importantly contributed to their income up-gradation and thereby raised their living status

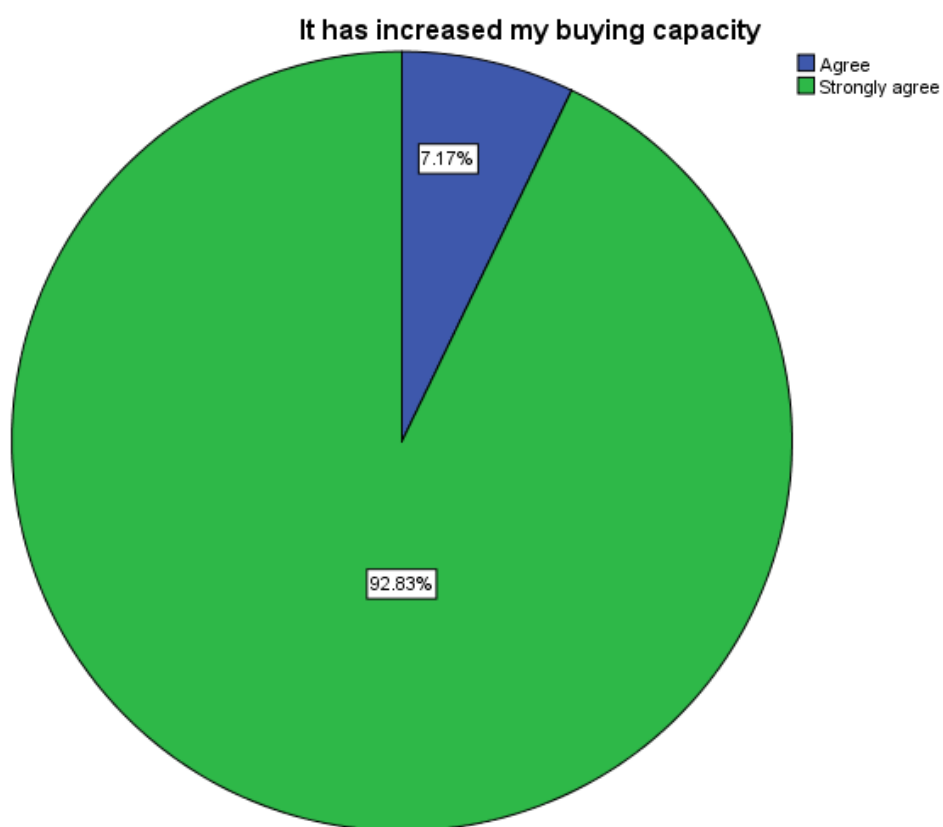


Figure 27

**Table 4.4.9: It has increased my efficiency/productivity**

	Frequency	Percent	Valid Percent
Can't say	2	.3	.3
Agree	143	23.8	23.8
Strongly agree	455	75.8	75.8
Total	600	100.0	100.0

Table 4.4.9 discloses that 75.8% beneficiaries strongly agreed that microfinance has increased their efficiency/productivity. 23.8% also agreed that Microfinance organizations provide credit for income generating activities and by access of timely credit, savings; insurance and business training, women have turn into successful entrepreneurs and through this Microfinance opportunities they increased their efficiency and productivity level While .3% recipients said that they were not confirm whether microfinance help them to enhance their efficiency/productivity or not.

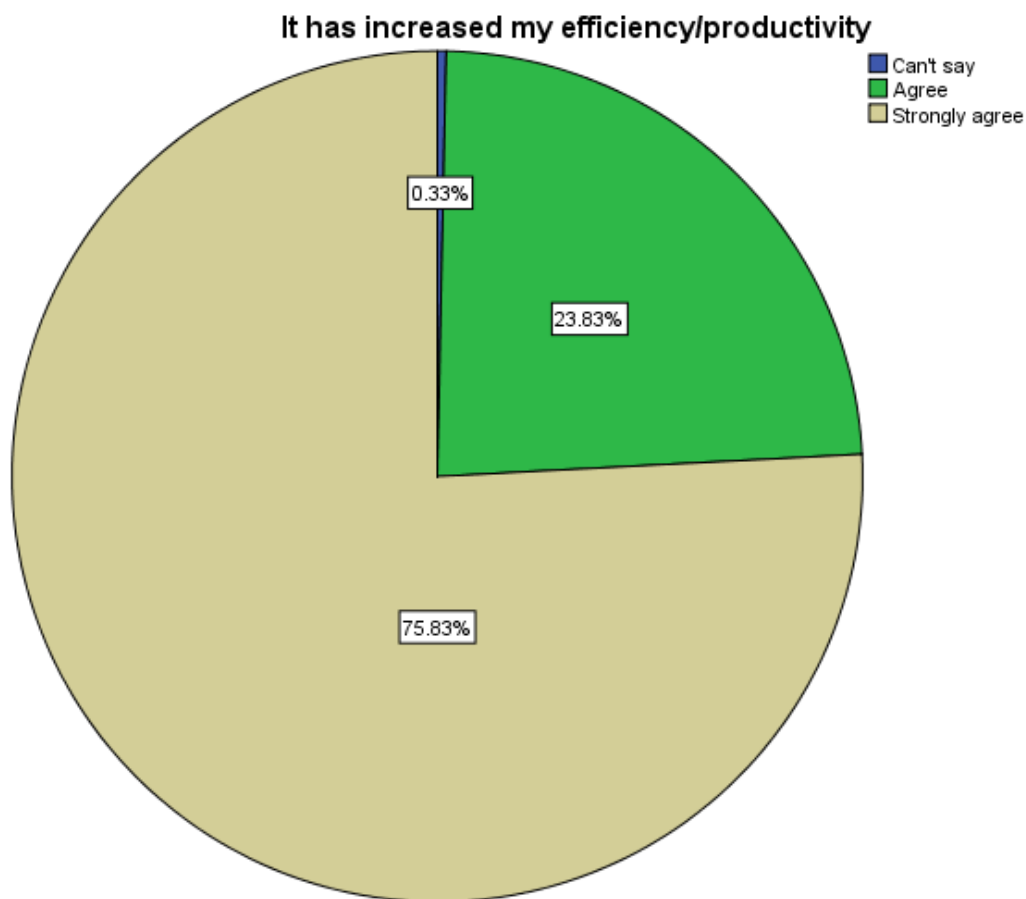


Figure 28

**Table 4.4.10: I have experienced an improvement in my business after taking the loan from MFIs**

	Frequency	Percent	Valid Percent
Disagree	1	.2	.2
Can't say	8	1.3	1.3
Agree	78	13.0	13.0
Strongly agree	513	85.5	85.5
Total	600	100.0	100.0

According to Table 4.4.10, 85.5% respondents admitted to witnessing alteration in their businesses after benefiting from the loans as microfinance ameliorated the scale of their business, 13% recipients agreed that availability and approachability to microfinance have a significant impact on the improvement of their small businesses, 1.3% recipients were in situation of neither agree nor disagree while .2% were disagree with this opinion that microfinance has enhanced their business as they had not experienced any change. Loans from MFIs had increased growth in small scale businesses. Larger part of beneficiaries thought that their businesses had increased tremendously after changes seen ranged from increased sales, ability to buy more stock and improvement in financial management.

**I have experienced an improvement in my business after taking the loan from MFIs**

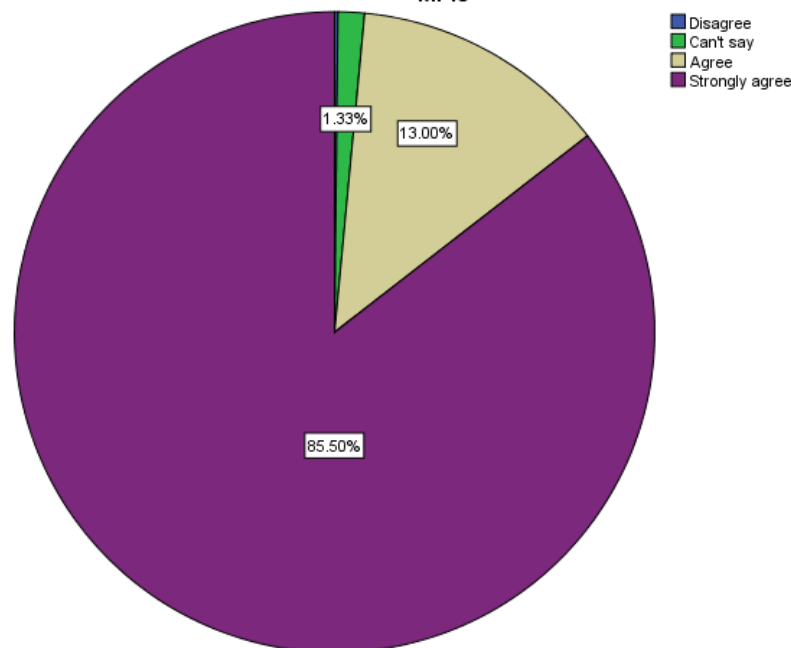


Figure 29

**Table 4.4.11: I have experienced diversification in my business after taking the loan from MFIs**

	Frequency	Percent	Valid Percent
Strongly Disagree	356	59.3	59.3
Disagree	94	15.7	15.7
Can't say	33	5.5	5.5
Agree	25	4.2	4.2
Strongly agree	92	15.3	15.3
Total	600	100.0	100.0

Table 4.4.11 reveals that 59.3% of recipients were not capable to branch out their business because the loan sizes and the savings amounts get to be so small. 15.7% recipients had not experienced diversification because of insufficient working capital and various family related reasons. However, 15.3% of recipients had been capable to engage additional hands after taking loans from MFIs and going through series of entrepreneurial training, 5.5% recipients had moderate views whereas 4.2% agreed that they had modify their business time to time as per the need and financial conditions of the family.

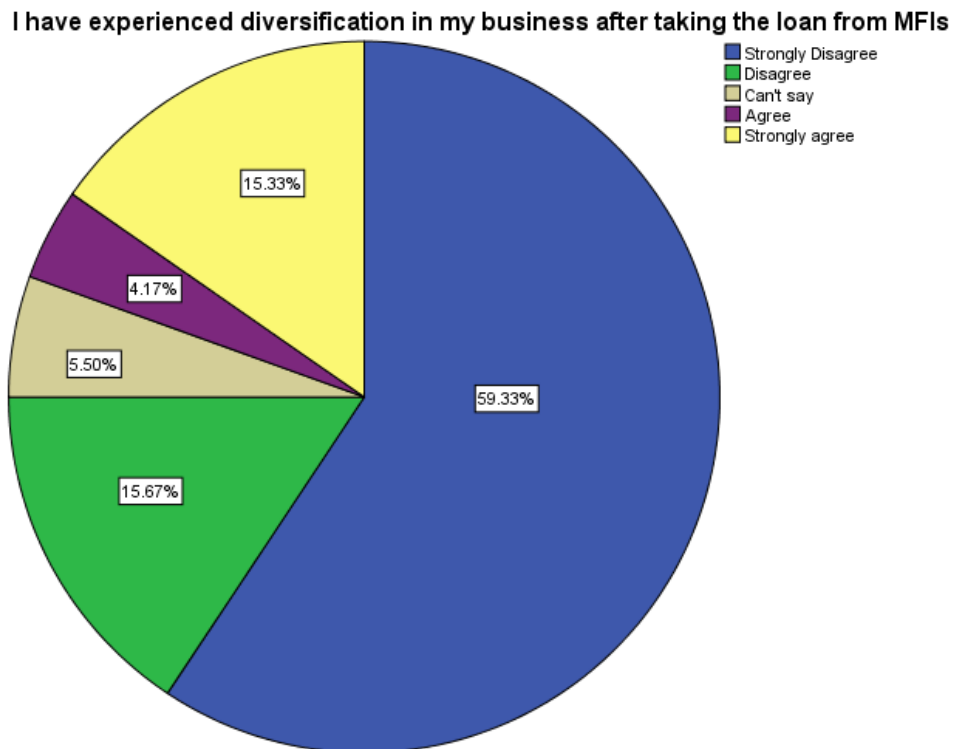


Figure 30

**Table 4.4.12: I have experienced increased entrepreneurial skills in my business**

	Frequency	Percent	Valid Percent
Disagree	2	.3	.3
Can't say	31	5.2	5.2
Agree	316	52.7	52.7
Strongly agree	251	41.8	41.8
Total	600	100.0	100.0

Table 4.4.12 shows that greater majority of existing clients representing 52.7% of the beneficiaries reported that they have experienced improved entrepreneurial skills in their businesses by variety of training programs they have enjoyed from MFIs. 41.8% beneficiaries agreed that program leads to significant improvement in their businesses execution skill. 5.2% not agreed or disagreed situation whilst only .3% of the whole beneficiaries said the improvement in entrepreneurial skills were not enough. Small loan correlated with good business skills, knowledge, and technological training supplied by MFIs with attentive supervising and monitoring assure the efficient utilization of loan amount and also increase the entrepreneurial skill of the women.

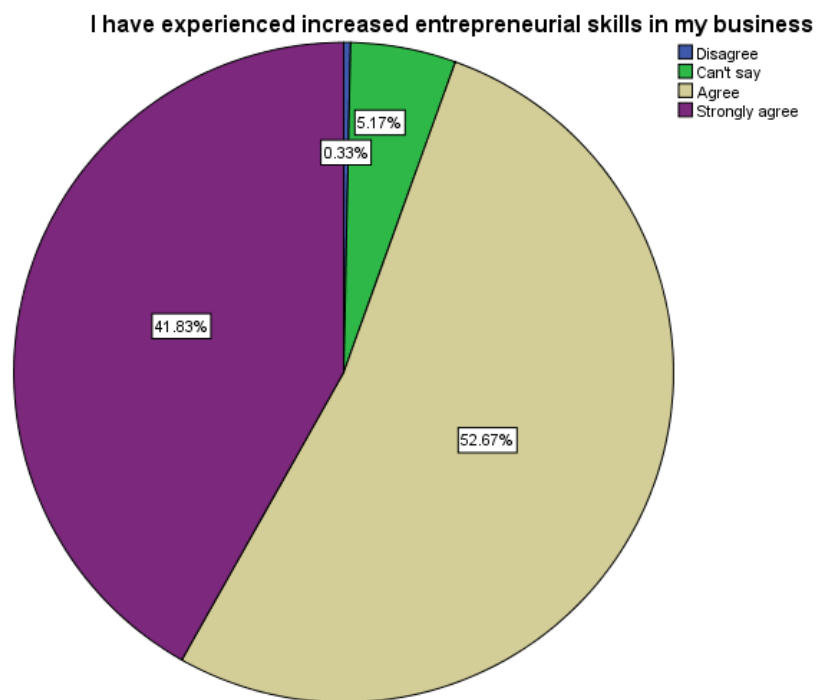


Figure 31

#### **4.5 SOCIAL DOMAIN: Impact of Microfinance on Women Empowerment at Household Level**

In this section an attempt was made to determine the impact of microfinance on social empowerment of women at household level. Empowerment in the domestic area deals with refinement at home succession, inheritance, issuance of family and social respect, movability, dignity and position at home and so on. Domestic empowerment ideates ascertaining similarity for women in house life. This impact was measured on five rating parameter of Likert scale from strongly disagree to strongly agree.

**Table 4.5.1: Social Domain at Household Level Statistics**

	Mean	Std. Deviation	Variance
It has changed the way people treat me in my family	4.90	.307	.094
It has enhanced my status in the family	4.85	.356	.127
I have assets in my name	2.19	1.555	2.417
It has increased my ability to negotiate gender barriers	4.53	.525	.276
I have seen improvement in my family's standard of living	4.97	.175	.031
I see myself as a change agent in my family	4.59	.512	.262
It has provide me better access to education	4.69	.464	.215
I have a say decision making process in my family	4.58	.607	.368

From the analysis of Table 4.5.1, it is noted that greater part of recipients strongly agreed (M=4.9, S.D = 0.30) that family treatment towards women has changed after access to microcredit. A notable number of recipients also strongly agreed (M=4.85, S.D =0.35) to the statement; members status within the family has enhanced after access to micro credit. A relevant number of recipients disagreed (M=2.19, S.D=1.55) on ownership of the assets statement. It is noteworthy that more of the recipients (M=4.53, S.D=.52) agreed that potential to negotiate gender barriers has increased. Also noted from the analysis of findings is that a substantial number of recipients (M=4.97, S.D=0.17) indicated that living standards in general have increased. The analysis also disclosed that recipients strongly agreed (M=4.59 S.D=.51) that they act as a change agent in their families after access of microfinance. The study also noted that a majority of the recipients agreed (M= 4.69, S.D= 0.46) there is better approach to education after access to micro credit. Most of recipients (M=4.58, S.D=.60) also agreed that increment in decision making capability of women after access to microfinance.

**Table 4.5.2: It has changed the way people treat me in my family**

	Frequency	Percent	Valid Percent
Agree	63	10.5	10.5
Strongly agree	537	89.5	89.5
Total	600	100.0	100.0

Table 4.5.2 shows that 89.5% members have experienced increase in the treatment of women inside the family. They perceived that their condition within the family had been ameliorated, had achieved a real change in their lives and self-esteem. 10.5% respondents also accepted about change in their status is defined as equality in family sharing of household work, participation in family matters, creation of space, and time for herself, access to general resources and getting encouragement from family members.

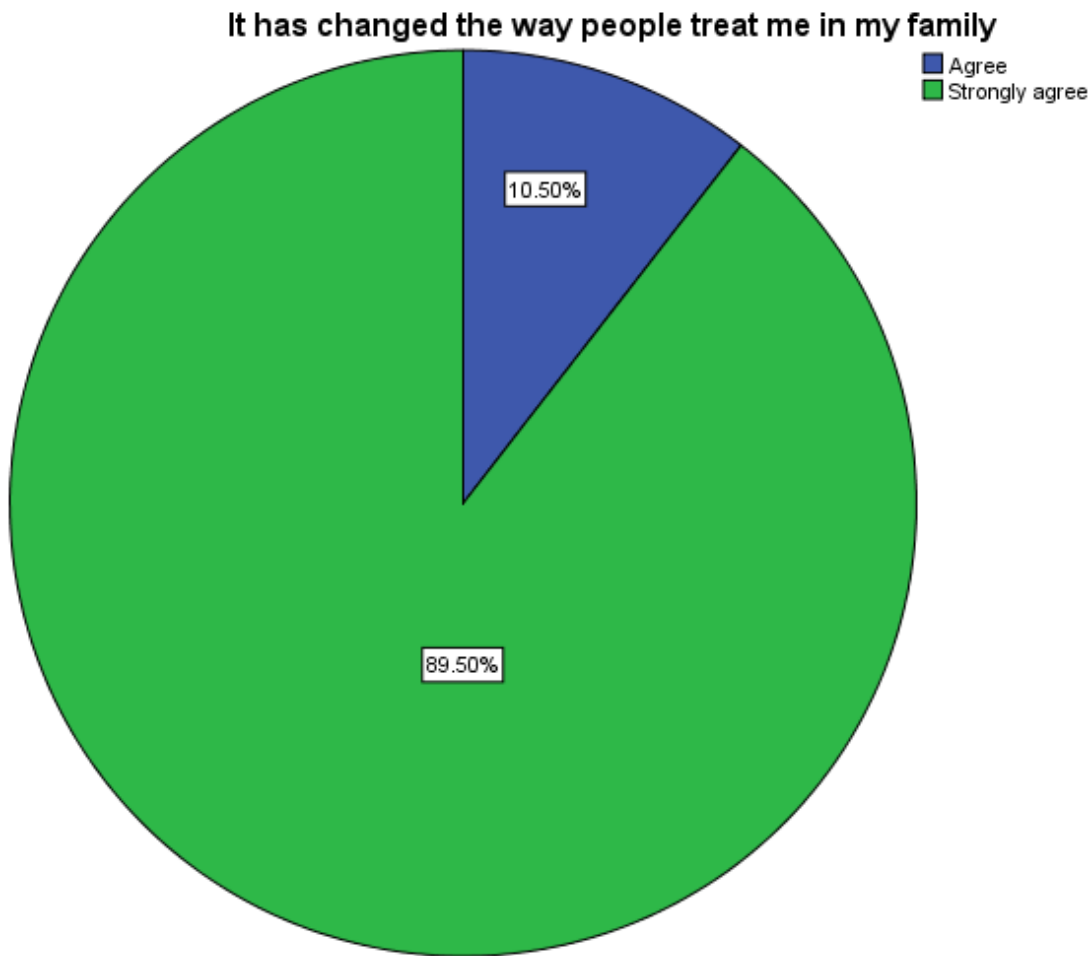


Figure 32

**Table 4.5.3: It has enhanced my status in the family**

	Frequency	Percent	Valid Percent
Agree	89	14.8	14.8
Strongly agree	511	85.2	85.2
Total	600	100.0	100.0

Above table 4.5.3 shows the status enhancement of women after joining of MFIs. 85.2% of respondents asseverated that their status inside the family has greatly improved, however 14.8% claimed their status somehow improved within the family. Most of respondents specified that they were capable to make several contributions and supports to their household and community. They felt self-confidence, self-worth and self-esteem, that woman should have equal rights to men. The results evinced that respondents are become empowered due to contribution they make in their households.

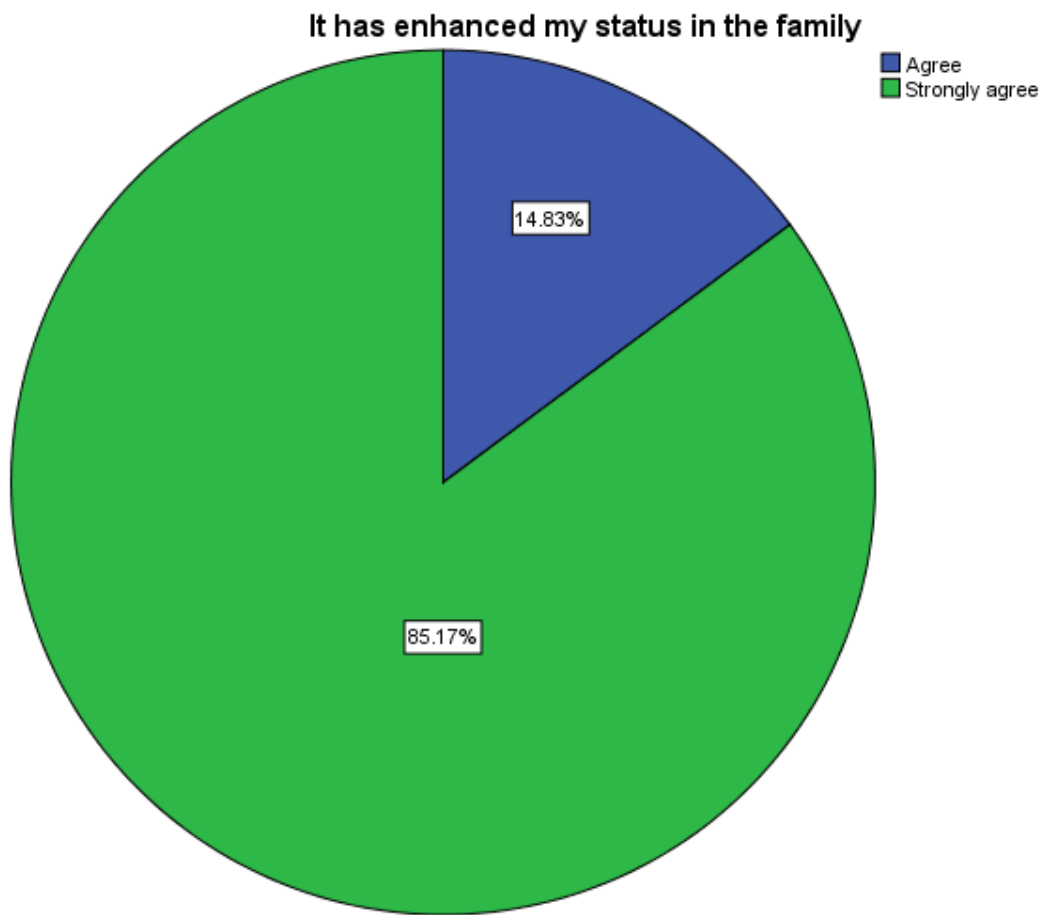


Figure 33



**Table 4.5.4: I have assets in my name**

	Frequency	Percent	Valid Percent
Strongly Disagree	326	54.3	54.3
Disagree	96	16.0	16.0
Can't say	1	.2	.2
Agree	90	15.0	15.0
Strongly agree	87	14.5	14.5
Total	600	100.0	100.0

The table 4.5.4 clearly reveals that 54.3% recipients had no immovable property on their name. 16% also do not had any assets and remained quite over this issue. 15% had some property at their name whilst 14.5% recipients hold most of the assets at their names. Rest of .2% recipient was unwilling to express anything about it. Acquiring properties for a poor household is somehow difficult. Majority of households of women members of MFIs had no ownership of assets/properties. Maximum of the families land, house, and other property were either in the husband's name or in the parents or in-laws' name.

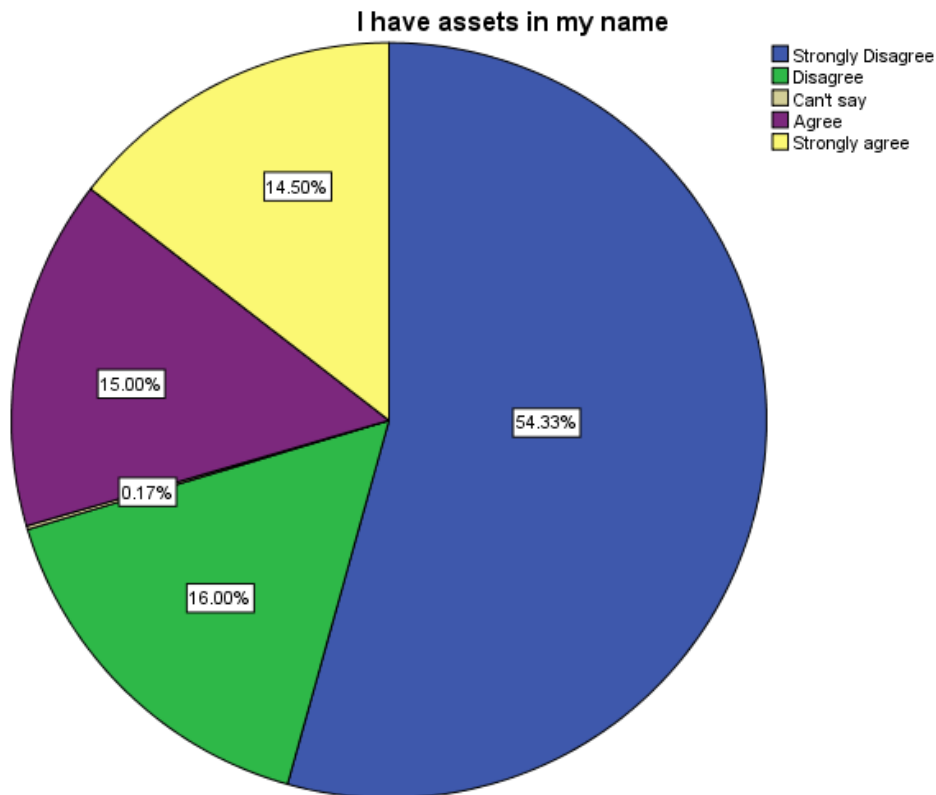


Figure 34

**Table 4.5.5: It has increased my ability to negotiate gender barriers**

	Frequency	Percent	Valid Percent
Can't say	8	1.3	1.3
Agree	265	44.2	44.2
Strongly agree	327	54.5	54.5
Total	600	100.0	100.0

Table 4.5.5 presents the women's articulacy and confidence level. 54.5% beneficiaries agreed that they could communicate directly and talk freely and confidently with every people in the family. 44.2% beneficiaries admitted that they talk with assertiveness and confidence with their house members. Furthermore, as an outcome of participating in MFIs, women self-confidence on their potentiality to negotiate gender barriers has increased. Though only 1.3% beneficiaries were not defined their position as they were not confident in their capableness to disagree with their husband and other family members, and to take decision on their belief that they were able in solving family problems.

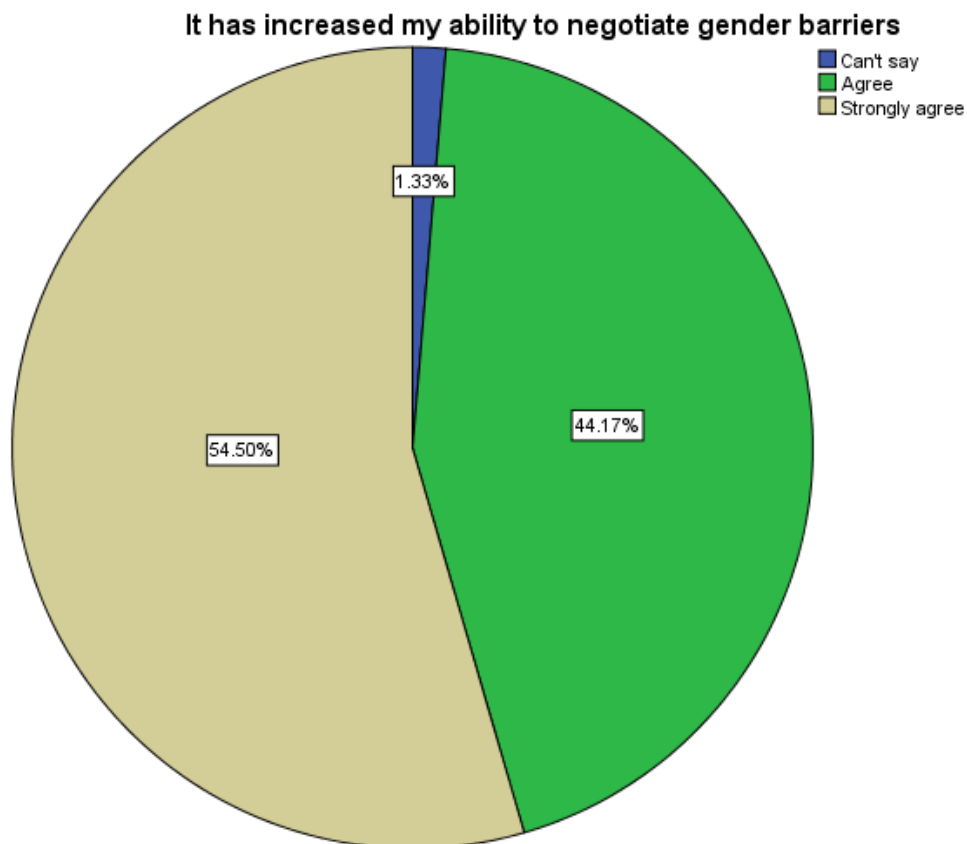


Figure 35

**Table 4.5.6: I have seen improvement in my family's standard of living**

	Frequency	Percent	Valid Percent
Agree	19	3.2	3.2
Strongly agree	581	96.8	96.8
Total	600	100.0	100.0

Table 4.5.6 discloses that 96.8% of the beneficiaries reported of an improvement in their family's standard of living and, also had positive dreams about the family's future, especially peace in their marriages, better health care and acquisition of material goods. 3.2% agreed that microfinance has the positive impact on their life style. The provision of credit availability and adopting the essential management skills for loan to create extra income and make profits presents to uplift living standards. It has not only supported the poor women to come over the poverty, but has also favored them to capacitate themselves.

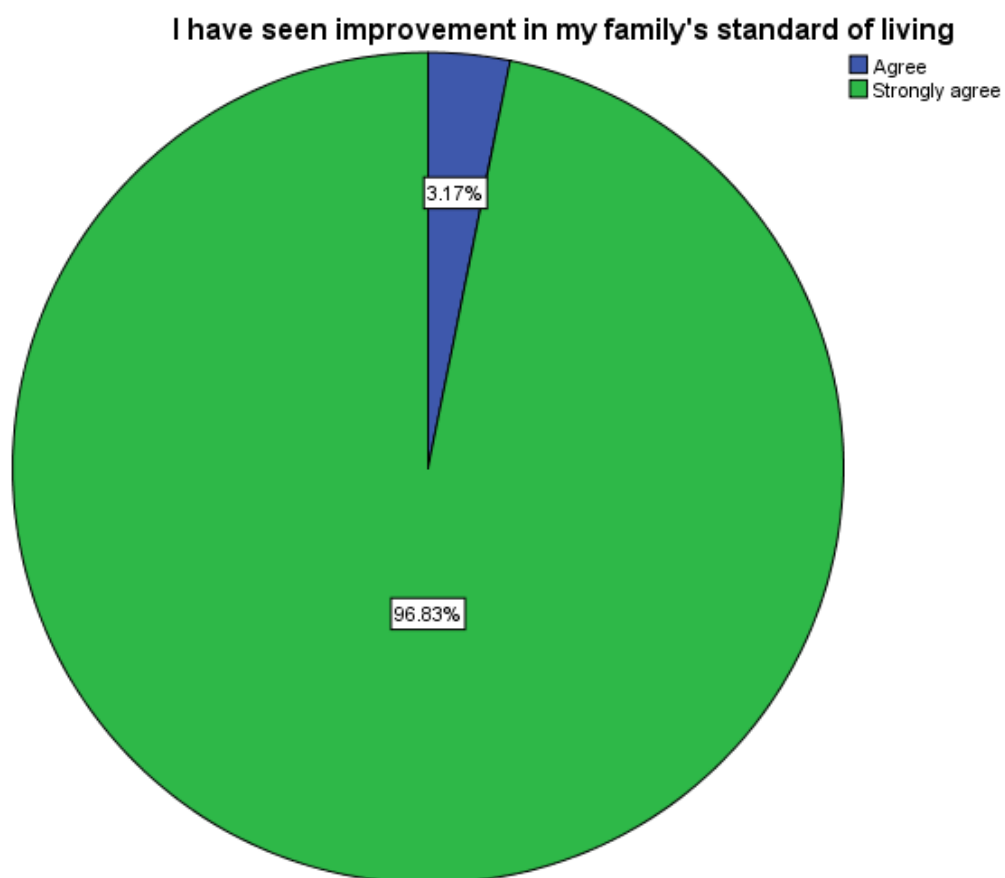


Figure 36

**Table 4.5.7: I see myself as a change agent in my family**

	Frequency	Percent	Valid Percent
Can't say	6	1.0	1.0
Agree	233	38.8	38.8
Strongly agree	361	60.2	60.2
Total	600	100.0	100.0

Table 4.5.7 unveils that 60.2% beneficiaries said they were able to empower, equip, and encourage their family members to make a life and a lifestyle that was in alignment with whom they were at their core. 38.8% also believed that they were aware and were eager to learn how to up level their personal development. 1% beneficiaries had refused to comment on it because old tradition and customs do not allow them to change their perspective towards some gender issues so suddenly or quickly. The results indicate an attitudinal change in the areas domestic violence, access to proper nutrition and healthcare of the members after joining MFIs.

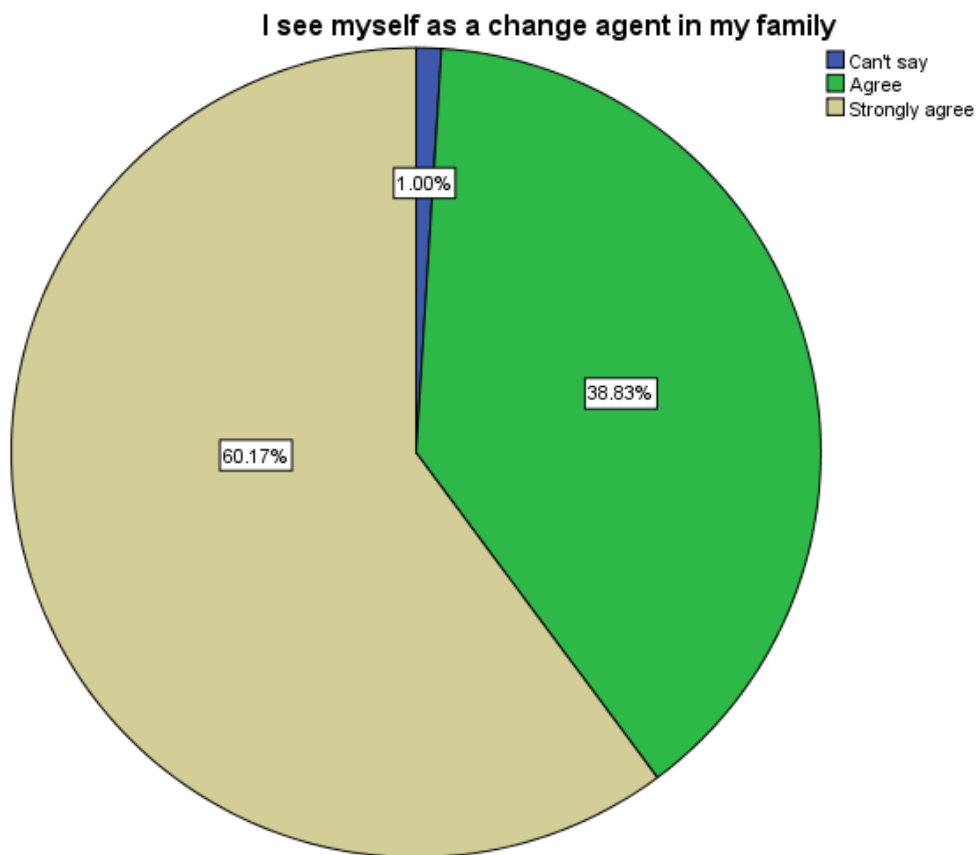


Figure 37

**Table 4.5.8: It has provide me better access to education**

	Frequency	Percent	Valid Percent
Agree	187	31.2	31.2
Strongly agree	413	68.8	68.8
Total	600	100.0	100.0

Table 4.5.8 reveals that 68.8% recipient said that micro finance improved their literacy levels and also improved their awareness on child education. The perception of 31.2% of women was that had brought changes in their educational status. Majority of women were of the opinion that microfinance institutions offered a broad range of financial services along with capacity building program to cover education needs and had been capable to change their education level.

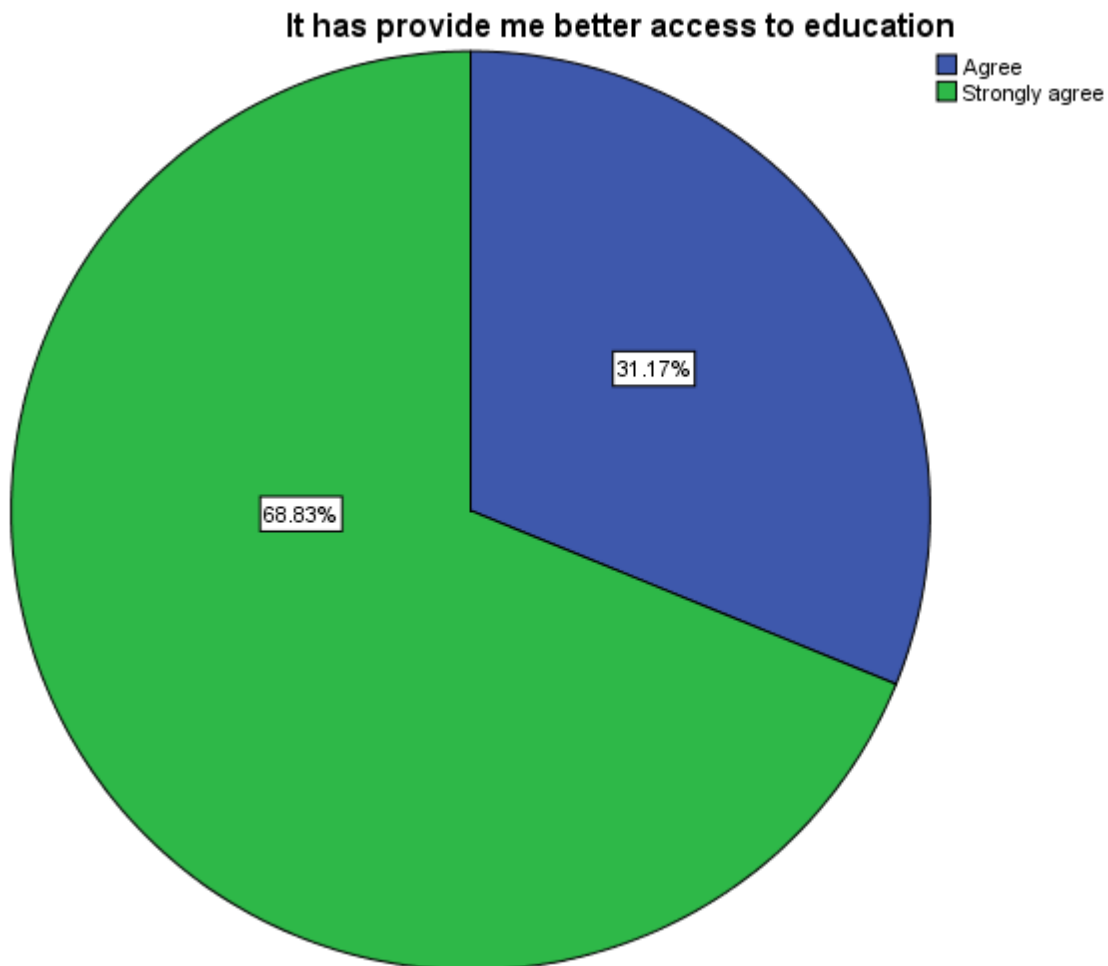


Figure 38

**Table 4.5.9: I have a say in decision making process in my family**

	Frequency	Percent	Valid Percent
Disagree	4	.7	.7
Can't say	25	4.2	4.2
Agree	193	32.2	32.2
Strongly agree	378	63.0	63.0
Total	600	100.0	100.0

Table 5.9 exhibits the decision making ability of the members, 63% recipients had felt that their role in decision making have increased substantially as they play an important role in decision making and they were consulted for making important decisions of the family. 32.2% beneficiaries also agreed that their role in decision making had increased at somewhat level, they have the ability to contribute to decision-making in the family. 4.2% did not take effective role in decision-making whereas .7% recipients had not taken part in decision making. Microfinance is in turn increases the self-esteem and self-confidence level of beneficiaries to take a more active role in decisions making process.

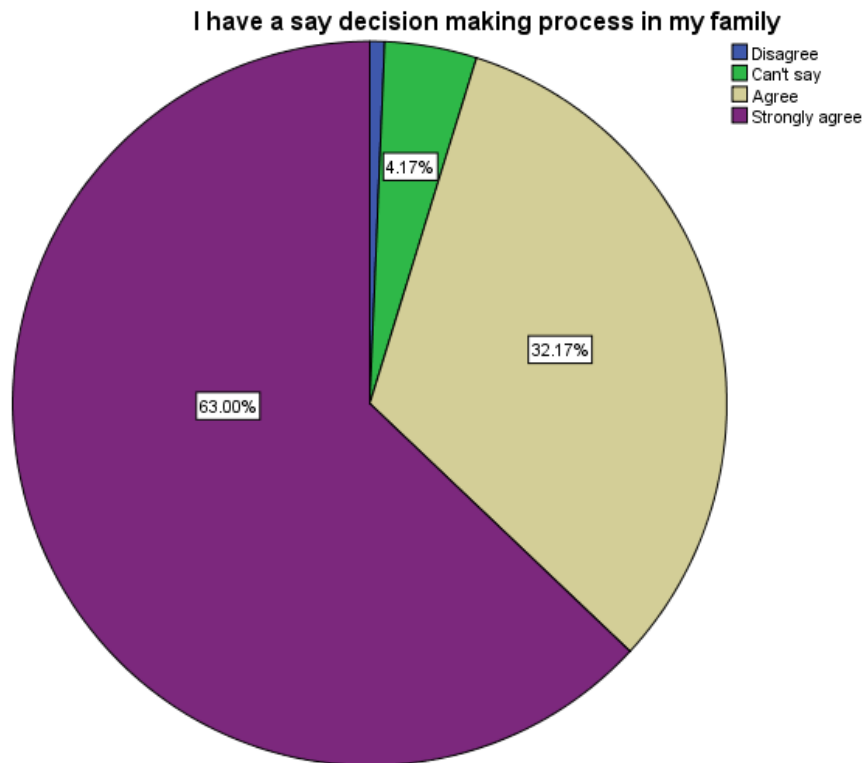


Figure 39

#### **4.6 SOCIAL DOMAIN: Impact of Microfinance on Women Empowerment at Community Level**

This section concern with the inquisition of the social impact on community level which the recipients observed after taking micro credit .The beneficiaries’ social empowerment was measured by utilizing the alteration in group of parameters such as upswing in social status, social interaction, social mobility, social communication along with social participation in the post credit situation. The social impact was presented with the help of five questions on five point Likert scale from strongly disagree to strongly agree.

**Table 4.6.1: Social Domain at Community Level Statistics**

	Mean	Std. Deviation	Variance
It has increased my status in the society	4.93	.258	.067
There has been a change in the attitude of the men I interact with	4.53	.519	.270
My social mobility has increased	4.76	.430	.185
I am able to express myself in public	4.95	.228	.052
I can participate in any social activities	4.62	.519	.270

According to the analysis (Table 4.6.1), the beneficiaries disclosed that microfinance has increased their status in the society and the mean derived for this indicator is 4.93 and standard deviation is .258. The attitude of men towards women has changed with a mean score 4.53 and standard deviation .519 as the mentality regarding women as well as the basic social attitude of the people in society changed. Majority of the beneficiaries agreed that their social mobility has increased after access of microfinance having a mean 4.76 and standard deviation .430. The study also shows that beneficiaries were more capable to express themselves in public indicated by the mean score 4.95 and standard deviation .228. It is also revealed that beneficiaries can participate in any social activities which had mean score 4.62 and standard deviation .519.

**Table 4.6.2: It has increased my status in the society**

	Frequency	Percent	Valid Percent
Agree	43	7.2	7.2
Strongly agree	557	92.8	92.8
Total	600	100.0	100.0

Above table 6.2 shows that 92.8% beneficiaries strongly agreed that microfinance increased their status in the society and 7.2% also said that microfinance elevate the position of women in the society. Women's participation in microfinance has led to a complete improvement in their social status. After taking microfinance they become greater engaged socially and also welcome for changes that will improve their own lives and those of other women. Microfinance offers women the opportunity to enter the public sector as businesswomen, shifting their roles beyond housewife to income producer.

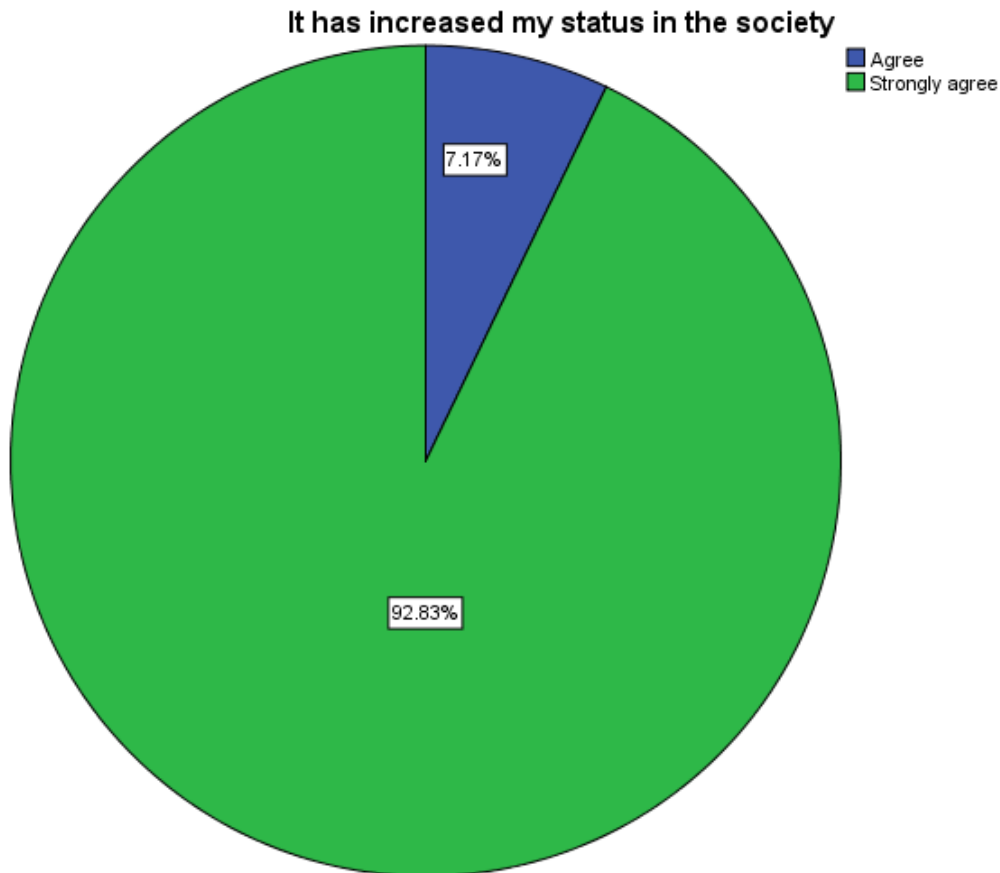


Figure 40



**Table 4.6.3: There has been a change in the attitude of the men I interact with**

	Frequency	Percent	Valid Percent
Can't say	6	1.0	1.0
Agree	272	45.3	45.3
Strongly agree	322	53.7	53.7
Total	600	100.0	100.0

Table 4.6.3 exhibit that 53.7% beneficiaries confessed that men's perception about women in general has changed. 45.3% also agreed that individual attitudes towards women have changed. From culture to culture, conceptions about women and gender anticipation vary greatly but after joining the MFIs there has been a considerable shift in viewpoints towards women. Result shows that microfinance enables women to take their decisions independently which change the mindset of people and profound shift in individual attitudes and conduct that are making them more welcoming to women.

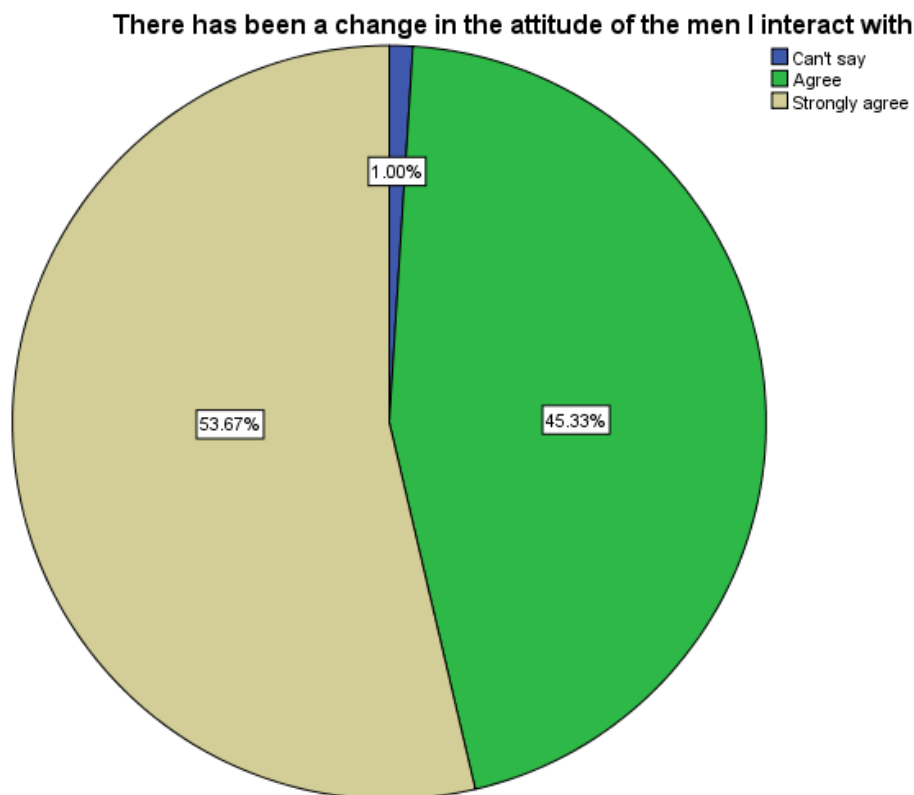


Figure 41

**Table 4.6.4: My social mobility has increased**

	Frequency	Percent	Valid Percent
Can't say	1	.2	.2
Agree	141	23.5	23.5
Strongly agree	458	76.3	76.3
Total	600	100.0	100.0

The table 4.6.4 indicates that 76.3% of women indicated that they had been to different places alone. 23.5% reported that they move independently to other places without the support of male members of the family while .2% recipients were in the can't say situation that sometimes they were doing their works without depending on their family members and sometimes accompanied by family members. The results affirm that participation in microfinance services leads to involvement of activities outside home by women. Moving independently by maximum of the respondents indicate the social mobility of the women.

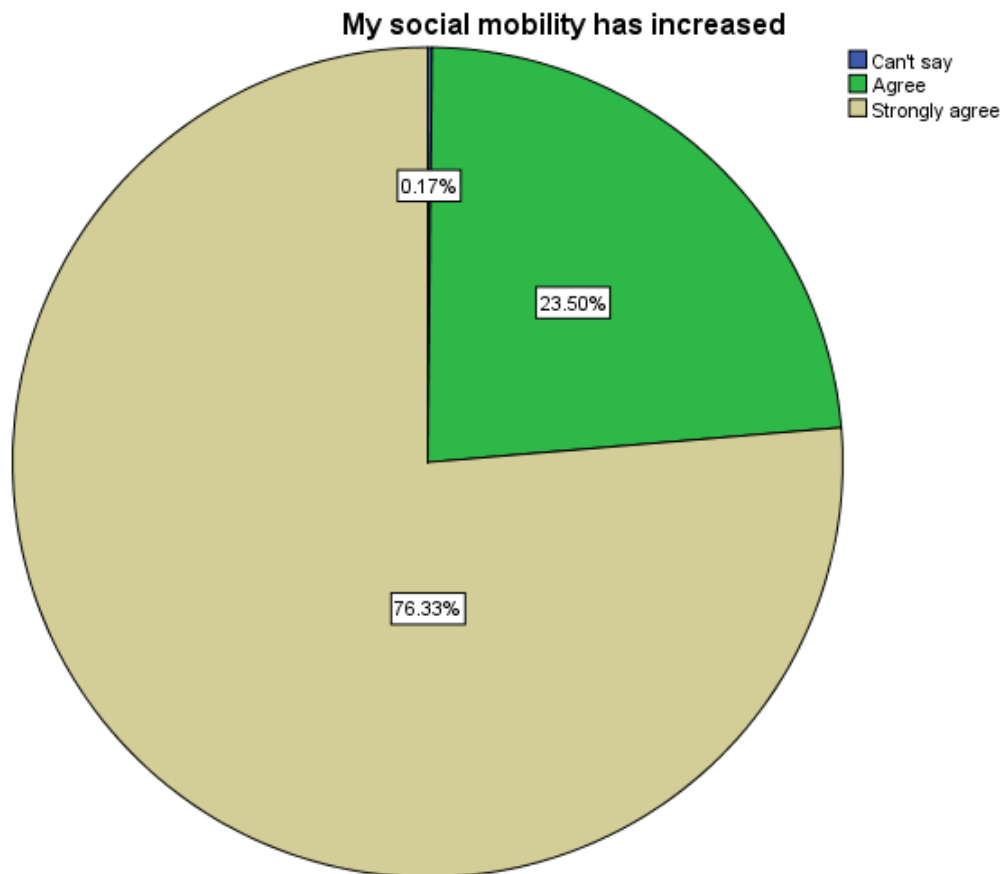


Figure 42

**Table 4.6.5: I am able to express myself in public**

	Frequency	Percent	Valid Percent
Agree	33	5.5	5.5
Strongly agree	567	94.5	94.5
Total	600	100.0	100.0

Above table 4.6.5 discloses that 94.5% beneficiaries strongly agreed they can able to express their opinions willingly both in group and in family. 5.5% also reported that they were able to share their viewpoint openly after joining Microfinance programs. Majority of respondents' of MFIs indicated they could interact directly and talk confidently with different person in the community. By these figures it concluded that now women are capable to express their thoughts/views freely in public and gained social empowerment.

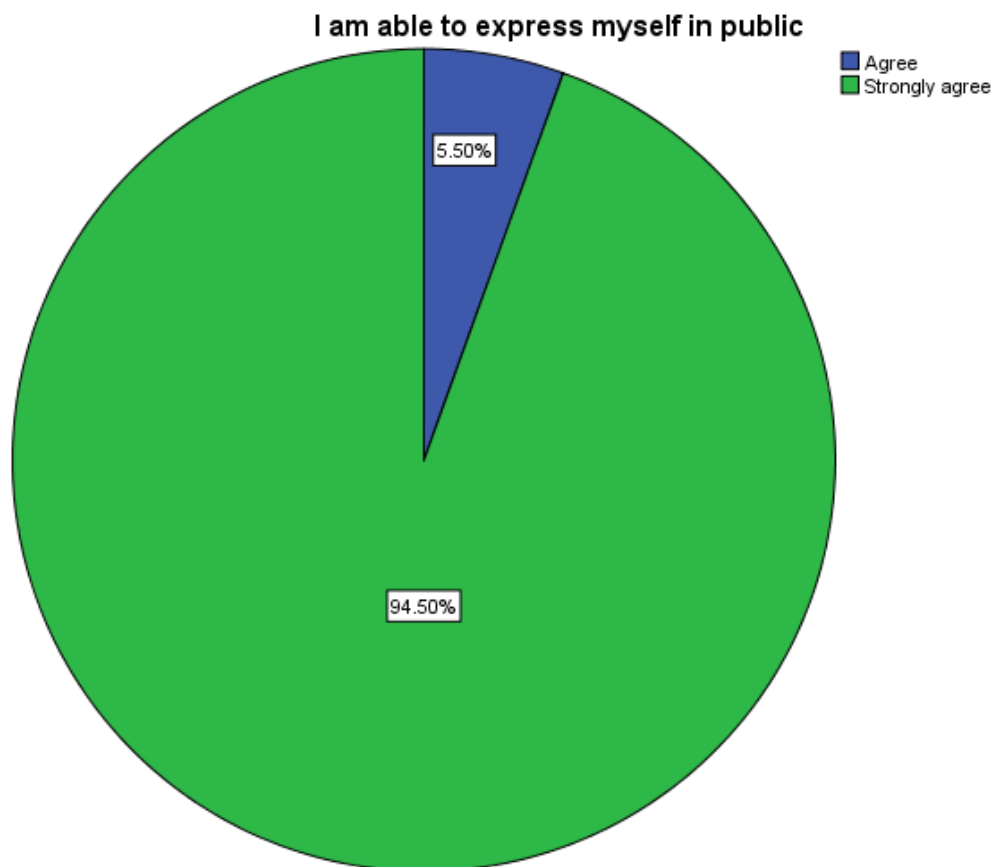


Figure 43

**Table 4.6.6: I can participate in any social activities**

	Frequency	Percent	Valid Percent
Strongly Disagree	1	.2	.2
Can't say	4	.7	.7
Agree	217	36.2	36.2
Strongly agree	378	63.0	63.0
Total	600	100.0	100.0

The results from the Table 4.6.6 indicates that 63% of the clients were now able to socialize publicly, they participate in social activities in the communities; 36.2% of the beneficiaries were also participate in social activities,.7% were not sure about their position,.2% beneficiaries did not participate in social activities. The study reported that after affiliating microfinance institution greater number of the respondents participated in the social activities. Microfinance empowered vast majority of the respondents to participate in social activities without the direction of their husbands.

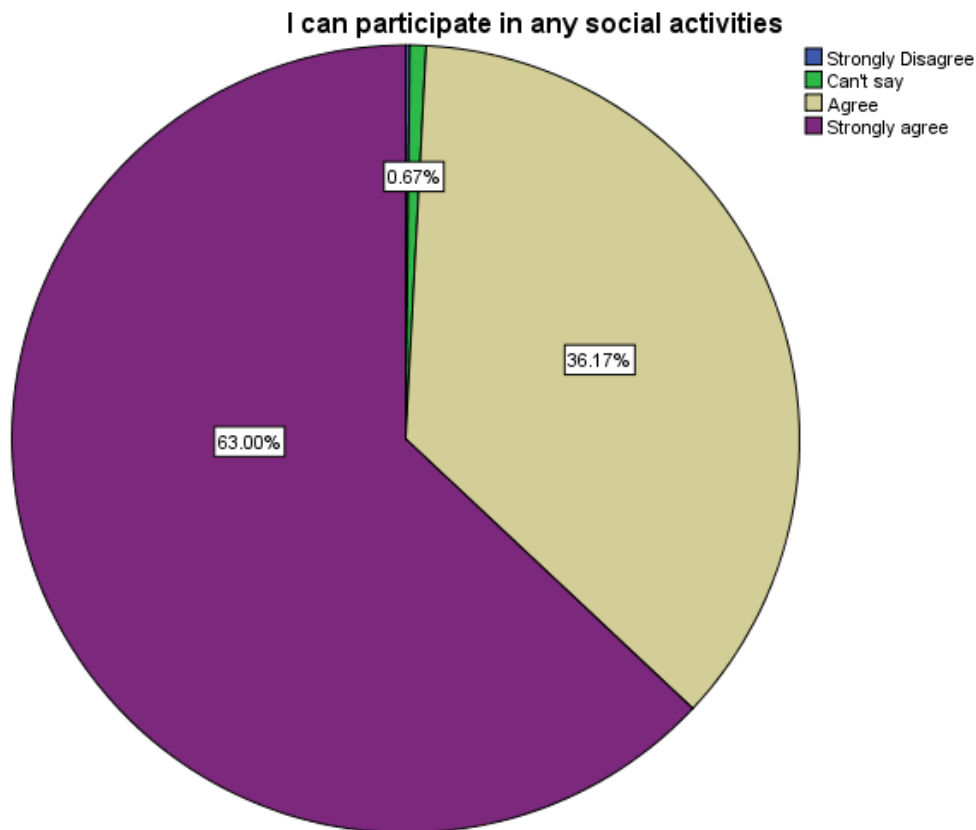


Figure 44

#### 4.7 CORRELATION:

**Table 4.7.1: Correlation between ECONOMIC EMPOWERMENT and SOCIAL EMPOWERMENT at household level**

Correlations			
Variables		ECONOMIC_ EMPOWERMENT	SOCIAL_ EMPOWERMENT_HL
ECONOMIC_EMPOWERMENT	Pearson Correlation	1	<b>.453**</b>
	Sig. (2-tailed)		.000
	N	600	600
SOCIAL_EMPOWERMENT_HL	Pearson Correlation	<b>.453**</b>	1
	Sig. (2-tailed)	.000	
	N	600	600

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The correlation between economic empowerment and social empowerment of women at household level is **.453** which is a high significant positive correlation indicating that economic empowerment of women leads to social empowerment at household level.

**Table 4.7.2: Correlation between ECONOMIC EMPOWERMENT and SOCIAL EMPOWERMENT at community level**

Correlations			
Variables		ECONOMIC_ EMPOWERMENT	SOCIAL_ EMPOWERMENT_CL
ECONOMIC_EMPOWERMENT	Pearson Correlation	1	<b>.567**</b>
	Sig. (2-tailed)		.000
	N	600	600
SOCIAL_EMPOWERMENT_CL	Pearson Correlation	<b>.567**</b>	1
	Sig. (2-tailed)	.000	
	N	600	600

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The correlation between economic empowerment and social empowerment of women at community level is **.567**. They are positively correlated indicating that economic empowerment of women result in social empowerment at community level.

#### 4.8 Correlation Analysis (Pearson correlation coefficient):

Pearson correlation coefficient is used to verify the direction, strength, and significance of the bivariate relationships of the variable in the study. Depend on the result in below Table, it is identified that three independent variables (i.e. economic empowerment, social empowerment\_hl and social empowerment\_cl) are significantly and positively correlated with dependent variable (i.e. Monthly income) which is 1.000, 0.452 & 0.566 respectively, thus, supporting H1, H2 and H3.

H1. Microfinance has a direct relationship with the economic empowerment of women.

H2. Microfinance services have led to the social development of women at household level.

H3. Microfinance has a significant impact on social development of women at community level.

**Table 4.8.1: Correlations**

Control Variables			ECONOMIC_EM POWERMENT	SOCIAL_EMPO WERMENT_HL	SOCIAL_EMPO WERMENT_CL
Monthly income	ECONOMIC_EMPOWERMENT	Correlation	<b>1.000</b>	<b>.452</b>	<b>.566</b>
		Significance (2-tailed)	.	.000	.000
		df	0	597	597
	SOCIAL_EMPOWERMENT_HL	Correlation	<b>.452</b>	<b>1.000</b>	<b>.478</b>
		Significance (2-tailed)	.000	.	.000
		df	597	0	597
	SOCIAL_EMPOWERMENT_CL	Correlation	<b>.566</b>	<b>.478</b>	<b>1.000</b>
		Significance (2-tailed)	.000	.000	.
		df	597	597	0

\*\* . Correlation is significant at the 0.01 level (2-tailed).  
Dependent Variable: Y (Monthly Income)

#### 4.9 Multiple Regression Analysis:

The model summary table reveals the intensity of the relationship amid the model and the dependent variable. R indicates correlation between the realized and predicted value of the dependent variable. Larger value of R indicates stronger relationship and also indicates that model fitted the data well. R square is the proportionality of variance in the dependent variable described by regression model. Higher value of R Square (more than 0.700) indicates that model having good predictive ability.

**Table 4.9.1: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.076 <sup>a</sup>	.006	.001	.575

a. Predictors: (Constant), SOCIAL\_EMPOWERMENT\_CL, SOCIAL\_EMPOWERMENT\_HL, ECONOMIC\_EMPOWERMENT

The result of regression analysis based on three independent variables (i.e. SOCIAL\_EMPOWERMENT\_CL, SOCIAL\_EMPOWERMENT\_HL, ECONOMIC\_EMPOWERMENT) indicate positive relationship ( $R = 0.076$ ) and statistically significant relationship ( $P\ 0.000 < 0.05$ ) with dependent variable (i.e. women empowerment through microfinance services). The independent variables accounted for 0.6 percent ( $R^2 = 0.006$ ) of variance in dependent variable.

**Table 4.9.2: ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.137	3	.379	1.146	.330 <sup>b</sup>
	Residual	197.062	596	.331		
	Total	198.198	599			

a. Dependent Variable: Monthly income

b. Predictors: (Constant), SOCIAL\_EMPOWERMENT\_CL, SOCIAL\_EMPOWERMENT\_HL, ECONOMIC\_EMPOWERMENT

The ANOVA Table examines the acceptableness of the model from a statistical prospect. The regression row displays information about the variation accounted for by the model. The residual

row exhibits information of the variation that is not elucidating by the model. The regression and residual sum of squares is not equal which evinces that about approximately 0.6 percent of the modification in predictors is described by the model. The significance value of the F-statistic is below than 0.05, which shows that the variation explicated by the model is not because of chance.

**Table 4.9.3: Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.026	.298		3.447	.001
ECONOMIC_EMPOWERMENT	-.006	.061	-.005	-.102	.919
SOCIAL_EMPOWERMENT_HL	.090	.055	.078	1.627	.104
SOCIAL_EMPOWERMENT_CL	-.001	.073	-.001	-.011	.992

a. Dependent Variable: Monthly income

The beta coefficients for significant antecedent of Women empowerment Indicators i.e. Economic empowerment, Social empowerment\_HL and Social empowerment\_CL are .047, 0.016 and .120 respectively. The observed t values of these indicators are significant at .919, 0.104 and 0.992 respectively. The observed t value of Economic empowerment, Social empowerment\_HL, Social empowerment\_CL are not having significant impact as the significance value is 0.919,.104 and .992 respectively which are greater than 0.05.



#### 4.10 Cross tabulation

**Table 4.10.1: ECONOMIC EMPOWERMENT \* MONTHLY INCOME**  
**Cross tabulation**

		Monthly income				Total
		<10000	10000-20000	20000-30000	>30000	
ECONOMIC_EMPOWERMENT	Can't say	0	0	1	0	1
	Agree	136	68	2	1	207
	Strongly agree	246	131	12	3	392
Total		382	199	15	4	600

It is evidenced from the table microfinance brought economic empowerment among women. Micro finance has made a very good impact on the income group of <10000. Income plays a prime role in economic empowerment of women.

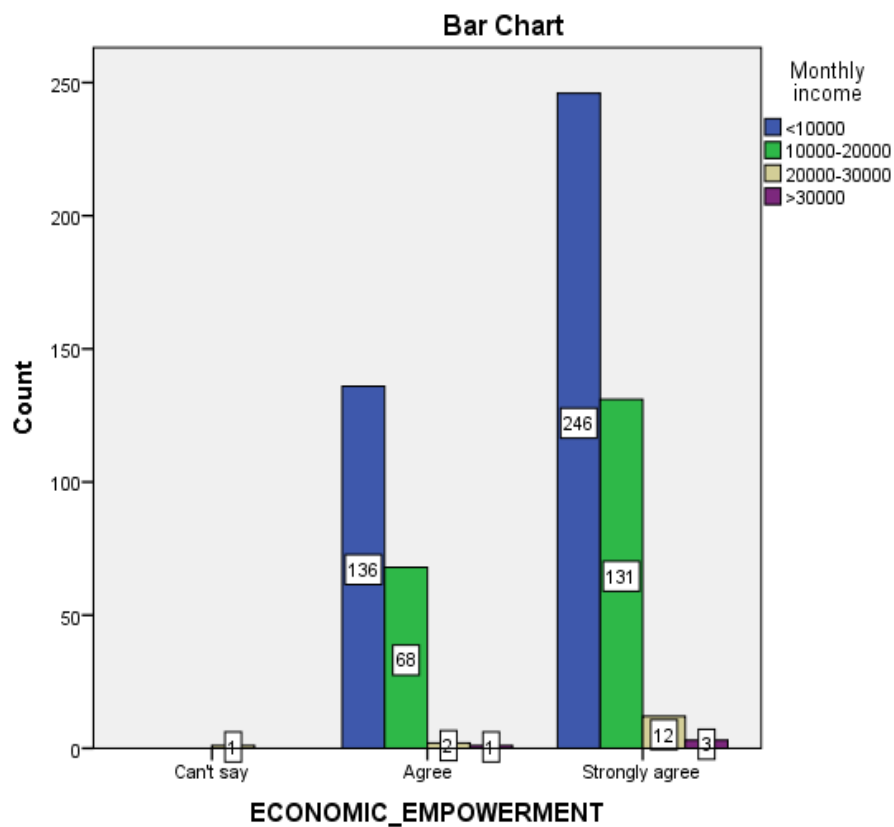


Figure 45

**Table 4.10.2: SOCIAL EMPOWERMENT AT HOUSEHOLD LEVEL \* MONTHLY INCOME**  
**Cross tabulation**

		Monthly income				Total
		<10000	10000-20000	20000-30000	>30000	
SOCIAL_EMPOWERMENT_HL	Can't say	0	1	0	0	1
	Agree	178	85	4	0	267
	Strongly agree	204	113	11	4	332
Total		382	199	15	4	600

The analysis of cross tabulation of monthly income and the impact on social empowerment at household level revealed that it had a positive impact on the social empowerment of the members who had monthly income of <10,000. It didn't make great difference to the social empowerment of people earning >20,000 per month

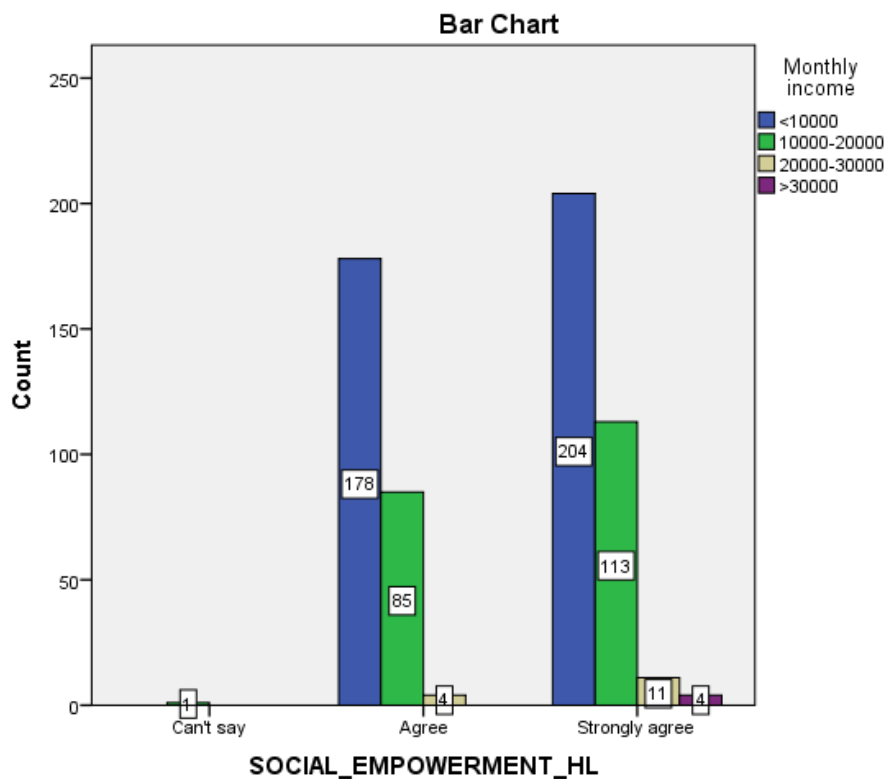


Figure 46

**Table 4.10.3: SOCIAL EMPOWERMENT AT COMMUNITY LEVEL \* MONTHLY INCOME**

**Cross tabulation**

	Monthly income				Total
	<10000	10000-20000	20000-30000	>30000	
SOCIAL_EMPOWERMENT_ Agree	84	43	2	0	129
CL Strongly agree	298	156	13	4	471
Total	382	199	15	4	600

It is inferred from the data that the respondents having income group of < 10000 agreed that they are more socially empowered at community level. Microfinance has helped the members in raising their social status.

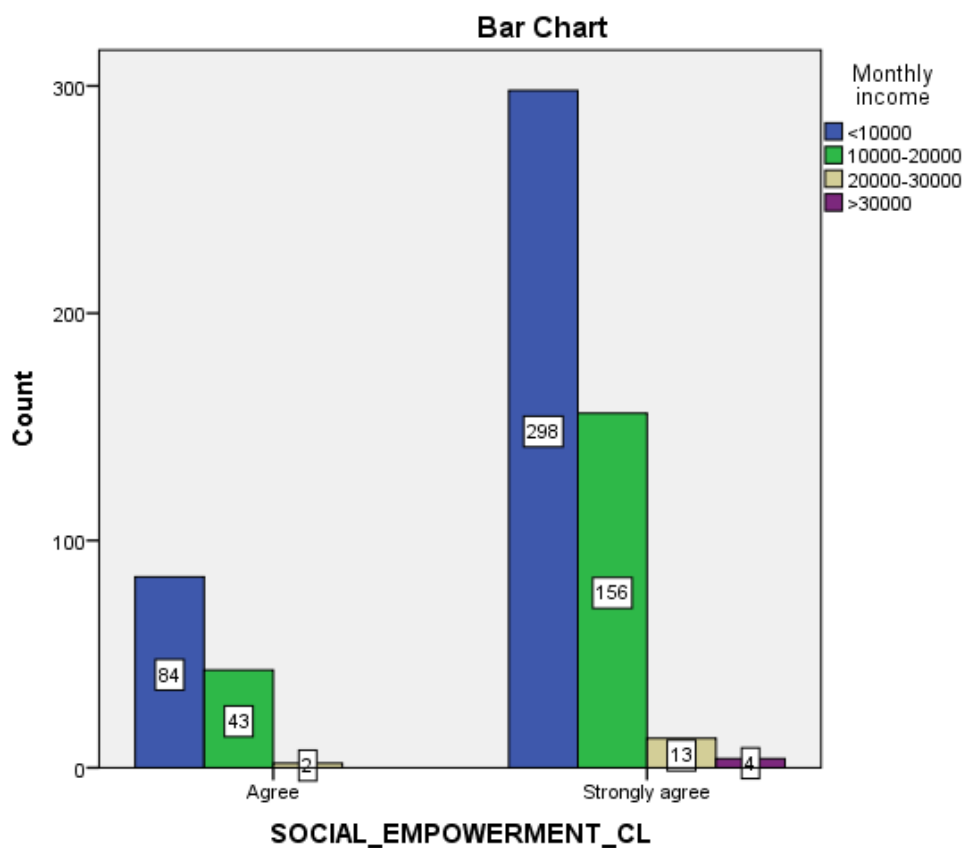


Figure 47

**Table 4.10.4: ECONOMIC EMPOWERMENT \* AMOUNT OF THE LOAN**  
**Cross tabulation**

		Amount of the loan		Total
		20000-30000	>30000	
ECONOMIC_EMPOWERMENT	Can't say	0	1	1
	Agree	33	174	207
	Strongly agree	17	375	392
Total		50	550	600

The analysis of cross tabulation of amount of the loan and impact on economic empowerment revealed that members in the amount group of 20000-30000 and >30000 were positive about it. Microfinance helps in economic empowerment of the respondents.

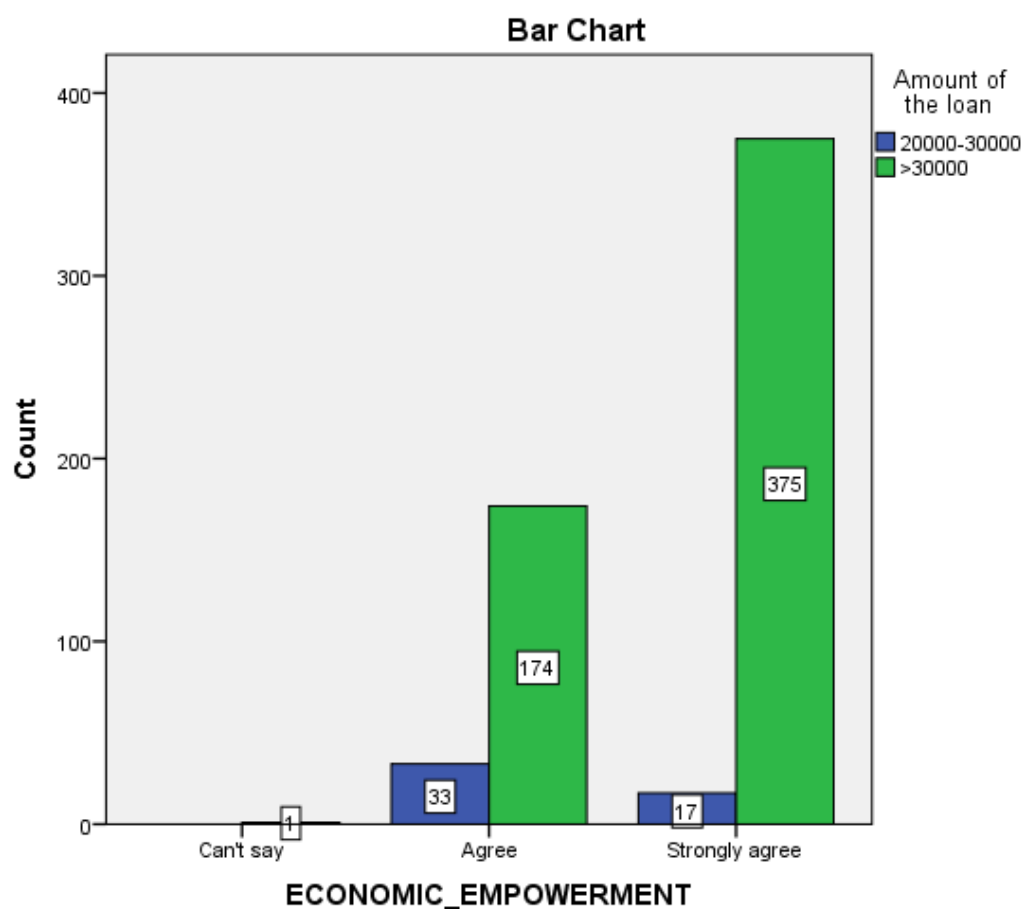


Figure 48

**Table 4.10.5: SOCIAL EMPOWERMENT AT HOUSEHOLD  
LEVEL \* AMOUNT OF THE LOAN**  
**Cross tabulation**

		Amount of the loan		Total
		20000-30000	>30000	
SOCIAL_EMPOWERMENT _HL	Can't say	0	1	1
	Agree	35	232	267
	Strongly agree	15	317	332
Total		50	550	600

Microfinance capacitates women to revamp their social empowerment at family level. A gradual change of these family relationships in respect of females can be observed after they joined the MFIs. The recipient of the loan amount group 20000-30000 and >30000 positively accept that microfinance empowered them by providing self-reliance, self-confidence, self-worth and self-esteem within the family.

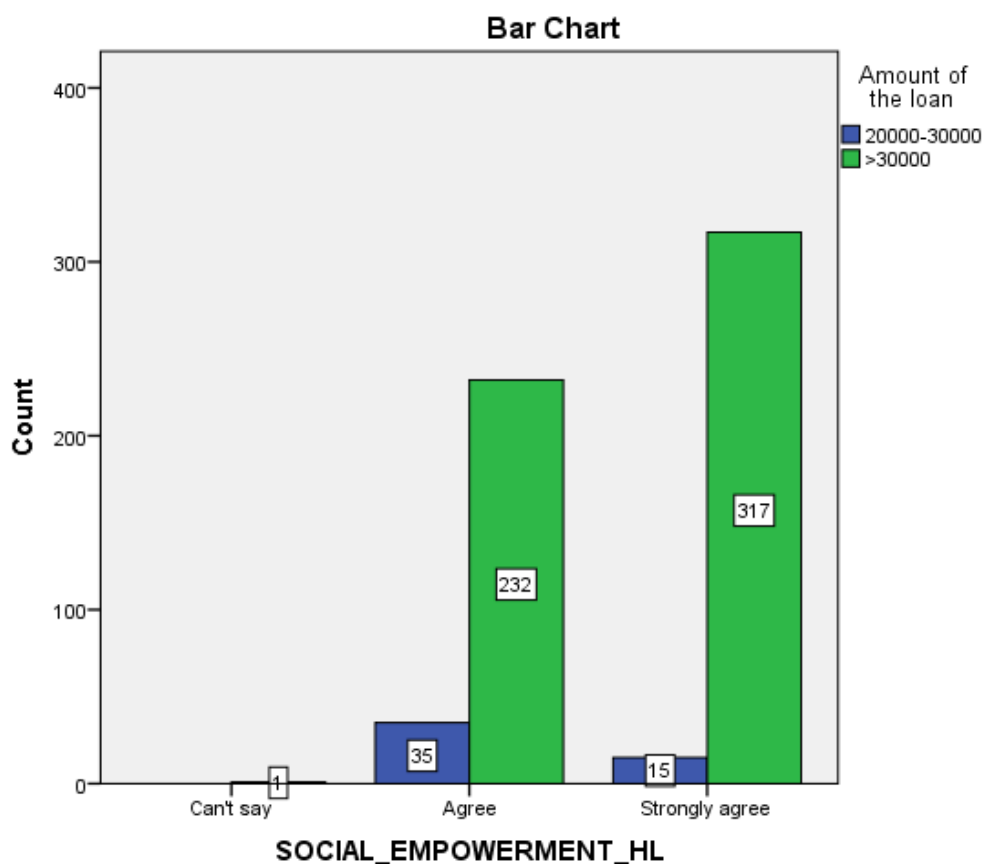


Figure 49

**Table 4.10.6: SOCIAL EMPOWERMENT AT COMMUNITY  
LEVEL \* AMOUNT OF THE LOAN**  
**Cross tabulation**

		Amount of the loan		Total
		20000-30000	>30000	
SOCIAL_EMPOWERMENT	Agree	27	102	129
_CL	Strongly agree	23	448	471
Total		50	550	600

After joining the MFIs, the female borrowers have much relationship with the community. Cross tabulation shows that amount of the loan and impact on social empowerment at community level have positive result. Members in the amount group of 20000-30000 and >30000 agreed that microfinance has led to a change through active participation in local level organizational activities and other community work has empowered women to upgrade their self-confidence, networks, reciprocity and attitudes.

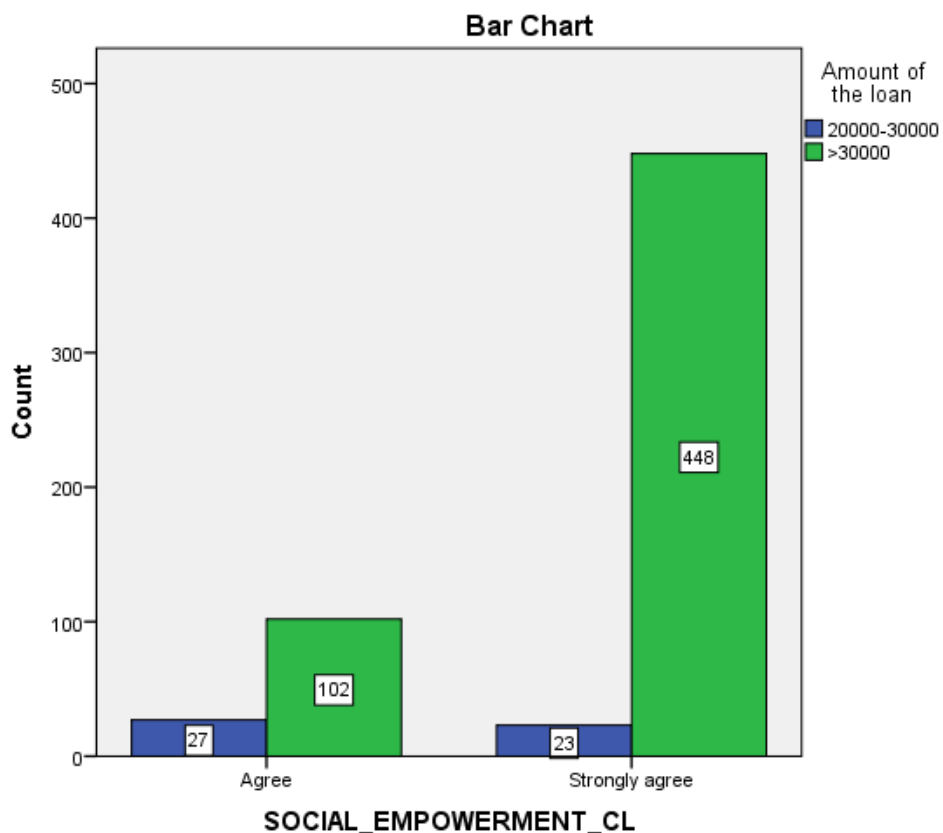


Figure 50

**Table 4.10.7: ECONOMIC EMPOWERMENT \* PERCEPTION**  
**Cross tabulation**

		PERCEPTION		Total
		Agree	Strongly agree	
ECONOMIC_EMPOWERMENT	Can't say	0	1	1
	Agree	17	190	207
	Strongly agree	4	388	392
Total		21	579	600

Above analysis of cross tabulation between perceptions of the beneficiaries and economic empowerment shows positive impact. It is inferred that there is a positive perception of women beneficiaries towards MFIs who feels economic development in their lives.

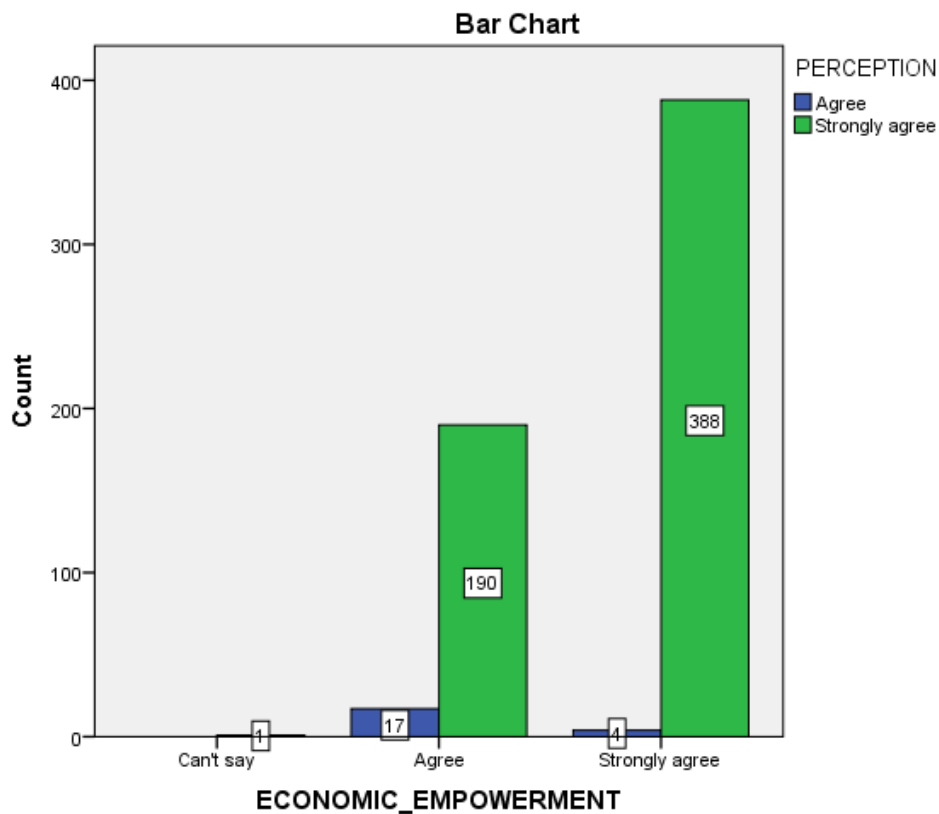


Figure 51

## 4.11 FINDINGS

This study examines the effect of microfinance on various indicators of women's empowerment using quantitative and qualitative data collected from two regions of Allahabad.

The study examined how participation in microfinance services leads to an increased (1) economic empowerment (2) social empowerment at household level and (3) social empowerment at community level. In line with results established in earlier research, the results showed that there is a significant relationship between microfinance and empowerment of women. The study shows that with access to microfinance services women can set up their own ventures and consequently improve their status in the household and community.

### **Economic Empowerment:**

The study revealed that access to microfinance has contributed immensely to the economic empowerment of women through improvement in their businesses. This has helped women to move from being disempowered to the state of being able to exercise their denied rights.

- It is found that the 92.8% beneficiaries had strongly expressed their satisfaction in respect of their income that increased and changed financial condition after joining microfinance institutions.
- They strongly indicated with 71.3% that they had no problem using their income the way they want without any problem from their spouses. Their money management capability also increases.
- 81.3% of the respondents agreed that MFIs provided an employment opportunity for women to set-up their own business and generate income so as to enable them to contribute and support their families. This indicates their role in economic decision-making.
- Microfinance increased women's confidence level to make major financial decisions. Result indicated that 69.7% beneficiaries strongly experienced an increase in the economic decision-making ability through their decision about savings and investment.
- Result shows that beneficiaries' income has increased as 91.3% respondents strongly agreed that it enables them to spend more money on health purposes. Women save their earned money and spend it specifically for health purpose at the time needed.



- The findings also indicate that 80.8% respondents strongly believed that microfinance programs have increased their power in decision-making with regard to the control and utilization of resources as they are more capable in taking the decision to satisfy their immediate basic family needs.
- It is observed that 92.8% beneficiaries strongly accepted that Microfinance resources has enhanced their buying capacity as they have more power to decide on the utilization of earned money.
- Result shows that 75.8% respondents strongly admitted that Microfinance has strong impact on the women borrower's productivity level which eventually improves their efficiency. It enhances beneficiaries' economic productivity and also improves efficiency level through their financial upliftment.
- It is confirmed that 85.5% respondents strongly agreed that Microfinance supports and promotes the growth of small businesses. After receiving microfinance women beneficiaries start small businesses, earnings from these businesses and are able to expand their business.
- Result indicated that Microfinance enables women to become entrepreneurs, and expand their business but 59.3% beneficiaries strongly accepted that they are not able in diversification of their business as the loan amount is very small to setup a business into different field.
- Study confirmed that 41.8% clients strongly experienced that microfinance improves women's entrepreneurial skill. Microcredit has the power to enhance their business skills and employability as facilitating access to the formal economy.

### **Social Empowerment:**

The study shows that access to microfinance has improved the status of women both at the family level and in society as a whole.

At the **family level**, the study reported an improvement in household income and standard of living of the family.

- The findings also show that participation in MFIs leads to increased women self-efficacy and self-esteem. 89.5% Women members of MFIs strongly felt that they were more respected by their families as the result of contribution they are making. Women became more able to make choice and improve their well-being personally in their home.
- The results indicated with 85.2% strongly agreed that MFIs creates the opportunity for women to develop a greater voice in the home upon being recognized as earners of income and their status in the family enhanced.
- The findings also strongly supported that access to credit lead to assets ownership with 14.5% which were denied in the past because of cultures and traditions in the societies.
- It is proved that the women's dedication for the improvement of life condition from their male dominated family makes them able to bring positive changes on gender norms as 54.5% respondents strongly agreed on this. MFI's innovative approach motivates the women who had to change their life style and make them economically strong and self-confident.
- It is found that the 96.8% beneficiaries had strongly expressed their satisfaction in respect of their changed life style and improved living standard to after joining microfinance institutions.
- The result discloses that 60.2% Women strongly agreed that they can also gain the ability to make choices and take decisions concerning their personal and children well-being and act as a change agent in the family.
- Result unveiled that 68.8% respondents strongly agreed that Microfinance institutions have made a good attempt to make better access of education for themselves and their family members also.
- It is exhibited that 63% respondents have strongly felt that they play an important role in decision making and they were consulted for making important decisions of the family.

At the **social level**, there was a rise in the confidence level of clients, increased degree of socialization and positive outlook in terms of active participation in activities.

- This study has confirmed the view that access to microfinance services by women leads to their status in the community as 92.8% respondents strongly agreed with it.

- It is found that 53.7% respondents strongly confessed that the confidence and ability of women to be independent has increased and society's attitude towards them also changed.
- The outcome showed that 76.3% beneficiaries strongly agreed that their social mobility also increased, nowadays woman could go just about anywhere and even alone. Women are not restricted by their husband and family members to travel as long as the reasons are well known beforehand.
- It is proved that 94.5% beneficiaries also strongly accepted that Access to microfinance services provides a platform where women could share their experiences and knowledge of different aspects of their lives and able to express themselves publicly.
- Result indicated that 63% respondents strongly believed that they are also able to take participation in social and communal activities and also help women to develop a network of helping each other.

Correlation analysis findings revealed that there is a strong positive significant correlation between three independent variables (economic empowerment, social empowerment\_hl and social empowerment\_cl) and dependent variable (Monthly Income) which is 1.000, 0.452 & 0.566 respectively, thus, supporting all the three hypotheses, i.e.

H1. Microfinance has a direct relationship with the economic empowerment of women.

H2. Microfinance services have led to the social development of women at household level.

H3. Microfinance has a significant impact on social development of women at community level.

It is found from the study that Women are economically and socially empowered after joining MFIs. Maximum number of respondents accepted that microfinance has brought economic development directly and indirectly and thus happiness and peace in the family. Microfinance improves access to independent income, decision making capability over saving and credit use, ability to bring productive assets which enable them to increase their control over their own lives and improve their positions in their households and also in their community.

From the above analysis it is proved that Economic empowerment results in women's ability to influence or make decision, increased self-confidence, better status and role in the family and also there have been positive changes in household and community perceptions of women's

productive role, as well as changes at the individual level. It has brought great changes in the women's living standard, has created an individual identity for the moderate poor women in the society and has given a freedom to live the life according to their choice. Respondents agreed that Microfinance works as a financial instrument for enhancing women empowerment through eradicating all financial and social obstacles.

## **CHAPTER FIVE: RECOMMENDATIONS AND CONCLUSION**

This chapter provides an overview of the study. In this final chapter an overview of the study is presented together with the conclusions drawn from the results of the analysis and the resulting recommendations.

### **5.1 RECOMMENDATIONS**

Based on the study's findings, the following are the recommendations for enhanced access to, control and utilization of microfinance resources by women.

- MFIs could provide adequate loans so as to avoid the practice of clients to reapply to other MFIs to meet their requirements. In order to control the incidences of multiple borrowing MFIs should devise a way of sharing clients' loan information.
- MFIs could endeavor to extend more credit facilities to clients to expand their businesses since the results from the study confirmed that microfinance had a positive impact in empowering women at all level.
- Microfinance institutions could provide training programs to women beneficiaries to improve their entrepreneurial skill and reduce the problems which hinder their access to microfinance.
- MFIs could come with a more cost effective way in its group lending methodologies in order to have a rippling of reducing its lending rate.
- MFIs could also Introduce appropriate loan sizes in accordance with one's business needs through consultations and realistic interest rates in line with the microfinance Act and introduce new repayment periods based on business capacity to repay the loans.

Thus for the overall development of the country including rural sector, the weaker section women must be included as the key force with the existing male dominated financial sectors and all the development program must be addressed to the financially backward women . The only thing they require is support from their family members, society and MFIs. Encouragement and support by the MFIs to establish and promotion up to the entrepreneurship level simultaneously with proper training facilities to develop their knowledge and skill certainly helps in reducing the problem of women unemployment through socio-economic empowerment.

## 5.2 CONCLUSIONS

Microfinance, a poverty mitigation tool to palliate the vulnerability of weaker section in the society, has widely been implementing in the entire world by engaging women especially in the foremost socio-economic progression. Micro-lending is a robust instrument for the amelioration of women as it presents a platform to the women to discuss their problem enhance their expertise and to rise up their standard of life.

The study emphasizes that the participants' degree of Empowerment in divergent socio-economic components was being elevated after joining MFIs. This study unveils a significant positive change in the economic variables within the areas of income, money management, employment generation, asset building, generative investment, savings which led the economic elevation of women and empowered them specifically in the expanse of health benefit, control over resources, better buying capacity, decision making etc. Accessibility of resources capacitates women to enroot their businesses and enhance their cash inflow and develop entrepreneurship skills.

It has been evinced from the study that microfinance make poor women psychologically empowered and has raised their consciousness level high. Their status has been uplifted and is exalted as a valuable family manager. Women beneficiaries are getting socially developed; their lifestyle has been improvised, they have enabled to satisfy their primary requirements in households. Now they are equally capable of executing their decision taking power in the matters of their family. It is also ascertained that they have obtained community dominance through extension participation, marketing of their microenterprise product and entry into social issues. They have achieved a capacious access to varied livelihood artifice outside the conventional work system. Their labor has also shifted away from the restrains of the kitchen into the local and far-off mobile markets through entrepreneurship activity. The women's communication skills have been hiked up; they can communicate freely with outsiders without any falters or hesitations and also participate on numerous welfare activities with good cooperation in society.

Thus it is conclusively observed from the study that microcredit is playing a leading part in socio-economic enrichment of women in India. Microfinance loan availability and its worthwhile utilization perform an enlightened role towards the evolution of women. The study resolved that

impression of micro financial affairs is admirable in building confidence, skill and intrepidity. Through microfinance assistance, women encourage their sustenance practices through entrepreneurship development and also raised their self-worth as effective homemaker beyond being perceived as visitors, dependent on men. The study implies that instead of bottlenecks, microfinance has the potentiality of helping the poverty stricken women to upscale themselves to a better subsistence and playing a remarkably positive act in uplifting empowerment.

Today microfinance is endeavoring to match the availability and pliability of informal affiliate while adding flexibility and continuity; it is treated as a key root for achieving and preserving the sustained and enduring progress globally.

## REFERENCES

- Ackerly, B. A. (1995). Testing the Tools of Development: Credit Programmes, Loan Involvement, and Women's Empowerment. *IDS Bulletin*, 26(3), 56–68.
- Al-Mamun, A., Wahab, S., Mazumder, M. and Su, Z. (2014). Empirical Investigation on the Impact of Microcredit on Women Empowerment in Urban Peninsular Malaysia. *The Journal of Developing Areas*, 48(2), pp.287306.
- Alsop, R., Bertelsen, M. F., & Holland, J. (2005). *Empowerment in practice: From analysis to implementation*. Washington, DC: The International Bank for Reconstruction and Development/The World Bank.
- Armendariz, B., & Morduch, J. (2005). *The economics of microfinance*, pp. 30-35 Cambridge, MA: PIT Press.
- Awojobi, N.O. (2013). Microfinance as a Strategy for Poverty Reduction: The Nigerian Experience. (Master Thesis) Berlin School of Economics and Law, Berlin, Germany.
- Batliwala, Srilatha (1994), “The Meaning of Women’s Empowerment: New Concepts from Action”, in G. Sen; A. Germain; and L.C. Chen (eds.), *Population Policies Reconsidered: Health, Empowerment and Rights*, Harvard University Press, Cambridge, pp. 127-38
- Bisnath, S. and Elson, D.(1999), Women’s Empowerment Revisited, Background Paper, Progress of the World’s Women. UNIFEM.
- Chambers, Robert (1997), *Whose Reality Counts? Putting the First Last*, ITDG Publishing, London.
- Cheston, S., & Kuhn, L. (2002). Empowering women through microfinance. In S. Daley- Harris (Ed.), *innovations in microfinance for the poorest families* (pp.167-228).



Bloomfield, CT: Kumarian Press.

Cheston, S. and Kuhn, L. (2002a), "Empowering Women through Microfinance" in *Draft! Opportunity International*, Draft Publication Sponsored by UNIFEM.

Coleman, S. (2007). The role of human and financial capital in the profitability and growth of women owned small firms. *Journal of Small Business Management* 45(3): 303-319.

De Mel, S., McKenzie, D. J. & Woodruff, C. (2009). Measuring microenterprise profits: Must we ask how the sausage is made? *Journal of Development Economics*, 88(1), 19- 31.

Dercon S., M. Kirchberger (2008) Literature Review on Microinsurance, Microinsurance Paper No. 1, International Labour Organization, Microinsurance Innovation Facility.

Diop, A., Hillenkamp, I. & Servet, J.M. (2007). Poverty versus inequality. In B. Balkenhol, *Microfinance and Public Policy: Outreach, Performance, and Efficiency* (pp. 27-46). New York: International Labor Organization and Palgrave Macmillan.

Dowla, A., & Barua, D. (2006). The poor always pay back: The Grameen II story. Bloomfield, CT: Kumarian Press.

Dunford, C. (2002). Building better lives: Sustainable integration of microfinance with education in child survival, reproductive health, and HIV/AIDS prevention for the poorest entrepreneurs. In S. Daley-Harris (Ed.), *innovations in microfinance for the poorest families* (pp.75-131). Bloomfield, CT: Kumarian Press.

Dzmafic, Z., Rovcanin, A. & Grzinic, J. (2008). The role of microfinancing in promoting development: The experiences in Bosnia and Herzegovina and Croatia. *Nase Gospodarstvo/Our Economy*, 54(3-4), 122-131.

Fernando, J.L. (2006a). Microcredit and empowerment of women: blurring the boundary between development and capitalism. In J.L. Fernando (Ed.), *Microfinance: Perils and Prospects* (pp. 1-42). New York: Routledge.

Friedmann, J. (1992). *Empowerment: The Politics of Alternative Development*. Oxford: Blackwell Publishers. Pp 32-34

Golla, A, A. Malhotra, P. Nanda and R. Mehra (2011) Understanding and measuring women's economic empowerment. Definition, framework, indicators Washington DC: International Centre for Research on Women

Hirschland, M. (2005) *Savings services for the poor: an operational guide*. Bloomfield CT/London: Kumarian.

Holvoet, N. (2005). The Impact of Microfinance on Decision-Making Agency: Evidence from South India. *Development and Change* 36(1), 75–102.

Hunt, J. & Kasynathan, N. (2001). Pathways to empowerment? Reflections on microfinance and transformation in gender relations in South Asia. *Gender & Development*, 9(1), 42-52.

IFAD (2009). Gender and Rural Microfinance: Reaching and Empowering Women. Guide for Practitioners. 2009 By the International Fund for Agricultural Development (IFAD) August 2009.

Kabeer, N. (1994). *Reversed Realities: Gender Hierarchies in Development Thought*. Delhi: Kali for women.

Kabeer, N. (1999), "The Conditions and Consequences of Choice: Reflections on the Measurement of Women's Empowerment", Discussion Paper, No. 108, United Nations Research Institute for Social Development, Geneva.

Kabeer, N. (1999a). Targeting Women or Transforming Institutions? Policy From NGO Anti-poverty Efforts. In Eade, D. (ed.) *Development with Women*. London: Oxfam, Pp. 32-45.

Kabeer, N. (2001), "Conflict over Credit: Re-evaluating the Empowerment Potential of Loans to Women in Rural Bangladesh", *World Development*, Vol. 29, No. 1, pp. 63-84.

Kidder, T. (1997). Macro debates at the micro-credit summit. *Development in Practice*, 17(4), 432-435.

Kim, J. C., Watts, C. H., Hargreaves, J. R., Ndhlovu, L. X., Phetla, G., Morison, L. A., Busza, J., Porter, John D. H. & Pronyk, P. (2007). Understanding the impact of a microfinance-based intervention on women's empowerment and the reduction of intimate partner violence in South Africa. *American Journal of Public Health*, 97(10), 1794-1802.

Krishna, A. (2003). "Social capital, community driven development and empowerment: a short note on concepts and operations." World Bank working paper 33077.

Leach, Fiona and Sitaram, Shashikala. (2002). "Microfinance and Women's Empowerment: A Lesson from India", *Development in Practice*, 12(5): 575-588.

Lindvert, M. (2006). "Sustainable Development Work and Micro Finance: A Case Study of how ECLOF Ghana is Working Towards Financial Sustainability". Thesis submitted to the Department of Social Sciences, Mid Sweden University.

Longwe, S. H.; and Clarke, R. (1994), "Women in Development, Culture and Youth: Workshop Readings", Longwe Clarke and Associates, Lusaka, Zambia.

Mahjabeen, R. (2008). Microfinancing in Bangladesh: Impact on households, consumption and welfare. *Journal of Policy Modeling*, 30(6), 1083-1092.

Malhotra A. (2002), „Measuring Women’s Empowerment as a Variable in International Development“, World Bank, Gender and Development Group, Washington DC.

Makina, D. & Malobola, L. M. (2004). Impact assessment of microfinance programmes, including lessons from khula enterprise finance. *Development Southern Africa*, 21(5), 799-814.

Manjoor, H. and Manders, J. (2009). “Women Empowerment: Comparing concepts & Assessment Implications for microfinance.” Commissioned by Oiko credit.

Mayoux, L. (1998). Women’s empowerment and micro-finance programs: strategies for increasing impact. *Development in Practice*, 8(2), 235-241.

Mayoux, L. (1999). Questioning virtuous spirals: micro-finance and women's empowerment in Africa. *Journal of International Development*, 11, 957–984.

Mayoux, L. (2001) “Tackling the Down Side: Social Capital, Women’s Empowerment and Micro-Finance, in Cameroon” in *Development and Change*, Vol. 32, No. 3, 2001, p. 435- 464.

Mayoux, L. (2001 forthcoming) *Beyond Rhetoric: Women’s Empowerment and Micro-enterprise Development* London and New York, Zed Press.

Mayoux, L. (2002). Microfinance and women’s empowerment: Rethinking ‘best practice’. *Development Bulletin*, 57, 76–81.

Mayoux, L. (2006). Womens empowerment through sustainable microfinance: rethinking ‘best practice’. *Mountain Forum*.

Murdoch, J. (1999). The Microfinance promise. *Journal of Economic Literature*, 37: 4, 1569-1614.

Morduch, J. and Haley, B. (2002), Analysis of the Effects of Microfinance on Poverty Reduction. *NYU Wagner Working Paper Series*, (1014), 1-170.

Morduch, J. (2007). Smart subsidies. In B. Balkenhol, *Microfinance and Public Policy: Outreach, Performance, and Efficiency* (pp. 72-85). New York: International Labor Organization and Palgrave Macmillan.

Mosley, P., & Rock, J. (2004) Microfinance, Labour Markets and Poverty in Africa: A Study of Six Institutions. *Journal of International Development*, 16(3), 467-500.

Moser, C. O. N. (1989). Gender Planning in The Third World: Meeting Practical and Strategic Gender Needs. *World Development*. 17(11), 1799-1825.

Moser, C. O. N. (1993). *Gender Planning and Development*. London: Routledge.

Mukherjee, A. (2015). Empowerment through government subsidized microfinance program. *Int J of Social Economics*, 42(1), pp.2-18.

Mutua, K. Nataradol, P. Otero, M. & Chung, B. (1996). The view from the field: Perspectives from managers of microfinance institutions. *Journal of International Development*, 8, 179-193.

Nallari, R., & Griffith, B. (2011). *Gender and Macroeconomic policy*. Washington, D.C.: The World Bank.

OECD (2011) Women's economic empowerment. Issues paper Paris: OECD-DAC GENDERNET. pp 6

Page, N. and Czuba, C.E. (1999), .Empowerment: What Is It? *Journal of Extension*, October, Vol. 37, No. 5.

Park, A., & Ren, C. (2001). Microfinance with Chinese characteristics. *World Development*, 29(1), 39-62.

Pitt M.M. Khandker S.R. (1998) The impact of group-based credit programmes on poor households in Bangladesh: does the gender of participants matter? *Journal of Political Economy*, 106 (5): 958-996.

Puhazhendhi V. and Satya Sai K.J.S. (2001), „Economic and Social Empowerment of Rural Poor through Self Help Groups“, *Indian Journal of Agricultural Economics*, 56 (3) July-Sept, 450-451.

Rajasekhar, D. (2004). “Microfinance, Poverty Alleviation and Empowerment of Women: A Study of two NGOs from Andhra and Pradesh”. Retrieved on 2/9/2010 from [www.istr.org/abstracts2010/pdf/str2010\\_0274.pdf](http://www.istr.org/abstracts2010/pdf/str2010_0274.pdf)

Rowlands, J. (1997), *Questioning Empowerment: Working with Women in Honduras*, Oxfam, UK.

Schreiner, M. and Colombet, H.H. (2001). “From Urban to Rural: Lessons for Microfinance for Argentina”, *Development Policy Review*, 19(3): 339-354.

Schuler, S. R., Hashemi, S. M., & Riley, A. P. (1997). The influence of women's changing roles and status in Bangladesh's fertility transition: Evidence from a study of credit programs and contraceptive use. *World Development*, 25(4), 563–575.

Sen, A. (1999). *Development as Freedom*. New York, NY: Anchor Books.

Simanowitz, A., & Walter, A. (2002). Ensuring impact: Reaching the poorest while building financially self-sufficient institutions, and showing improvement in the lives of the poorest women and their families. In S. Daley-Harris (Ed.), *innovations in microfinance for the poorest families* (pp.1-73). Bloomfield, CT: Kumarian Press.

Sen G, Batliwala S. (2000). Empowering Women for Reproductive Rights, In H. B. Presser and G. Sen (eds.) *Women Empowerment and Demographic Processes: Moving Beyond Cairo*. Oxford University Press, pp.15-36.

Stromquist, Nelly P. (1995). "The Theoretical and Practical Bases for Empowerment", in Carolyn Medel-Anonuevo (ed.), *Women, Education and Empowerment: Pathways Towards Autonomy*, United Nations Educational, Scientific and Cultural Organization (UNESCO), Hamburg, Germany.

Sulphrey M.M. and Viswan V.(2015). "Essentials of Microfinance", Viva Books, pp. 38-40.

Swain R.B., and Wallentin F.Y. (2009). "*Does microfinance empower women?*" Evidence from self help groups in India. *International Review of Applied Economics* 23(5): 541-556.

Swope, T. (2005), Microfinance and Poverty Alleviation. *Independent Study on Microfinance*, 1-61.

Tiwari, A.M, and Thakur, S. G. (2007). "SHG based Microfinance programs - Can they remove poverty?" London and New York: Routledge. pp- 177-193.

Tornqvist, A. and Schmitz, C. (2009). Women's economic empowerment: scope for SIDA's engagement Working Paper December. Stockholm: SIDA pp- 9-10

Tuuli, M. M., & Rowlinson, S. (2007). Towards a conceptual framework of empowerment and job performance in project teams. In: Boyd, D (Ed) *Procs 23rd annual ARCOM conference*, 3-5 September 2007, Belfast, UK, Association of Researchers in Construction Management, 3-12.

UNDP (2008). Innovative approaches to promoting women's economic empowerment New York:UNDP pp 9

UNIFEM (2000). Progress of the World's Women. UNIFEM, New York.

Vaessen, J., Rivas, A., Duvendack, M., Palmer Jones, R., Leeuw, F., van Gils, G., Lukach, R., Holvoet, N., Bastiaensen, J., Garcia Hombrados, J. and Waddington, H. (2014). The Effects of Microcredit on Women's Control over Household Spending in Developing Countries: A Systematic Review and Meta-analysis. *Campbell Systematic Reviews*, pp.5-184.

Von Pischke J.D. (1991) *Finance at the frontier: debt capacity and the role of credit in the private economy*, Washington DC, The World Bank.

Weber, H. (2006). The global political economy of microfinance and poverty reduction. In J.L. Fernando (Ed.), *Microfinance: Perils and Prospects* (pp. 43-63). New York: Routledge.

World Bank (2001), *Engendering Development: Through Gender Equality in Rights, Resources and Voice*, World Bank Policy Research Report, Oxford University Press, Oxford

World Bank (2006) World Development Report 2006. Equity and development Washington: World Bank. Pp 3-5

Wrigley-Asante, C. (2011). Out of the dark but not out of the cage: women's empowerment and gender relations in the Dangme West district of Ghana. *Gender, Place & Culture*, 1–20.

Young, K. (1993). *Planning Development with Women: Making a World of Difference*. London: Macmillan. Pp 159

Yunus, M. (1999). *Banker to the poor: Microlending and the battle against world poverty*. New York, NY: Public Affairs.

Yunus, M. (2007). *Creating a world without poverty: Social business and the future of capitalism*. New York, NY: Public Affairs.



## Questionnaire

### Personal Details

Name of Respondent:

Belongs To:

Urban Area ☐

Rural Area ☐

Name of city/village:

Age:

20-30 ☐

31-40 ☐

41-50 ☐

51 and Above ☐

Religion:

Hindu ☐

Muslim ☐

Christian ☐

others ☐ \_\_\_\_\_

Marital Status:

Single ☐

Married ☐

Divorced ☐

Widowed ☐

Educational Qualification:

No Formal Education ☐

Primary School ☐

Secondary School ☐

Bachelor Degree ☐

Postgraduate Degree ☐

Members in family:

3-4 people ☐

5-6 people ☐

> 6 people ☐

Monthly Income:

<10000 ☐

10000-20000 ☐

20000-30000 ☐

>30000 ☐

Which Of The Following Microfinance Group Do You Belong To?

Microfinance Bank Only ☐

Corporative Society ☐

Contribution Group Only ☐

Microfinance Bank and Cooperative Society Only ☐

Self Help Group ☐

None of the Above ☐

Name of the Microfinance Institutions (MFIs) are you associated with 1.....

2.....

3.....

Number of MFIs you are associated with 1 ☐

2 ☐

3 ☐

>3 ☐

Number of times credit availed by you 1 ☐

2 ☐

3 ☐

>3 ☐

When was the credit availed for the first time? \_\_\_\_\_

For which purpose, you utilize the loan amount?

Personal purpose ☐

Business purpose ☐

Agriculture purpose ☐

.....

.....

.....

.....

.....

.....

**What amount of loan you have received as a help from any of the MFIs?**

<10000 ☐ 0000-20000 ☐ 20000-30000 ☐ >30000 ☐

**What is the installment period to repay loan?**

Monthly ☐ Bi-Monthly ☐ Weekly ☐ Bi-Weekly ☐

**Do MFIs continuously monitor whether the loan used which taken for?** Yes ☐ No ☐

**Who manages the loan amount in your family?**

Mother ☐ Father ☐ Sister ☐ Brother ☐ Husband ☐ Me ☐ Children ☐ Others.....

**Perception of respondents towards MFIs-**

S. No		Strongly Disagree	Disagree	Can't Say	Agree	Strongly Agree
1.	The rate of interest of micro credit is reasonable					
2.	The procedure of obtaining loans from MFIs is easier than Conventional banking					
3.	Operational assistance received from MFIs was helpful to start/run the business					
4.	The effort of Micro-financing activities in the area towards empowerment of women is excellent					

**Economic Domain:**

S. No		Strongly Disagree	Disagree	Can't Say	Agree	Strongly Agree
1.	It has increased the income I have					
2.	It has increased my ability to manage money effectively					
3.	It has increased my employment opportunities					
4.	It increase my greater say in economic decision					
5.	I am able to spend money on health purposes for the family					
6.	It has increased my control over resources					
7.	It has increased my buying capacity					
8.	It has increased my efficiency/productivity					

9.	I have experienced an improvement in my business after taking the loan from MFIs					
10.	I have experienced diversification in my business after taking the loan from MFIs					
11.	I have experienced increased entrepreneurial skills in my business					

### Social Domain:

#### Household Level

S. No		Strongly Disagree	Disagree	Can't Say	Agree	Strongly Agree
1.	It has changed the way people treat me in my family					
2.	It has enhanced my status in the family					
3.	I have assets in my name					
4.	It has increased my ability to negotiate gender barriers.					
5.	I have seen improvement in my family's standard of living(comfort, material goods, health)					
6.	I see myself as a change agent in my family					
7.	It has provide me better access to education					
8.	I have a say decision making process in my family.					

#### Community Level

S. No		Strongly Disagree	Disagree	Can't Say	Agree	Strongly Agree
1.	It has increased my status in the society					
2.	There has been a change in the attitude of the men I interact with					
3.	My social mobility has increased					
4.	I am able to express myself in public					
5.	I can participate in any social activities					

## प्रश्नावली

### 1. व्यक्तिगत विवरण

उत्तरदाता का नाम -

सम्बन्धित क्षेत्र -

नगर/गाँव का नाम -

शहरी ☐ ग्रामीण ☐

आयु .

20-30 ☐ 31-40 ☐ 41-50 ☐ 51-या ऊपर ☐

धर्म

हिन्दू ☐ मुस्लिम ☐ ईसाई ☐ अन्य ☐

वैवाहिक स्थिति

अविवाहित ☐ विवाहित ☐ तलाकशुदा ☐ विधवा ☐

शैक्षिक योग्यता

शिक्षा अनियमित ☐ प्राइमरी स्कूल ☐ जूनियर स्कूल ☐

होना

स्नातक डिग्री ☐ परास्नातक डिग्री ☐

परिवार की सदस्य संख्या

3-4 ☐ 5-6 ☐ 7-8 ☐

मासिक आय

1000 ☐ 1000-2000 ☐ 2000-3000 ☐ >3000 ☐

निम्नलिखित में से कस माइक्रोफिनान्स ग्रुप से आप जुड़ी है ?

केवल माइक्रोफिनान्स बैंक ☐ कोऑपरेटिव सोसाइटी ☐ केवल अंशदान ग्रुप ☐

माइक्रोफिनान्स बैंक और कोऑपरेटिव सोसाइटी ☐ स्वयं सहायक ग्रुप ☐ इनमें से कोई नहीं ☐ माइक्रोफिनान्स संस्था का नाम जिससे आप जुड़ी हैं ।

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

जुड़ी हुई माइक्रोफिनान्स संस्थाओं की संख्या -

1. ☐ 2. ☐ 3. ☐ >3. ☐

जुड़ी हुई माइक्रोफिनान्स संस्थाओं की संख्या -

1. ☐ 2. ☐ 3. ☐ >3. ☐

कब प्रथम बार ऋण प्राप्त किया - \_\_\_\_\_

आप किस उद्देश्य हेतु ऋण धनराशि प्रयोग करते हैं-

घरेलू उद्देश्य ☐ व्यापार उद्देश्य ☐ उपज/निर्माण उद्देश्य ☐

कितना ऋण आपने किस एम.एफ.आई. से सहायता के रूप में प्राप्त किया है।

<1000 ☐ 1000-2000 ☐ 2000-3000 ☐ >3000 ☐

ऋण वापसी हेतु ऋण अंश की समयावधि क्या है ?

मासिक ☐ अर्धमासिक ☐ साप्ताहिक ☐ अर्धसाप्ताहिक ☐

क्या माइक्रोफिनान्स संस्था में दिये गये ऋण की लगातार जांच करती है ?

हाँ ☐ नहीं ☐

आय के परिवार में ऋण राशि का संकलन कौन करता है ?

माता ☐ पिता ☐ बहिन ☐ भाई ☐ स्वयं ☐

बच्चे ☐ अन्य ☐

माइक्रोफिनान्स संस्थाओं के बारे में उत्तरदाताओं की राय-

क्रम सं०		दृढ़ता पूर्वक असहमत	असहमत	कह नहीं सकते	सहमत	दृढ़ता पूर्वक सहमत
1.	माइक्रोऋण की ब्याज दर उचित है।					
2.	एस.एफ.आई. से ऋण प्राप्त करने का तरीका परम्परागत बैंकिंग से सरल है।					

3.	एम.एफ.आई. से प्राप्त उद्यम सहायता ऋण व्यापार स्थापित करने में संचालित सहायक है।					
4.	माइक्रोफिनान्स कार्यों के प्रयत्न महिला सशक्तिकरण के क्षेत्र में श्रेष्ठ है।					

आर्थिक क्षेत्र :

क्रम सं०		दृढ़ता पूर्वक असहमत	असहमत	कह नहीं सकते	सहमत	दृढ़ता पूर्वक सहमत
1.	इससे मेरी आय बढ़ गई है।					
2.	इससे मेरी धन संचालन क्षमता बढ़ गई है।					
3.	इससे मेरे रोजगार के अवसर बढ़ गये हैं।					
4.	इससे मेरी आर्थिक निर्णय क्षमता बढ़ गई है।					
5.	मैं अपने परिवार के स्वास्थ्य सम्बन्धी व्यय में सक्षम हो गई।					
6.	इससे मेरी संसाधन नियंत्रणता बढ़ गई है।					
7.	इससे मेरी क्रय क्षमता बढ़ गई है।					
8.	इससे मेरी कुशलता/उत्पादन क्षमता बढ़ गई है।					
9.	एम.एफ.आई. से ऋण प्राप्ति के पश्चात् मैंने अपने व्यापार में वृद्धि का अनुभव किया है।					
10.	मैंने माइक्रोफिनान्स संस्थाओं से ऋण प्राप्ति के पश्चात् अपने व्यापार में परिवर्तन का अनुभव किया।					
11.	मैंने अपने व्यापार में उद्यम कौशल वृद्धि का अनुभव किया।					



सामाजिक क्षेत्र :

पारिवारिक स्तर

क्रम सं०		दृढ़ता पूर्वक असहमत	असहमत	कह नहीं सकते	सहमत	दृढ़ता पूर्वक सहमत
1.	इससे मेरे परिवार के सदस्यों का मेरे प्रति व्यवहार में परिवर्तन हुआ।					
2.	इससे परिवार में मेरा स्तर बढ़ा है।					
3.	मेरे नाम से सम्पत्ति है।					
4.	इससे मेरी लिंग भेद बाध्यता पर बातचीत करने की क्षमता में वृद्धि हुई है।					
5.	इससे मेरे पारिवारिक रहन-सहन स्तर (सुख, आवश्यक वस्तुएं, स्वास्थ्य) में वृद्धि हुई है।					
6.	मैं स्वयं को एक बदलाव एजेंट के रूप में देखती हूँ।					
7.	इससे मुझे शिक्षा का बेहतर अवसर प्राप्त हुआ।					
8.	मैं स्वयं अपनी इच्छा से निर्णय ले सकती हूँ।					

सामुदायिक स्तर

क्रम सं०		दृढ़ता पूर्वक असहमत	असहमत	कह नहीं सकते	सहमत	दृढ़ता पूर्वक सहमत
1.	इससे मेरे सामाजिक स्तर में वृद्धि हुई है।					
2.	इससे मेरे सम्यक में रहने वाले लोगों का मेरे प्रति बर्ताव में परिवर्तन आया है।					
3.	मेरा सामाजिक गैल-जोल बढ़ा है।					
4.	मैं स्वयं को जनता में व्यक्त करने में सक्षम हुई है।					
5.	मैं किसी भी सामाजिक कार्यों में भाग ले सकती हूँ।					