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How Empowered is Microfinance in Empowering Women ?

Evidence from India

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Drawing upon the data from the recent period, this paper explores the relationship between women's involvement in microfinance programs and improvement in their empowerment status. The significant differences between member and non-member women in terms of economic, social and political empowerment demonstrate a definite relationship between women's exposure to credit programs and their empowerment. According to the composite empowerment indicator, about 38.2 per cent of women associated with microfinance were empowered, whereas this figure was just 8.8 per cent for non-SHG women. The paper found that involvement in microfinance programs through SHG not only empowers women but it increases with the duration of membership. It is also observed that 'economic empowerment' appears to be playing an important role in achieving women's empowerment, be it member or non-member. However, the duration of membership does not show a significant relationship with women's social empowerment.

Key words: Microfinance, Women's empowerment, Self-Help Group (SHG)

1. Introduction

Microfinance programmes for women are currently promoted not only as a strategy for poverty alleviation but also for women's empowerment. Access to credit was seen as vital to women's ability to earn an income, and contributing to an increase in their status and autonomy (Mayoux 1995). The majority of studies have suggested that micro-credit programmes help women to improve their socio-economic status. Elsewhere, it is argued that greater access to resources via microfinance programme enhances a woman's control over her assets (Zaman 1999). It is also argued that loans obtained through microfinance programme contributes to an increase in woman's household decision making power, her control over household resources and physical mobility outside the home (Amin and Pebbley 1994). They also suggested that access to loans reduces woman's chances of abandonment. Banu *et al.* (2001) are of the view that as women are perceived to be an avenue to loans through micro-credit programme for household's capital investment, husbands learned to value women more. It is also mentioned that the life style of women has changed to a better-off position partly because of their involvement in micro-credit programmes, which take them outside the household and links wider community/ organisation (Rajasekhar, 2000; Carr *et al.* 1996; Hashemi, Schuler and Riley, 1996; Sahu and Singh, 2011). Women's investment in income generating activities would interact them with outside markets, community etc. Such mobility would gradually enable them to play an active role in social,

political and economic issues affecting self, household and community. Nevertheless, people's institutions promoted by NGO also give them a helping hand.

However, the rapid expansion of these programmes accompanied by a growing emphasis on achieving high repayment rates, promoting efficiency and financial sustainability have been increasingly downplayed the non-financial services including social and political consciousness raising, skill development and capacity-building programmes. The more vulnerable and poorer the target groups, the more such non-financial services seems to take more prominent roles in the approach of poverty alleviation and women's empowerment. In this context, the present paper attempts to understand the potential and limitations of microfinance programme as a mechanism for women's empowerment by drawing upon the data from the recent period.

The present paper seeks to address two key questions. Does the participation of women in microfinance programme through SHG enhance their empowerment? Does the duration of membership in the SHG have a positive effect on their empowerment? One can thus hypothesised that (1) women participated in the microfinance programme will be more empowered than non-participant and (2) the duration of women's participation in microfinance programme has a positive effect on her empowerment.

2. Database

The paper was undertaken in five states, two southern (Karnataka and Tamil Nadu), two northern (Rajasthan and Himachal Pradesh) and one state from eastern region (Orissa). In terms of number of SHG, Tamil Nadu is one among the leading state in the country, with large number of SHGs promoted under MFIs/NGOs. Karnataka has a substantial number of SHGs promoted by banks and NGOs and is the state where the SHG bank linkage was first piloted in the year 1992. Orissa, Rajasthan and Himachal Pradesh were selected for the presence of a number of NGOs working as self-help promoting institutions (SHPIs). The districts and blocks from each state were selected after discussing with different NGOs/ district social welfare officers (DSWO)/ Child Development Project Officer (CDPO) who are directly or indirectly involved with SHGs movements starting from group formation to bank-linkages. Accordingly, two districts from each state and one or two blocks in each district were identified. Villages were randomly selected from each block. However, depending upon the availability of women respondents who were not part of the any microfinance programmes, the number of sample villages varies across the identified blocks. Within the villages, SHGs were randomly selected.

As the main purpose of this paper was to assess the impact of microfinance on women's empowerment, we had considered only those SHGs who were at least three years old and active during the time of fieldwork. From each of the SHGs, two/three members were randomly selected for interview. Form these, at least one 'position holder' (office bearer at SHG level, past or present) was randomly selected to examine the variability in women's empowerment vis-à-vis an 'ordinary member' (member not holding any position of office). In total, we had selected 200 married women in each state consisting of 100 microfinance clients and another 100 women who were not part of the any microfinance programs to assess the issue adequately. Thus, all together, we had 1000 samples consisting of 500 women from each group. Each

respondent was part of a household, whether it was nuclear or joint family.¹ We had not considered widowed in our samples as by default they often become head of the family in a patriarchal society. In all, 104 villages were covered to contact 1000 households in five states and 188 SHGs. The details of the samples are presented in Appendix 1.

3. Socio-Demographic Profile of the Respondents

The social, demographic, and educational characteristics of women are expected to have some bearing on their empowerment. Within this context, this section explores whether there exists a substantial difference in the socio-demographic profiles among sample respondents (member and non-member) which were drawn for the study. Data on respondent's age, caste category, educational qualification, type of the family she belongs to and her primary occupation have been analysed. About 73.8 per cent of SHG member respondents were in the age group of 20 to 40 years, this figure was 83 per cent for control group respondents. Respectively, about 15 and 23 per cent of sample women from among the microfinance clients and control group were in the age group of 40-50 years. This implies that about 97 to 98 per cent of women were aged between 20 to 50 years. However, the mean age of control group women was 32.42 years and for SHG member it was 36.39 years. Data related to distribution of samples by their caste groups indicate that about 34 per cent of sample respondents in both the groups were belong to scheduled castes (SCs) and scheduled tribes (STs) and rest belong to other backward castes (OBCs) and upper castes.

The overall illiterates/just literates among the women interviewed was 38 per cent. Proportion of illiterates/just literates however in the control group was marginally higher by 4 per cent. Nevertheless, no significant difference is observed in terms of the mean years of schooling among women from both groups. Women from a nuclear family are likely to have more freedom in terms of taking household decisions compared to women from a joint family. According to this indicator, approximately 64 per cent of control group women belong to nuclear family, for SHG member this figure was about 61 per cent. On an average, about 34 per cent respondents were from joint family system.

Significantly, as high as 37 per cent of women from our sample were housewife, with the proportion of control group women and SHG women being 45.4 and 28.8 respectively. For about 20 per cent women from each category, animal husbandry was the primary occupation. Similarly, wage labour was the primary occupation for about 22 per cent of women from each group of samples. Relatively, a higher percentage of SHG women were engaged in petty business/services compared to control group women. This is possibly because of access to credit by the former group through SHG. Even in salaried job too, relatively more were from SHG women compared to control group. Overall, except primary occupation, the variation among control group and SHG women in terms of other socio-demographic profile was marginal and the details on these key indicators are presented in Appendix 2.

4. Women's Empowerment

Irrespective of working hard and longer hours, usually women do not perceive themselves (and are often not perceived by others) of making any additional contribution towards family income

as much of their works are unpaid. This perception may be illogical, but as long as this perception exists, women will place themselves in a weak bargaining position. This in turn, is likely to end up women with a lower level of well-being. On the other hand, their distorted perception of self-interest and socialization within a patriarchal culture further weaken them in the bargaining process. According to Sen's bargaining model of the household (Sen, 1990), well-being has been defined in terms of capabilities including (i) autonomy (ii) control over decision making within the family and (iii) relative access to household resources. It is hypothesized that the relative well-being of women and men depends on their respective bargaining power, which in turn depends on breakdown position, perceived contribution to the family and perceived self interest.²

In the literature empowerment is also viewed as the process of change in the existing power structure. As per Sen 'empowerment' is about change in favour of those who previously exercised little control over their lives (Sen, 1997). This definition has two dimensions. The first aspect is control over resources— financial, physical and human. The second dimension is control over ideology- belief, values and attitudes. Empowerment of women is also defined as 'the capacity of women to be economically self-reliant and self-reliant with control over decisions affecting their life options and freedom from violence' (Rao and Kelleher, 1995). Elsewhere, it is suggested that gender subordination can best be addressed by making confrontation of patriarchy, rather than credit as the focal point (Casper, 1994; Goetz and Sengupta 1996).

Nevertheless, measuring women's empowerment is a very critical issue. The complexity of empowerment itself and its link with policy make conventional research methodologies lengthy and costly (Mayoux, 1998). Though many impact assessment studies have been undertaken to measure women's empowerment, hardly any consistent analytical framework is available to measure empowerment in different contexts. The present paper adopts the view of Hashemi, Schelur and Riley (1996) who argued that women's empowerment is reflected in her relative physical mobility, economic security, ability to buy things on her own, involvement in household's decisions, ownership of productive assets, freedom from domination by the family, political and legal awareness, participation in public protests and political campaigning.

5. Constructing the Empowerment Index

Following the work of Hashemi, Schelur and Riley (1996), twelve indicators of empowerment were used to construct an 'empowerment index' with multiple weightings. These twelve indicators are: economic security, ability to make small purchases, ability to make large purchases, involvement in major financial decisions taken in last five years, involvement in day-to-day household decisions making, physical mobility, relative freedom from domination by the family, participation in public/civic protests, participation in political & other forum, self-confidence, public interaction and women's autonomy.

The connection of village with major roads, geographic variability in access to markets and facilities available influences many of the behaviours that comprise the empowerment indicators such as mobility and making purchase in the market. For instance, women living close to one particular market may have easy access to certain goods and services while others might have to travel a relatively long distance to get the same things. Some villages have vendors who sell

some particular goods door to door. Such facility make easier for women of the concerned village to make purchases without violating the rigid social norms. To avoid the complexity while creating empowerment indicators, however, these aspects have not been considered.

All of the operational measures of empowerment employed in this analysis reduce the empowerment data to dichotomous variables. The cut-off points for empowered versus unempowered has been fixed on the basis of mean level score. The mean level score for each empowerment indicator has been calculated and the respondents having scored more than that was classified as "empowered" and coded as one. Contrary to this, a respondent having scored equivalent to or less than the mean value was classified as "not empowered". In all of the empowerment variables "not empowered" was coded as zero. Given this, each of these empowerment indicators is described below.

Economic security

- One point was given if the respondent earns some income, otherwise zero. An additional two points was given if she herself keeps the income earned by her. However, one additional point was given in case the income earned by her is kept jointly (i.e., with her husband or other family members).
- Two points was given if she controls her own income and only one point was given in case it was controlled jointly. No point was given in case she had no control over her own income.
- The respondent was given one point for having cash savings in hand, otherwise zero. One additional point was given if the cash in hand was more than Rs.500.
- One point was given to the respondent if she had an account in bank/post office, otherwise zero.
- Two points was given if the respondent had full control over assets purchase through loan/other household assets. One point was given if she had marginal control over assets and no point was assigned in case she had denied control over resources.

On the basis of these information, the mean level score has been calculated and the respondents having score more than that was treated having economic security and was classified as "empowered" and coded as one, otherwise zero.

Ability to make small purchases

One point was given for purchasing small items used daily in food preparation for the family (kerosene oil, cooking oil, spices etc.), one point was given for purchasing ice-cream or sweets for children and one point for purchasing small items for oneself (hair oil, soap, bangles, face creams etc.). For each of these type of purchases one additional point was given if the purchases normally were made without asking for the husband's permission. Another additional point was given in case the money earned by the respondent is used (in part or full) for these purchases. A respondent having more than the mean level scoring was considered "empowered" and coded as one. In contrast, a respondent with equal to or less than the mean level score was classified as "lacking empowerment" and coded as zero.

Ability to make large purchases

One point was given for purchasing kitchen utensils (like pots and pans), two points for children's clothing, and three points for saris for oneself. An additional point was given for each of these purchases if these were made without seeking permission from husband or other family members. Another additional point was given for each category if the purchase was made, at least in part, with money earned by the respondent herself. A respondent with a score of above the mean value was considered "empowered" and coded as one.

Involvement in major financial decisions taken in last 5 years

Two points was given for each case if the respondent had taken decision individually by her for the household on (i) purchase of livestock animals, (ii) purchase of consumer durables, (iii) repairing/ building a new house, (iv) expenditure in marriages, other social functions/ rituals, (v) purchase/ leasing in of land, (vi) sale/ leasing out of land, (vii) investment in business/ economic activity, (viii) child's education, and (ix) medical treatment/expenses. However, one point was given for each of these types of decisions if it had taken jointly. For any such decisions took place in the household, where the respondent was not even consulted, no pint was assigned to her in such cases. An additional point was given if the money earned by her was used (in part or full) for any of these. Based on these information, the mean level score has been calculated and the respondent having scored more than the mean level scoring was classified "empowered" and coded as one. Respondents having scored equal to or less than the mean value were "not empowered" and coded as zero.

Involvement in day-to-day household decisions making

One point was given for each case if the respondent had reported of seeking her advice in the family on (i) social issues, (ii) day today household expenditure, (iii) issues related to agriculture (iv) issues related to employment and business, and (v) daily works. For the cases where her family did not seek her advice, no point was given to the respondent. She was given an additional point for each case if her decision was accepted by her family, otherwise zero. The respondent having more than the mean level scoring was classified as "empowered" and coded as one, otherwise zero i.e., lacking empowerment.

Physical mobility

The respondent was presented with a list of places like village market, gram panchayat, bank, block/tahsil office, collector's office, nearby hospital, relatives house (nearby and distant) and asked if she had gone there within the last five years. She was given one point for each place she had visited and an additional point if she had gone there alone. A respondent with a score more than the mean value was classified as "empowered" and coded as one. In contrast, a respondent with a score less than or equal to the mean value was classified as "lacking empowerment" and coded as zero.

Relative freedom from domination by the family

The respondent was asked if, within the last five years whether money had been taken away from her against her wishes; jewellery, poultry or livestock had been taken away from her against

her will; she had been prevented from visiting her parents/relatives or she had been prevented from working outside the home. A respondent was classified as “empowered” and coded as one if she said that none of these things had happened to her. In contrast, a respondent was classified as “lacking empowerment” and coded as zero if she said that at least one of these things had happened to her.

Participation in public/civic protests

The respondent was asked whether she had participated (alone or along with others) in any action involving: protesting or stopping a man from beating his wife; protesting or stopping a man from divorcing or abandoning his wife; ensuring fair wages for work performed by herself/ family members/ other workers in the village; ensuring payment of right prices for products sold; protesting against misuse of relief goods and liquor consumption or approached government officials to solve problems. She was given one point for her participation in each of these cases. The respondent having more than the mean level scoring was classified as “empowered” and coded as one, otherwise zero i.e., lacking empowerment.

Participation in political & other forums

- One point was given if the respondent had voted for any political bodies during the last election. An additional point was given if she had participated in campaigning for a political candidate for Gram Panchayat during the last election.
- She was given one point if she had ever contested election. One additional point was given if she had contested election for the position of Ward Member, two additional points for Sarpanch/Samiti Savya/ any position for cooperative society, three additional points for the position of Block Chairman/ Zilla Panchayat member and four additional points if she had contested for Zilla Panchayat Chairman.
- One point was given if she had attended the Palhi/ Gram Sabha meetings in the last three years and one additional point was given if she had raised any issue there. Another additional point was given for each case if the work is in progress/completed against the issue raised by her.
- One point was given to the respondent if she was a member of any village/ government committee.

The respondents having scored more than the mean value was classified as “empowered” politically and coded as one, otherwise zero.

Self-confidence

The respondent was asked if she had self-confidence in different aspects including: handling money up to Rs.10,000; able to do basic calculations; able to do basic banking operations (making deposit and withdraw money); travelling alone to nearest town/district headquarters; going alone for medical treatment for self/children; addressing the forum/dealing with members in the society; and ability to dissolve family dispute. She was given two points in each case if she had confident enough and one point for having less confident (she could manage but with some difficulty). No point was given if she had expressed her inability. On the basis of this information, the mean level score has been calculated and the respondents having score more

than that was treated having self-confidence and was classified as “empowered” and coded as one. Respondents with a score below or equivalent to the mean value was classified as “lacking empowerment” and coded as zero.

Public interaction

One point was given for each case if the respondent had ever interacted with Sarpanch; Ward Member; Gram Panchayat Secretary; PDS dealer; ANM (health worker); Anganwadi Worker; Teacher and Bankers. She was given two additional points for each case if her perception about the way she was treated during interaction was good and one additional point if she perceived it was just OK. No point was given to the respondent if her perception about the way she was treated during interaction was bad. The respondent with a score of more than the mean level was classified as “empowered” and coded as one. Respondents having below or equivalent the mean level scoring was classified as “lacking empowerment” and coded as zero.

Women's autonomy

One point was given for making a decision (individually or jointly with the husband) about the number of children in the family. No point was given if the number of children was decided solely by either husband or in-laws or nobody. An additional point was given if she had adopted any strategy to maintaining gap between deliveries of children. A respondent was classified as “empowered” and coded as one if she had scored more than the mean value. In contrast, a respondent was classified as “lacking empowerment” and coded as zero if she had scored below or equal to the mean value.

Economic empowerment : This was derived from four indicators consisting of economic security, ability to make small purchases, ability to make large purchases and involvement in major financial decisions taken in last five years. A respondent was classified as “economically empowered” and coded as one if she was empowered in any three or more of the above indicators.

Social empowerment : Taking into consideration women's involvement in day-to-day household decisions making, physical mobility, relative freedom from domination by the family, self-confidence and her autonomy, the “social empowerment” was measured. A respondent having empowerment in at least any four of the above indicators was classified as “socially empowered” and coded as one, otherwise zero.

Political empowerment : Towards arriving at our understanding of extent of political empowerment of a woman, three indicators have been used viz., woman's participation in public/civic protests, political & other forums and public interaction. A woman was classified as “politically empowered” if she was found empowered in any two or more of the above mentioned indicators.

Composite empowerment : The “composite empowerment” of a woman was drawn from her economic, social and political empowerment. The economic dimension of empowerment represents women's access to as well as command over resources. The social dimension of

empowerment includes women's ability to face discriminatory ideology and culture that determine the environment for their existence. The political aspect of empowerment covers women's ability to influence the decision making and/or power structure within the households or in public. It is also suggested that each of these dimensions reinforces the others (Acharya and Ghimire, 2005). Given this, a woman having empowerment in at least in any two of the above indicators, was classified as "empowered" and coded as one, otherwise she was lacking empowerment and coded as zero.

To test the first hypothesis, that participation in microfinance program through SHG empowers women, the study used *chi-square* analysis.³ Whereas, a *binary logistic regression model* was used to test the second hypothesis that the duration of membership in microfinance program through SHG has a positive effect on her empowerment. Thus, in case of binary logistic regression model, we have used only SHG women. It has to be emphasised that as we are not concerned here with the magnitude of the effects of other variables, we have not included them in the estimation.

The model applied in this paper can be described as follows:

$$Z_j = \alpha + \beta Y_j + \xi_j$$

where, Z_j is the j^{th} woman's empowerment indicator (value of Z_j is one if the woman j is empowered, otherwise zero), Y_j is duration of membership in SHG of woman j in years, α and β are unknown parameters and ξ_j is a random error term.

6. Results and Discussion

The impact of women's exposure to credit programme on each of the twelve empowerment indicators is presented in Table 1. It shows that 48.2 per cent of SHG member appeared to be empowered in terms of economic security compared to 27.8 per cent of non-SHG member ($p < 0.001$). One of the important factors incorporated in this indicator was whether the woman earns some income. It was observed that 278 SHG members and 191 non-SHG members had their own income. Out of these, however, around 55.4 per cent of women from the former group 71.7 per cent from latter group had derived their income from wage labour. It was also found that the proportion of women involved in income generating activities and salaried job was significantly higher amongst SHG members. This contributed to a higher income among members than non-members.⁴ These higher earnings accompanied by control over it lead the SHG members to contribute more toward household consumption expenditure. This, in turn, allowed them to play a greater role in the household decision making process. A significant difference among members and non-members is also visible with respect to women's ability to make small/large purchases and involvement in household decisions.

Involvement in SBLP through SHG appears to have strongest positive effect on female's physical mobility ($p < 0.001$). Traditionally, women do not go out of the village on their own without a male escort. Under the microfinance programmes as there is hardly any scope for men, it is only women who attend several meetings and training courses, both in the village and outside. Often they (either group representatives/members or both) had to visit the bank, Gram Panchayat and government offices individually or with other women. Given the social structure of rural India,

the limited scopes available for non-SHG members restrict their physical mobility. Elsewhere, it is argued that social transformation of women does not take place easily – women had to bear with and overcome men's resistance, suspicion, ridicule and beatings (Vetivel, 2005). As said by a woman from Tamil Nadu, he had narrated that “the glamorous microfinance movement was built on the foundation of unbearable pain and suffering of women, which is hidden today”.

Table 1. Women's empowerment status with respect to different indicators

Empowerment indicators	No. of women			χ^2 significance
	SHG members	Non-SHG members	All	
Economic security	241 (48.2)	139 (27.8)	380 (38.0)	p = .000 ($\chi^2 = 44.16, df=1$)
Ability to make small purchases	284 (56.8)	175 (35.0)	459 (45.9)	p = .000 ($\chi^2 = 47.85, df=1$)
Ability to make large purchases	264 (52.8)	153 (30.6)	417 (41.7)	p = .000 ($\chi^2 = 50.68, df=1$)
Involvement in major financial decisions taken in last 5 years	244 (48.8)	96 (19.2)	340 (34.0)	p = .000 ($\chi^2 = 97.61, df=1$)
Involvement in household decisions making	305 (61.0)	205 (41.0)	510 (51.0)	p = .000 ($\chi^2 = 40.02, df=1$)
Physical mobility	340 (68.0)	164 (32.8)	504 (50.4)	p = .000 ($\chi^2 = 123.91, df=1$)
Relative freedom from domination by the family	315 (63.0)	256 (51.2)	571 (57.1)	p = .000 ($\chi^2 = 14.21, df=1$)
Participation in public/civic protests	187 (37.4)	90 (18.0)	277 (27.7)	p = .000 ($\chi^2 = 46.98, df=1$)
Participation in political and other forum	121 (24.2)	29 (5.8)	150 (15.0)	p = .000 ($\chi^2 = 66.38, df=1$)
Self-confidence	290 (58.0)	179 (35.8)	469 (46.9)	p = .000 ($\chi^2 = 49.47, df=1$)
Public interaction	293 (58.6)	144 (28.8)	437 (43.7)	p = .000 ($\chi^2 = 90.24, df=1$)
Women's autonomy	126 (25.2)	102 (20.4)	228 (22.8)	NS

Note : (1) NS refers to statistically not significant.

(2) Figure in parenthesis of each of the cells denotes percentage of empowered women, which is calculated from their respective total sample.

Apparently, involvement in SBLP had the positive effect on women's relative freedom from domination by the family. It is revealed that 63 per cent of members were empowered relative to 51.2 per cent of non-members in terms of this indicator ($p < 0.001$). Similarly, 37.4 per cent of women associated with microfinance programmes appeared to be empowered with respect to female participation in public/civic protests ($p < 0.001$). This indicates that women who do not belong to any SHG, their participation in any joint activities is relatively low in rural India.

Another big difference was noticed between SHG and non-SHG member in the matter of participation in political and other forum that include attending the Palhi/Gram Sabha meetings and raised any issue there and if she is a member of any village/government committee. Based on this indicator, 24.2 per cent of SHG member were empowered relative to only 5.8 per cent non-SHG member ($p < 0.001$). Women's exposure to microfinance programmes also had positive impact on enhancing their self-confidence ($p < 0.001$). The paper found a significant difference between member and non-member in terms of public interaction and their perception about the way they are being treated during their interaction with different personnel. This indicates that women associated with SHG get better treatment from government officials and other personnel compared to women having no exposure to micro-credit programmes. However, with respect to women's autonomy, our analysis found no significant difference between these two groups (members and non-members, $p > 0.05$). This implies that women's view on their autonomy in terms of deciding the number of children as well as taking preventive measures to

maintaining gap between deliveries are quite similar irrespective of whether they are part of the credit programme or not.

According to the composite empowerment indicator, about 23.5 per cent of all sample women appeared to be empowered. Looking at the two groups separately shows that 38.2 per cent of women associated with microfinance are empowered, while this figure was just 8.8 per cent for non-SHG members ($p < 0.001$, Table 2). Moreover, big differences have been observed between member and non-member women in terms of economic, social and political empowerment. These findings demonstrate that there is a definite relationship between women's exposure to credit programs and their empowerment.

Table 2. Women's empowerment status by nature of empowerment

Nature of empowerment	No. of women			χ^2 significance
	Members	Non-members	All	
Economic	227 (45.4)	103 (20.6)	330 (33.0)	$p = .000; (\chi^2 = 69.54, df=1)$
Social	182 (36.4)	68 (13.6)	250 (25.0)	$p = .000; (\chi^2 = 69.31, df=1)$
Political	191 (38.2)	55 (11.0)	246 (24.6)	$p = .000; (\chi^2 = 99.72, df=1)$
Composite	191 (38.2)	44 (8.8)	235 (23.5)	$p = .000; (\chi^2 = 120.2, df=1)$

Note : Figure in parentheses of each of the cells denotes percentage of empowered women, which is calculated from their respective total sample.

It is also observed that out of 250 women who had social empowerment, 55.6 per cent of them found to have economic empowerment. Similarly, of the 246 politically empowered women, 54.5 per cent of them also found economically empowered. Contrary to this, of the 330 women, who were economically empowered, 42.1 per cent and 40.6 per cent of them found to have social and economic empowerment respectively. This implies that "economic empowerment" appears to have dependent on, and contributing to social and political empowerment.

Table 3 gives data on type of respondent-wise distribution of empowered women by the nature of their empowerment. Of the 235 empowered women, only 30.2 per cent of them were found to have economic, social and political empowerment. This figure was 34.6 per cent for member, whereas, for non-member it was 11.4 per cent. It implies that the remaining 65.4 per cent of member were empowered in any two dimensions. This figure was quite higher (88.6%) for non-member. Based on the data given in Table 3, it can be stated that 'economic empowerment' appears to be playing an important role in achieving women's empowerment, be it member or non-member.⁵

Table 3. Distribution of empowered women by nature of empowerment

Nature of Empowerment	No. of women		
	Members	Non-members	All
Economic, social and political empowerment	66 (34.6)	5 (11.4)	71 (30.2)
Only economic and social empowerment	50 (26.2)	18 (40.9)	68 (29.0)
Only economic and political empowerment	52 (27.2)	11 (25.0)	63 (26.8)
Social and political empowerment	23 (12.0)	10 (22.7)	33 (14.0)
Overall	191 (100)	44 (100)	235 (100)

Note : Figure in the parentheses represent percentage of women.

Women's empowerment status across the states is summarized in Table 4. The data shows that involvement of women in credit program has positive effect on women's empowerment in all the sample states. In term of number of empowered women, Orissa stands at the first position and Rajasthan at the last. Tamil Nadu, Himachal Pradesh and Karnataka occupy second, third and fourth position respectively.

The logistic regression models summarized in Table 5 examine how duration of membership affects each of the empowerment indicators. As we are predicting here the impact of duration of membership on empowerment indicators, non-members have been excluded from this analysis. Furthermore, the empowerment indicators that were earlier identified statistically significant in the bivariate analysis were used to test the second hypothesis – whether the empowerment of women varies positively with their duration of membership. Thus, except women's autonomy the remaining empowerment indicators were included in this analysis.

Table 4. Women's empowerment status across the states

States	% women			χ^2 significance
	SHG Members	Non- SHG members	All	
Rajasthan	19.0	3.0	11.0 (22)	p = .000 ($\chi^2 = 13.07$, df=1)
Himachal Pradesh	43.0	17.0	30.0 (60)	p = .000 ($\chi^2 = 16.09$, df=1)
Orissa	58.0	6.0	32.0 (64)	p = .000 ($\chi^2 = 62.13$, df=1)
Karnataka	22.0	5.0	13.5 (27)	p = .000 ($\chi^2 = 12.37$, df=1)
Tamil Nadu	49.0	13.0	31.0 (62)	p = .000 ($\chi^2 = 30.29$, df=1)

Note: Figures in brackets are number of women who are empowered.

Table 5. Effects of duration of membership in SBLP on women's empowerment indicators: binary logistic regression results

Dependent Variables: Empowerment indicators	Independent variable: duration of membership (in Years) in SHG	
	Exp(β)	95 % confidence interval
Economic security	1.07	(1.01, 1.14)
Ability to make small purchases	1.04	(0.98, 1.10)
Ability to make large purchases	1.05	(0.99, 1.11)
Involvement in major decisions taken in last 5 years	1.05	(0.99, 1.11)
Involvement in household decisions making	1.06	(1.00, 1.13)
Physical mobility	1.14	(1.07, 1.22)
Relative freedom from domination by the family	1.09	(1.02, 1.16)
Participation in public protests	1.05	(0.99, 1.11)
Participation in political and other forum	1.10	(1.03, 1.17)
Self-confidence	0.99	(0.93, 1.05)
Perception of interaction	1.11	(1.04, 1.18)
Economic empowerment	1.07	(1.01, 1.13)
Social empowerment	1.03	(0.97, 1.09)
Political empowerment	1.10	(1.04, 1.16)
Composite empowerment	1.07	(1.01, 1.14)

Each row in Table 5 represents a separate regression model. Findings are presented as odds ratios with their 95% confidence level. Odds ratios greater than one indicate a positive relationship between the independent and dependent variables and those less than one indicate negative relationship. The values of odds ratios equal to one indicate no relationship between independent and dependent variables

Apparently, duration of membership shows statistically significant relationship with five empowerment indicators including economic security, physical mobility, relative freedom from domination by the family, participation in political & other forums and in public interaction.⁶ Duration of membership also shows a nearly significant relationship with women's involvement in household decisions making. These findings demonstrate that the longer a woman is a member of SHG under SBLP, the greater the likelihood that she will be empowered based on these indicators.

The estimated odds ratio in Table 5 reveals that the number of years that a woman spent as members of SHG under SBLP is statistically significant with composite empowerment indicator (odds ratio of 1.07). This indicates that with the increase in the duration of SHG membership by one year, the probability that a woman will be empowered in terms of composite empowerment indicator increases by about 7 per cent. Similarly, an additional year increase in membership enhances women's economic as well as political empowerment by 7 per cent and 10 per cent respectively. Though there is a positive relationship between social empowerment and duration of membership, it was not statistically significant. Based on this the following inference can be drawn. First, the duration of membership in SHG microfinance programme is not likely to provide the client a sustainable social empowerment. Second, the rapid expansion of microfinance programmes with a growing emphasis on achieving high repayment rates has undermined its social dimensions.

7. Conclusions

The result suggests that involvement in credit programmes does empower women. The credit programmes not only provide access to and control over economic resources but also enable women to negotiate gender barriers, and improve their relative positions within and outside their households. Apparently, a significant difference was noticed between SHG and non-SHG member in terms of economic security, ability to make purchases, involvement in major financial and other household decisions, physical mobility, relative freedom from domination by the family, participation in public/civic protests, self-confidence, public interaction and their participation in political & other forums.

According to the composite empowerment indicator, about 38.2 per cent of women associated with microfinance were empowered, whereas this figure was just 8.8 per cent for non-SHG members. The significant differences between member and non-member women in terms of economic, social and political empowerment demonstrate a definite relationship between women's exposure to credit programs and their empowerment. It is observed that 'economic empowerment' appears to be playing an important role in achieving women's empowerment, be it member or non-member. The analysis suggests that with the increase in the duration of membership in microfinance program by one year, the probability that a woman will be empowered in terms of composite empowerment indicator increases by about 7 per cent. While the same is measured by the indicators assessing women's economic and political empowerment, the probability increased by about 7 per cent and 10 per cent respectively. However, the duration of membership does not show a significant relationship with women's social empowerment.

It was observed that out of 191 SHG women who were empowered, 79 per cent of them had economic security. Thus, if more and more number of women will be engaged in income earning activities, this may enhance their economic security and, in turn, the rate of women's empowerment. The analysis presented here suggests that in microfinance programme the policies relating to enabling SHG members to graduate to microenterprises, including providing adequate training for their skill/capacity development, selection of feasible and sustainable microenterprise product for the client, and the social aspects of the credit programmes might usefully be reviewed in the light of these findings.

Notes

- 1 The nuclear family consists of husband, wife and unmarried children including adopted and step children whereas, the joint family structure includes husband, wife married children, parents, in-laws, married brothers and sisters, widowed sister, widower brother etc.
- 2 Breakdown position represents the welfare of individuals in the event of a breakdown of co-operation (Nash 1950). It shows the strength or vulnerability of a person in the bargaining process. If the breakdown of negotiations is likely to have disastrous consequences, he/she would be eager to accommodate the other person's interest in order to save the negotiation from breaking down. By this process the other person gain an upper hand at his/her cost at the time of settling the final outcome. The stronger the breakdown position of an individual, the stronger will be her bargaining power, which in turn leads to better welfare outcome.
- 3 The chi-square test of independence is used to test the hypothesis that two categorical variables (empowerment indicator and women's exposure to microfinance programs through SHG) are independent of each other. If the p-value (2-sided significance reported in the row corresponding to the Pearson Chi-square) is less than the significance level selected (5%), the null hypothesis is then rejected and we conclude that there is some significant association between the two variables.
- 4 Of the respondents who had own income, the mean income of member was Rs.13,707, for non-member this figure was Rs.9,646.
- 5 It is also observed that out of 235 empowered women, 77% of them had economic security.
- 6 The corresponding 95% confidence interval for the odds ratios (OR) does not cover the value 1.0 and thus tells us that the ORs are statistically significant 5% level.

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Appendix 1. Sample frame

States	Districts selected	Blocks selected	No. of villages selected	No. of sample SHGs	No. of sample SHG members	No. of sample non-SHG members
Rajasthan	Jaipur	Phagi	8	12	35	35
		Viratnagar	8	11	35	35
Himachal Pradesh	Jodhpur	Phalodi	11	10	30	30
		Dehra	7	12	35	35
Orissa	Kangra	Bhawarna	9	11	35	35
		Sirmaur	Poanta Sahib	3	9	30
Orissa	Kalabandi	M. Rampur	11	25	39	47
		Narla	5	11	11	3
Karnataka	Nuapada	Khariar	14	15	50	30
		Sinapali	5	-	0	20
Tamil Nadu	Bangalore Rural	Hoskote	5	17	50	50
	Mysore	Mysore	6	21	50	50
Tamil Nadu	Tiruchirappalli	Marungapuri	5	17	50	50
	Thanjavur	Ammappettai	7	17	50	50
Overall		14 blocks	104	188	500	500

Appendix 2. Socio-demographic profile of the respondents

Particulars	% women		
	SHG Members (n=500)	Non- SHG members (n=500)	Overall (n=1000)
Age (in years)			
20 to ≤ 40	73.8	83.0	78.4
More than 40 but ≤ 50	23.2	14.8	19.0
≤ 50	3.0	2.2	2.6
Total	100 (36.39)	100 (32.42)	100 (34.41)
Category			
SCs or STs	33.6	34.2	33.9
OBCs or upper castes	66.4	65.8	66.1
Total	100	100	100
Educational qualification			
Illiterate/ Just literate	36.0	40.0	38.0
Primary (I to V)	23.4	18.4	20.9
Middle (VI to VII)	7.4	7.6	7.5
High school (VIII to X)	27.0	24.6	25.8
College and above	6.2	9.4	7.8
Total [#]	100 (4.54)	100 (4.68)	100
Type of the family			
Nuclear	61.4	63.8	62.6
Joint	38.6	36.2	37.4
Total [¶]	100 (5.25)	100 (4.91)	100
Primary occupation*			
Housewife	28.8	45.4	37.1
Animal husbandry	19.6	19.8	19.7
Agricultural wage labour	13.2	9.0	11.1
Non-agricultural wage labour	9.0	12.8	10.9
Self-employed in business/ services	13.8	3.4	8.6
Cultivation	7.6	6.8	7.2
Salaried job	8.0	2.8	5.4
Total	100	100	100

Note : Figures in parentheses in row '#' and '¶' represent mean years of schooling and average size of the family respectively. (2)*Accounting for most proportion of women's engagement.

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