Chapter 6

Case Studies
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Case Studies

6.1 Introduction

Case Studies as explained by Hulme (2000)\(^1\) in his paper providing guidance on impact assessment tools, are detailed studies of a specific unit (a group, locality or organisation) involving open-ended questions and the preparation of ‘histories’. Chen (1997)\(^2\) who provides guidance on similar topic emphasises the use of qualitative case-studies as they can illuminate the impact process, test counter-factual explanations and investigate complex or unexplained phenomena. She has recommended the use of case-studies (in addition to quantitative survey) as they are thought to have salience in understanding impact at an individual level. Precisely, for this reason, the current chapter presents three case studies on different micro-finance institutions (MFIs) under study, portraying further their products and services and impact on empowerment levels of their female clients.

Case studies incorporate the details availed from secondary data, discussion with concerned officials of the MFIs and depth interviews of selective clients. The clients were chosen based on the recommendation of the facilitators of the MFIs who accompanied the researcher as well as based on personal judgment.

6.2 Case Study 1 – SEWA Bank (Shri Mahila Sewa Sahakari Bank Ltd.): Leading Women from Self-Employment to Self-Empowerment

6.2.1 The Genesis

The Self Employed Women’s Association (SEWA) was started as a trade union in 1972 by a group of twelve self-employed women workers. Ms. Elaben Bhatt is the founder of SEWA at Ahmedabad, which is now spread over other parts of India and the movement has also established similar organizations in other countries like Iran, South Africa, Pakistan and Bangladesh. The organization was formed with the main objective of “strengthening its members’ bargaining power to improve income, employment and access to social security.”
With the Gandhian philosophy at the base, SEWA has become a confluence of labour, co-operative and women’s movements. SEWA has an all India membership of more than 13,00,000 women using the dual strategy of struggle and development. In this process, women have become more confident and autonomous.

**Self employed workers** are those who earn a living through their own small business or through selling their own labour. Although poor, illiterate and vulnerable, this segment is economically active and contributes a lot in terms of unorganized sector. Statistics suggest that 92% of all workers in India and 96% of all women workers are in the unorganized sector. The four main categories of self-employed workers are hawkers and vendors, home-based workers, manual labourers and producers. However, in spite of their hard work and their contribution to the country’s gross domestic product, they do not have access to financial services, which would help them to upgrade their own work and productivity. Lack of working capital and non-ownership of assets are the major issues faced by self-employed women. As a result, a big portion of their meager income goes towards interest on working capital and rent on trade equipment. Terms of borrowing from money-lenders are very exploitative and the formal banking sector is not usually responsive to the special needs of informal sector women workers, in terms of providing appropriate banking services.

Thus, in order to address this problem and free them from the vicious cycle of eternal debt, SEWA first arranged for loans from nationalized banks, but in due course bank staff lost their patience as the women were illiterate and ignorant. So the members of SEWA came forward with their own solution, in a meeting in December 1973: “a bank of their own”, where they would be accepted in their own right and would not be made to feel inferior. “We may be poor”, they said “but we are so many”, and indeed 4,000 women contributed share capital of Rs.10/- each to establish the Mahila SEWA Co-operative Bank. In May 1974, the SEWA Bank was registered as a co-operative bank under the dual control of the Reserve Bank of India and the State Government. SEWA has time and again proved that such self-employed people are bankable, and given the resources, they can also climb the ladder towards mainstream economy. Today four lakh plus poor
women are depositors. The Bank’s total working capital approximates Rs. 176 crores. Since 1996 SEWA Bank has attained equal status with nationalized banks.

Ms. Elaben Bhatt stated that development through micro banking can be slow, but it is a sure way to develop the poor, and hence, while planning to set up women’s bank, she had a definite concept in her mind to serve the poor women. The objectives were:

- Providing facilities for savings and fixed deposits which would inculcate thrift in women, help them manage their savings and ensure self custody of the cash that the women receive as loan.

- Providing credit to further the productive, economic and income generating activities of the poor and self – employed.

- Providing integrated insurance services covering death, sickness and asset loss as a form of social security protection to informal sector’s women workers.

- Extending technical and management assistance in production, storage, procuring, designing and sale of goods and services. This means service to buy raw-materials, equipments, tools and implements, establishing direct links with industries, wholesalers and producers from where the borrowers buy rags, scrape iron and wood, vessels, bamboo, yarn, vegetables and waste papers, guidance in marketing their goods, accounting services to members individually and to women’s groups.

- Providing facilities to rescue their jewellery from pawn- brokers and private money lenders and giving loans against jewellery.

- Adopting procedures and designing schemes suitable to poor self – employed women, like collecting daily savings from their places of business or houses or providing saving boxes and giving training and assistance in understanding banking procedures.

### 6.2.2 Working and processes

“What makes SEWA Bank different from any other micro-finance institution in the country is that, while the latter is driven primarily by the profit motive of the investors, who may include Private Equity funds, the former is a bank of the women, for the women
and by the women,” said Mathew Titus, executive director of the Delhi-based Sa-Dhan, the association of networks of micro-finance institutions. The unique approach of SEWA Bank in working with poor women is briefly described as follows:

- Encouraging savings, so that in times of crisis women have an amount to fall back on, and it also ensures timely repayment of loans.

- Integrated approach, viz. in addition to providing finance, SEWA also provides assistance in terms of access to markets, information, technical know-how, and social support services, to help all-round development of women.

- Appropriate mechanisms are used in accordance to the culture and needs of these women who are illiterate and poor, like collecting savings from women’s work-places or homes, providing savings boxes, special loan procedures, etc.

- Asset creation with the ownership of women has been the priority of SEWA bank. This includes transfers of agricultural land and houses in the woman’s name, and acquiring implements, tools, shops, handicrafts, livestock in their own name. In addition, SEWA Bank promotes women’s own capital, bank accounts, shares and savings certificates.

Broadly, the services of SEWA bank are classified into urban and rural. As far as urban areas are concerned, the Bank runs four sub-centers in area of Ahmedabad where large numbers of the bank members work or reside. About eighty banksathis (field personnel) are engaged in keeping the contact between the Bank and the women alive and healthy. Banksathis come from the same neighbourhood as the customers and work in conjunction with the bank. Banksathis have fixed deposits of Rs. 15,000 in SEWA Bank – the amount that is taken as a “security deposit,” a safeguard against any misappropriation. She may borrow from the bank and deposit the amount in her fixed – deposit account. A capable banksathi can serve around 400 borrowers of the bank. A bank staff in-charge (handholder) monitors the banksathi. “What differentiates SEWA Bank from any other commercial and cooperative bank in the country is the commitment and enthusiasm of the bank’s staff,” said T.C.A. Ranganathan, chief general manager, State Bank of India. Mr. Ranganathan emphasized that the real strength of SEWA Bank lied in its field staff and added that coming from the grassroots level, the staff understood the needs of the
poor better than the staff of other commercial banks. He also pointed out that though it had limited funds, SEWA Bank was able to cater to the needs of the poor in a limited geographical area and so its impact was felt directly. This is evident from the words of Madhuben Solanki, a banksathi working in the neighbourhood areas of Kalupur and Dariyapur in Ahmedabad. A tutor by profession, and an existing client of SEWA bank, she was approached in 2000 with the offer of becoming a banksathi. Insipite of facing strong opposition from her in-laws, she decided to accept the offer. Today, her family takes pride in her extended network, as she is recognised as the banksathi of SEWA even in unknown locations. She believes that the name of SEWA helps in motivating prospective clients as the trust factor is very prominent. Also, in case of any issues or mistakes, the employees of bank readily help her solve them. The most important aspect is that her clients share her background; hence, she can empathise with them and provide practical solutions on the lines of SEWA initiatives. SEWA has helped her evolve as a human-being, not only from the financial perspective but also from the viewpoint of ameliorated status in family and society.

Realizing the grave need of banking for the rural sector, SEWA Bank began providing banking services at the doorsteps of poor women. This concept was revolutionary in Indian banking history. In the year 1993, SEWA Bank began its banking activities in the rural districts of Gujarat after getting the required permission from the Reserve Bank of India. The bank is instrumental in the formation of self-help groups, who collect savings from the members and deposit it with the bank. The formation of these groups saw the culmination of SEWA’s efforts to organize women agricultural labourers in rural areas, which began in 1977. SEWA bank has a distinct method of promoting self-help and credit groups, as follows:

- The district association organizers and SEWA bank’s promoters / trainers visit the village and motivate rural women to form saving and credit groups.

- When women decide to form savings and credit groups they elect their own leaders and give names to the group.
• The groups make their own rules and the regulations about membership savings, loans, management and linkages.

• Women save regularly.

• SEWA bank provides training to the members of the groups, leaders of the groups and organizers of the program as regards to operation, account keeping, financial management, interest calculation and administration of the groups.

• After a year if the group is regular in savings and attending training programs, the group is eligible for borrowing from SEWA Bank. Loan is sanctioned in the name of group which is in proportion of its total savings. It is for the group to decide the disbursement to the individual and the amount, interest and repayment schedule.

• Second loan is given to the group only if the first loan is repaid by all the members.

What started as a mere project in a district outside Ahmedabad city, where SEWA Bank has its origins, is today, a movement, which is fast growing and gathering momentum encompassing in its fold more and more members. Today, SEWA Bank covers seven districts of Gujarat and has played a significant role in not only cultivating the habit of saving amongst its members, but in bringing out leadership qualities in them as well.

6.2.3 Products and Services

SEWA is engaged in providing a hoard of financial services, viz. savings, credit, insurance, housing, social security, financial literacy, pensions and counseling. In Elaben’s words, “If the purpose is poverty reduction, the whole package of financial services is needed.”

6.2.3.1 Financial Services

• Savings

Elaben Bhatt believes that borrowers are also savers which should not be forgotten. Borrowers become greater savers as their small businesses get established. SEWA Bank has laid much emphasis on savings, mainly, because the clients are self-employed women
with low income levels who have showed an ability to save regularly, given that they are facilitated for the same. Moreover, the Bank also requires funds in order to pass them over as loans. Such funds from external sources are difficult to procure and expensive at the same time. Hence, relying on internal funds in the form of deposits is the most feasible option available. A variety of savings schemes have been developed keeping in the mind the financial position and needs of these women.

Statistics suggest that in the last decade (2004 to 2014) deposits increased by 95% indicating a CAGR of 6.92%. Table 6.1 shows the year-on-year figures of savings accounts and corresponding deposits.

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Deposit Accounts</th>
<th>Deposits (Rs. '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002 - 03</td>
<td>2,02,706</td>
<td>6,23,928</td>
</tr>
<tr>
<td>2003 - 04</td>
<td>2,56,617</td>
<td>6,19,699</td>
</tr>
<tr>
<td>2004 - 05</td>
<td>2,76,684</td>
<td>6,24,766</td>
</tr>
<tr>
<td>2005 - 06</td>
<td>2,91,535</td>
<td>6,65,794</td>
</tr>
<tr>
<td>2006 - 07</td>
<td>3,04,933</td>
<td>6,58,578</td>
</tr>
<tr>
<td>2007 - 08</td>
<td>3,07,558</td>
<td>7,39,970</td>
</tr>
<tr>
<td>2008 - 09</td>
<td>3,18,594</td>
<td>9,61,469</td>
</tr>
<tr>
<td>2009 - 10</td>
<td>3,28,363</td>
<td>10,50,494</td>
</tr>
<tr>
<td>2010 - 11</td>
<td>3,61,639</td>
<td>11,94,768</td>
</tr>
<tr>
<td>2011 - 12</td>
<td>3,71,108</td>
<td>11,12,643</td>
</tr>
<tr>
<td>2012 - 13</td>
<td>4,48,434</td>
<td>11,41,163</td>
</tr>
<tr>
<td>2013 - 14</td>
<td>4,08,276</td>
<td>12,19,969</td>
</tr>
</tbody>
</table>

(Source: Annual Reports of SEWA bank8)
Loans

In the opinion of Elaben Bhatt, bank should look at all aspects of their borrowers and so should be prepared to advance diverse kinds of loans for a variety of requirements. SEWA Bank has been providing a wide range of loan products to meet the productive credit needs of its clients. SEWA Bank requires that a woman save regularly for at least one year, before she is eligible to apply for a loan. In the absence of traditional collateral, a regular savings habit is deemed a necessary form of security, in SEWA Bank’s experience of banking with the poor for over 35 years.

Terms and Conditions of Loans from SEWA Bank:

Loan Term: 1-15 years
Interest Rate: 13% - 18.5%
Interest Method: Diminishing Balance Method
Maximum Loan Amount: Rs.1,00,000 (unsecured loans)

Each loan is sanctioned following a pre-verification process in the form of a home visit by a bank staff in-charge (hand holder). The amount sanctioned depends mainly on the field worker’s recommendation, as she is deemed to know the client best. A customized client credit risk rating instrument is used to determine the amount of loan to be sanctioned. This instrument has been developed by SEWA bank with inputs from professional consultants, tailored to reflect the conditions and situations of SEWA bank customers.

Statistics indicate that in the last decade, number of loans and advances accounts has increased by two folds and the total loans have increased by 3.5 times approximately (Refer Table 6.2).
TABLE 6.2

SEWA Bank – YOY Loans

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Loan Accounts</th>
<th>Loans (Rs. '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002 - 03</td>
<td>50,849</td>
<td>1,33,585</td>
</tr>
<tr>
<td>2003 - 04</td>
<td>53,472</td>
<td>1,66,944</td>
</tr>
<tr>
<td>2004 - 05</td>
<td>64,326</td>
<td>1,84,172</td>
</tr>
<tr>
<td>2005 - 06</td>
<td>76,857</td>
<td>2,43,747</td>
</tr>
<tr>
<td>2006 - 07</td>
<td>91,096</td>
<td>3,02,974</td>
</tr>
<tr>
<td>2007 - 08</td>
<td>1,03,679</td>
<td>3,24,549</td>
</tr>
<tr>
<td>2008 - 09</td>
<td>1,15,944</td>
<td>4,39,967</td>
</tr>
<tr>
<td>2009 - 10</td>
<td>1,26,510</td>
<td>4,66,491</td>
</tr>
<tr>
<td>2010 - 11</td>
<td>1,48,146</td>
<td>5,16,906</td>
</tr>
<tr>
<td>2011 - 12</td>
<td>1,65,175</td>
<td>5,62,227</td>
</tr>
<tr>
<td>2012 - 13</td>
<td>1,85,179</td>
<td>7,04,238</td>
</tr>
<tr>
<td>2013 - 14</td>
<td>1,93,179</td>
<td>8,33,901</td>
</tr>
</tbody>
</table>

(Source: Annual Reports of SEWA bank)

Figure 6.1 depicts the trend of deposits and loans of SEWA bank for the last decade. The trend line for savings indicates that they are more or less growing each year barring the 6.8% drop in 2011-12. The highest growth was registered in 2008-09 where savings had increased by almost 30% over the previous year. The trend line of loans shows that they have been constantly on the rise. Again, on lines of deposits highest growth in loans was registered in 2008-09 at 35.5% over the previous year. Similarly, a healthy growth is also observed in the last two years. The loan to deposit ratio which hovered around 45% till 2010 has increased considerably to about 68% for 2013-14. This proves that the demand for micro-finance is constantly on the rise. It is worth mentioning that these figures are inclusive of urban and rural areas; including individual lending and using SHG as a lending model.
Pension Scheme & National Pension System (Swavlamban Scheme)

SEWA bank is breaking new grounds with India’s first Micro-Pension Scheme. In April 2006, SEWA members were granted permission to join a SEBI approved pension plan that offers no assured returns but allows up to 40% collection to be invested in the Indian stock market. In a unique arrangement with Unit Trust of India Asset Management Company (UTI – AMC), SEWA Bank collects individual contribution similar to a systematic investment plan (SIP) of a mutual fund. It sends the monthly contribution, which can also be as low as Rs. 50, to UTI. The asset management company opens individual retirement accounts, from where the cash is invested in debt and equity. Monthly statements are sent to SEWA subscribers, who are not required to pay any initiation fees for participation in this mutual fund. This is the first such Pension scheme for self employed in India.

National Pension System (NPS) is an initiative of Pension Fund Regulatory and Development Authority (PFRDA), the apex body established by Government of India (GOI) to regulate and develop the pension sector. NPS is readily provided by SEWA bank to its clients. This scheme aptly titled the ‘Swavlamban Scheme’ is targeted towards people working in the unorganized sector, with an aim to bring about financial independence and security in their old age. Any Indian citizen falling in the range of
eighteen to sixty years can participate by depositing Rs. 1000 to Rs. 12,000 per annum in return of a grant of Rs. 1000 from the GOI.

- Insurance

SEWA bank has come up with an integrated insurance program for its members since 1992, with the objective of providing support in times of crisis. It is a collaborative effort of SEWA, SEWA Bank and the nationalized insurance companies. Elaben Bhatt believes that big disasters like famine, flood, riots or even small disasters like accidents, deaths, and critical illness can completely upset the life of the poor making it impossible for them to be sustainable. In such circumstances, the bank should not leave them to their fate but give them the support to get over the setback. Therefore, the financial services of banks should include not only savings and credit but also micro-insurance. Currently, SEWA has its own insurance unit called Vimo SEWA which insures women for life, health, assets, widowhood and accidents in Gujarat. Anil Gupta, an IIM-A professor and executive vice-chairman at National Innovation Foundation (NIF) praised its innovative zest and said, “They are the pioneers of insurance in the unorganised social sector, also for the urban cooperative banking in rural areas. They have emerged as a strong brand in themselves.”

- ATM

Providing ATM services is routine today, but what makes Sewa Bank different is that its clientele are poor self-employed women, not necessarily literate. What scores is their willingness to learn, grow and reach out.

6.2.3.2 Other Services

- Financial literacy

Self-employed women are engaged in a number of economic activities, however, they lack the basic skills of managing finance and investing in the right avenues such that their life needs are met with. Hence, special training on financial literacy is undertaken by SEWA bank where women learn to develop and expand their businesses, careful usage of
resources, keeping accounts, developing assets, etc. More than 400 women have participated in these training programs.

- **Sanjivani scheme**

  The closure of textile mills has affected a significant lot of people in Ahmedabad. As per an estimate, more than one lakh erstwhile mill workers have been affected, not to mention the ancillary industries with workers dependent on the textile industry. In 1997, SEWA Bank started a scheme by which the women family members of mill workers began revitalizing and strengthening their families by taking loans for new ventures. SEWA Bank also offered trainings for increasing their capacities and insurance to protect them against risk. A list of affected mill workers and their families was prepared, and the Bank resolved to help one member from each family obtain a loan for self-employment.

- **External Linkages**

  The Bank is also providing technical and other services – linkages, assistance to access raw materials, and market information to loanees. Further, social security services are being provided to loanees and their families. Hence, SEWA bank also goes out of the way to help its clients develop their businesses and enhance their incomes.

- **Innovation Cell**

  SEWA bank actively runs an innovation cell with an aim to design products and services that help the economic activities of its members (self-employed women). They have developed special stands for incense-stick makers and handicraft workers, so that they do not suffer from back pain while working continuously. The cell is in the process of making light-weight and well-ventilated vegetable carts, which would help vegetable vendors and prevent losses occurring from damaged vegetables. Also, SEWA promotes conservation of energy under ‘Urja program’. The members are convinced into replacing kerosene or wood burners by bio-fuel burners, replacing bulbs by CFC, etc. so that energy is saved which results in cost reduction as well.
6.2.4 Key Financials

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2008-09</th>
<th>2009–10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of members</td>
<td>3,18,594</td>
<td>3,28,636</td>
<td>3,61,639</td>
<td>3,71,108</td>
<td>4,48,434</td>
<td>20.84%</td>
</tr>
<tr>
<td>Share capital (Rs.)</td>
<td>400</td>
<td>453</td>
<td>530</td>
<td>605</td>
<td>755</td>
<td>24.79%</td>
</tr>
<tr>
<td>Working Capital (Rs.)</td>
<td>12,919</td>
<td>14,568</td>
<td>16,494</td>
<td>16,184</td>
<td>17,671</td>
<td>9.19%</td>
</tr>
<tr>
<td>Profit (Rs.)</td>
<td>52</td>
<td>79</td>
<td>83</td>
<td>94</td>
<td>161</td>
<td>71.28%</td>
</tr>
<tr>
<td>Total Deposits (Rs.)</td>
<td>9,615</td>
<td>10,505</td>
<td>11,948</td>
<td>11,126</td>
<td>11,411</td>
<td>2.56%</td>
</tr>
<tr>
<td>Loans &amp; advances (Rs.)</td>
<td>4,400</td>
<td>4,665</td>
<td>5,169</td>
<td>5,622</td>
<td>7,042</td>
<td>25.26%</td>
</tr>
<tr>
<td>Net NPA (%)</td>
<td>4.12</td>
<td>4.98</td>
<td>3.03</td>
<td>1.63</td>
<td>2.40</td>
<td>47.24%</td>
</tr>
</tbody>
</table>

(Source: www.sewabank.com)

As evident, SEWA bank relies on internal deposits and share capital for carrying out its operations. The figures indicate a holistic growth in the number of members, deposits, amount of loans and advances and resultant profits. In fact, the numbers are constantly on
the rise from 2002-03. However, the NPA although on a decline since 2008-09, needs to be controlled for.

6.2.5 Stakeholder’s Say

6.2.5.1 Manjula Jadav

SEWA bank has helped uplift many women, and the number of such beneficiaries is large. Take for instance, Manjulaben Jadav, a lower middle-class home-maker engaged in small tailoring jobs for her neighborhood. She was approached by a banksathi in 2001, and since then she has held an account in SEWA. After saving for an initial period, she applied for a loan which was granted conveniently. This was the first of the three tranches of loans worth Rs. 50,000 taken by her, which helped her construct her own home. She gave the credit of augmentation in the asset-base to SEWA. Also, she added that SEWA has helped her change the philosophy of ‘living for today’ to ‘thinking and saving for tomorrow’. She agreed that after being a part of SEWA bank, she felt financially independent because of the personal savings, and her status in the family and society has increased. She dreams of providing better education to her children, so that they can join the mainstream economy. Thus, she attributes the change in her economic status and mode of thinking to SEWA and its advisors.

6.2.5.2 Labhu Bharwad

Labhuben, a woman in her late thirties exumed confidence and displayed sheer enthusiasm for her work. Labhuben was born in a small village of Vanthad near Viramgam and she spent her childhood observing her father, a small time landlord managing his labourers and daily operations. As time passed, Labhuben who was the eldest among her three siblings, dropped out of school after grade IV. But she had learnt a lot by simply observing her father, and so, she took the ropes of her father’s business in her hands. She managed everything, right from the work-force to the accounts and marketing operations of the business. In a way, management came to her naturally. At a tender age of nineteen, she was married and brought to Nandej village and she gave birth to three kids after that. Currently, they are five members in their family, the couple, a daughter and two sons.
In 2007, she was introduced to the concept of self-help groups (SHGs) formed under the banner of SEWA bank by the handholder of the bank Belaben. Having taken the advantage of savings scheme in the bank, she decided to take a loan for economic purpose. Consequently, she took her first loan of Rs. 50,000 to buy a piece of land for agriculture purpose. Along with this, she also bought two buffalos and started animal husbandry. Being the energetic and enthusiastic lady she is, she also started cleaning vessels and washing clothes for the wealthier people in her village. All these activities put together, generated an income which not only supported their livelihood, but also paid for the instalments of the loan and yet generated a surplus savings. Having met with success in this attempt, she requested for another loan from the bank worth Rs. 2,50,000 for building her home. After having paid this loan meticulously, she went for another loan of Rs. 2,00,000 for purchasing a tractor, which would aid their farming activity. She also understood the importance of insurance and availed insurance as well as pension schemes from SEWA Bank. During this period, she was made the leader of her SHG (Nandej – 3), and given a training on account keeping and financial awareness. Since, she had former experience in managing the operations of her father’s business; she came across confidently when it came to manage the SHG. Meanwhile, the benefits which had accrued to Labhuben, were apparent to everyone in her neighbourhood. Hence, in no point of time, Labhuben convinced others to form their SHGs and enjoy the benefits of micro-finance. Hence, in this manner in 2011 she graduated to the position of banksathi and since then, she has been instrumental in forming eighty SHGs in the nearby villages like Barejedi. Being the Banksathi, she gets a commission on loans taken by the SHGs under her. In the year 2012-13, she received more than Rs. 1,00,000 in the form of commission. Her economic activities enable her to earn more than Rs. 30,000 per month. Initially she depended on her husband to take care of the finances part, but today she confidently says that her income and savings decisions are entirely governed by her. As a matter of fact, the assets like animals, home and tractor taken with the help of micro-loans are jointly held in the name of Labhuben and her spouse. Her decision is final when it comes to discussing about taking a loan from the bank and its usage. She gives the credit for this decision-making power to the bank and the responsibility of being the leader of her SHG. She believes that the major benefits accrued to her are the increase in
her respect from others, which inadvertently have led to increase in her self-respect, self-confidence and sense of security. Given that she has to deal with so many other women from her neighbourhood, she has also become increasingly aware of the legalities of savings and loans. She has become more aware of the relevant laws and proceedings in her village. When it comes to household related decisions, the routine ones are taken by her. However, for the major decisions like purchase or renovation of house property, or purchase of other assets, she finds it desirable to discuss with her husband and kids and then, take a decision.

She feels that she has been empowered to a great extent, and she does not hesitate in giving the credit to micro-finance. Her inherent confidence and abilities have boosted the degree of her empowerment, but she feels that participation and taking responsibilities in her group have proved as catalysts in empowering her.

6.2.5.3 Prakashba Jadeja

Prakashba, a young lady of twenty-six years, belonging to the Rajput – Darbar community, was born in an extensive family with her father, a farmer being the sole earner. In a country like India, where the birth of male child is celebrated while female feticide is common in villages, birth of a fifth daughter was disturbing for her family. Although they had six buffalos to their account, the economic conditions were not very good. Yet, her determination led her to study till grade X, which helped her a lot in her later years. They had family disputes related to house property and land inheritance and distribution of other assets, wherein her uncles started taking undue advantage of her poorly educated father. Prakashba started participating in these affairs and took part in the discussions on behalf of her father. She also started running errands at the bank for her father. This developed in her a sense of responsibility and accountability. Later, after taking her consent she was married to Navalsinh Jadeja who worked in a diamond factory cutting and polishing stones in Surat. Here, they lived in a rented house and managed their other expenses.

At this point of time, she took the decision of joining an SHG linked to SEWA Bank. It has been eight years now that she is a part of this movement, and she has not looked back
since then. She started saving in small amounts as required by the rules of the MFI and soon became eligible for her first loan of Rs. 10,000 for home improvement. She duly repaid that loan. Then Prakashba got a job at a printing press involving labor work. Her current earnings approximated around Rs. 3000 per month. Her income combined with that of her spouse amounted roughly to Rs. 8500 per month, which was reasonably enough to run her family, now also consisting of their two children. After repayment of the first loan, Prakashba dreamed of a house of her own for which she took the second loan. This time the loan amounted to Rs. 50,000, but the instalment amount was convenient as both of them were earning now and she could repay the loan in 13 months. With this loan amount and savings, the couple built their own house with a joint ownership. She also purchased a television and a mobile phone for herself.

In Prakashba’s case, looking at her past, it is apparent that her education and participation in family affairs had given her a certain sense of independence. From her responses also, she confirmed that even before joining SEWA, she independently took care of the economic affairs, social matters and household decisions. However, the catch was that inspite of this autonomy, she never felt completely secure and self-reliant. These feelings were generated only after availing micro-finance services, especially cultivating the habit of savings and availing loans whenever required. According to her, the greatest benefit accrued was a renewed feeling of self-confidence and an ability to sustain her family without any external support. She further added, “I am too busy managing my home and work and hence, don’t have the time to socialise with my neighbours. However, the SHGs and SEWA Bank has cultivated a sense of cohesion in the group, and this feeling has motivated me to stand up against any kind of injustice being done to my family as well as others.” She was convinced that availing micro-finance had led her to increase the degree of her empowerment because of its multiple benefits, the major ones being an increase in her asset ownership and a sense of self-worth.

6.2.5.4 Nirmala Chavda

Nirmala, a lady of around thirty-five years of age is currently enjoying the leadership position in her SHG linked with SEWA bank. She was born to a lower middle-class family, residing in Bopal area in Ahmedabad. Her father had a Government job and was
the sole earner for their family of six members. Her zest for studies led to her to receive a formal education till grade XI. Soon, she was married and taken to Barejedi, a small village on the outskirts of Ahmedabad city. Her tryst with micro-finance started from here.

Nirmala’s mother-in-law was already a member of an SHG linked with SEWA, and on her guidance, Nirmala also joined another SHG in 2005. Nirmala started saving small amounts regularly, and having established her creditworthiness, she received her first loan after a year of Rs. 30,000 for renovating her house. A joint decision of the family led to extending a floor of the house, which they gave on rent. Meanwhile, she started doing tailoring work which helped her earn enough to pay the instalments and save on a regular basis. Having repaid the first loan, she took a second loan of Rs. 50,000. This combined with the loan funds of her mother-in-law and their savings was deployed in building a house at their native village. The extra money was used to purchase two auto-rickshaws, of which one was driven by her husband. The other auto was then sold and the receipts combined with their savings, were used to fund a van, which was used for commercial purposes. This was also aided by a third round of loan procured from SEWA worth Rs. 1,00,000. Nirmala, in addition to her tailoring work, took a course and started a small beauty parlor in her home. Her multi-tasking abilities were put to test when she was made the leader of her SHG by the other group members. However, she stood up to the challenge, learnt book-keeping and handled all the responsibilities of calling SHG meetings periodically, taking deposits from all members and giving them receipts for the same, collecting instalments, maintaining records in the books, attending special meetings and seminars at SEWA bank, etc. In addition to this, Nirmala also earns commission from the bank on performing special activities like recovery of loans, opening accounts, mediating for savings and loans. This dynamism helps Nirmala earn approximately Rs. 7000 per month, and their household income sums up to Rs. 35,000 per month, which is much better compared to her neighbours.

Nirmala believes that micro-finance has helped her increase her income and assets. Both the homes are jointly held by the couple, while the other assets like television, refrigerator and the van are taken in her name. She says, “The loans have helped me...”
increase the asset base, which have acted as primary sources of funds – be it the house or the vehicles. Undoubtedly, the expenses have increased as I have put my children to study in a private school. But SEWA has helped me realize the importance of savings and so, although the expenses may rise, I will toil hard to increase my income and resultant savings at the end of the day. I know SEWA is with me for my needs.” Nirmala has attended training programs organized by SEWA bank related to book-keeping, financial literacy and business development and she found these to be an enriching experience.

Nirmala’s responses confirmed that she was empowered on the socio-cultural front even before joining SEWA. However, decisions pertaining to her income and savings were now being taken independently by her. She also mentioned that her decision-making powers had increased and she felt more capable of taking care of her family on her own. There had been a change in her ideology, evident from her statement, “My parents did not ask me before marriage. However, for my children, their consent will be taken for spouse selection.” She felt that the financial muscle had earned her more respect from her family and society. Moreover, she looked at SHGs as a platform for sharing information, as a result of which her understanding of laws had increased and she had become more aware about the benefits got from the Government Schemes. She thought that now, she could fight any injustice and that she would receive full support from her family for this purpose. However, it was sad to note that despite the hoards of benefits received after joining SEWA and despite her perception of being empowered on an overall basis, the fact was that decisions pertaining to the sale or purchase of her personal assets were being taken by her spouse. Further, decisions pertaining to deployment of loan funds were taken by the family-members while the loan instalments were paid by her. All major decisions pertaining to the household required an approval from her husband. Nirmala has begun her journey of empowerment, but she has a long way to go.

6.2.5.5 Veena Patel

Veena Patel, a lady in her forties was linked with SEWA bank through the SHG model since five years. She lived in Sanand with her husband, two sons and a daughter-in-law. She had studied till grade XII and fully understood the importance of education. She had taken decisions related to her children’s studies, as a result of which, the elder son was
earning well in his job and the younger son was in London for higher studies. She was consulted for all major household decisions like her son’s marriage. However, Veena attributes the credit of her financial well-being to the timely help received by her in the form of loans from SEWA Bank.

Veena had married a farmer and their economic conditions were not up to the mark. In 2007, Veena came to know about micro-finance from a banksathi and she created the Vahanvati SHG of fourteen members from neighbourhood, linked to SEWA bank and they began saving regularly. Veena procured her first loan of Rs. 30,000 from which she bought a buffalo. On repaying this loan, another loan was sought for. Likewise, Veena increased the number of buffalos to four. One can earn an average of Rs. 7000 every ten days by rearing three buffalos. On this account, Veena herself used to earn about Rs. 20,000 per month. Subsequent loan was taken for home improvement. The tremendous economic benefits persuaded Veena to initiate more SHGs and her efforts led to the formation of twelve other SHGs in the village. Veena was also recently offered a job by a bank in vicinity, which she refused on the insistence of her son.

Veena believes that the greatest benefit of availing micro-finance is that she does not have to ask for money from her husband or her son, and that loan funds from SEWA bank are available at cheaper rates. She has become financially independent. Although, she does not have a history of being in midst of a financial crisis, she asserts that the loans and counseling of SEWA Bank helped her cross the important milestones in her life. Veena said that routine decisions pertaining to household, purchases, income and savings were taken by her even before joining SEWA. However, she saw a rise in her confidence levels and self-esteem after availing micro-finance. Veena had to still make progress on the front of legal empowerment, as she was not aware of her legal rights as well as local benefits received from the Government. Moreover, higher order decisions were made after taking the consent of her spouse and her son. In fact, Veena had to take her husband’s permission before visiting her own family. Hence, some areas still required an improvement, which probably would be evident after some years.
6.2.5.6 Bhavna Patel

Bhavna, around thirty-eight years of age was engaged in tailoring work. Before four years, she was informed about the SHG formation in neighbourhood by SEWA Bank. After consulting her husband, she joined an SHG, however, as her mother in law was not keeping well, she could not attend the meetings regularly. The banksathi advised her to retain her membership and her savings would be collected from her house. Bhavna was happy with this flexible system of operations. As the months passed, Bhavna realized the intangible benefits of attending meetings as women exchanged ideas and information and came to know about different things. She came upon the idea to hold SHG meetings at her home. This way she would be able to attend the meetings and also take care of her household responsibilities. From this initial step, she had now become a leader of her SHG. She initiated the formation of three other SHGs and also helped the banksathi with her work. This change was not brought overnight, but it was a result of becoming a part of the SHG and linking to SEWA bank.

After joining the SHG, she developed the habit of savings and now, she saved approximately Rs. 500 to Rs. 700 per month. She was the first woman to avail the loan in her village and she proudly narrated the whole incident of the banksathi giving her the first loan and addressing her as creditworthy. Till date, she has availed three loans amounting to Rs. 40,000 and procured sewing machine, buffalo and renovated her house with the help of these loans. Currently, she earns an income of more than Rs. 7000 per month and the collective household income is higher than Rs. 20,000 per month. She has also invested in the pension scheme and made fixed deposits with the bank. Gradually, she has come to learn of the processes related to loan repayment, book-keeping and recording the deposit collection. This knowledge is also reflected in her personal economic decisions. The decisions pertaining to usage of her income and savings were taken jointly by Bhavna and her spouse previously, but they are taken independently by her now. However, in the context of loans, decisions are still taken after the approval of her husband.

Bhavna stated that attending SHG meetings, handling the duties of the leader and attending training programs at SEWA have increased her confidence tremendously and
instilled in her a sense of security. This was confirmed by an incident wherein her family had run into a cash crisis and her husband was out of town. She had contacted the banksathi and she was given a loan based on Rs. 3000 deposit in her account. She had made it a point to repay the loan quickly, so that the other SHG members could avail loans subsequently. Bhavna was quick to add that although she was the leader of the group, decisions as to loan distribution were always taken collectively by the members, and the members duly repaid their loans so that the others could then avail loan funds.

Inspite of the partial economic empowerment and tremendous psychological empowerment, other arenas had to be improved upon. Bhavna did not visit marketplaces, partly because all purchases were made by her husband. For visiting her native, she was always accompanied by her spouse. Decisions as to the value of gifts to be given on social functions were always taken by her husband. On similar lines, matters relating to the Panchayat or Government benefits were managed solely by her husband. Surprisingly, Bhavna showed no interest in participating in these matters. Bhavna said, “Women cannot have rights equal to men in a men’s world. Some decisions and work are best left to the men.”

6.2.6 Conclusion

SEWA has continuously endeavored to ameliorate the conditions of poor and marginalized women, and brought them to the fore where they can raise their voices and take decisions on their own. The main objective of SEWA is empowering the members by providing them with financial resources and assistance and support. Ms. Elaben Bhatt rightly says, “We have always favoured entering the mainstream based on our collective strength and bargaining power. For us it is important to be a part of the mainstream, for we firmly believe that we are the mainstream, because we represent the mass of people in this country who are poor, working people, the poorest being women. We want to move from the periphery to the center, where we believe women workers belong. Through micro savings, micro credit, micro insurance the poor women are set on the path of self reliance.”
The case studies make it very obvious that joining SEWA Bank has helped augment the income and asset-base of the women. Moreover, everyone was convinced that the expenses had also increased, but they had realized the importance of thrift and savings, and had entered into a habit of savings. Their orientation had changed from present consumption to securing their future. However, the impact on empowerment levels varied in different women. It was observed that mostly women had taken the lead in decisions related to their income and savings. However, decisions involving huge expenses or at times deployment of loan funds were being taken jointly with the spouse. Women, who showed natural characteristics of independence, had benefitted strongly after participating in micro-finance programs and they had gained a say in higher order decisions as well.

Most women interviewed were empowered on socio-cultural dimension and on interpersonal terms. The biggest benefit which was common to all women was an increase in their confidence and self-esteem levels. There was an immense improvement in psychological empowerment of these women. Moreover, the SHG formation had created a sense of unity and moral support, which also gave them the strength to fight against any wrong as well as present their issues in the Panchayat. Thus, in a way along with micro-finance, formation of SHG also had intangible benefits and was rooting for legal and political empowerment in women.

Elaben feels that the future of micro-finance is not dark, inspite of the back lash against micro-finance in Andhra Pradesh and Bangladesh, mainly because of women who form a major part of the poor segment, and these women have proved themselves in all respects.10

6.3 Case Study 2 – Kaira Social Service Society: Empowering Women in Vibrant Gujarat

On April 1, 2014, as another financial year ended, Fr. Appavoo, the Director of Kaira Social Service Society (KSSS) was sitting in his office wondering the benefits which had accrued to the people who were served by the organization. This approach of course was very different from a Director sitting in a profit-making organization and wondering about the benefits accrued in the Balance Sheet. The difference aroused because KSSS
was an NGO, a charitable welfare society. The aim was not to make profits but serve the society in the best possible manner. However, as every organization requires some controls, it was crucial that in an NGO set-up, optimum allocation of resources be done as resources which came in the form of donations were scarce. This required that the impact each campaign of KSSS had created be studied and future strategies be framed accordingly. He was particularly worried about the campaign “Empowering Women”, since the objective was very close to his heart. He firmly believed that women needed a platform to showcase their talents and further said, “The women were illiterate but with capacity building done by KSSS, they had begun to share radical ideas for self-development and improvement of their village. In the village of Salun in Kheda district of Gujarat, these women had come together and complained to the local authorities about sewage-related problems. It was solely due to their joint efforts that the Government took necessary steps and now the village enjoyed a better sewage system along with concrete roads. These women when united could make wonders happen.”

The traditional Indian society classified people on the basis of various demographic factors like caste and creed, education and occupation. A great divide was also done based on gender. With the passage of time, the modern Indian society tried to shed several barriers of these classifications, but unfortunately, the patriarchal system still existed. Men gained supremacy over women based solely on their gender and it was naturally assumed that the woman’s life had to be controlled by the men around her. Literate women were not allowed to take household decisions on their own, working women handed over their salaries to the male counterparts, the women married to the rich and affluent always relied on their husbands for any need. In this scenario, the plight of women who were further poor, illiterate and belonged to minority classes could only be left to one’s imagination. These women clearly needed a helping hand. With this idea in mind the aptly titled campaign “Empowering Women” was started by KSSS before seventeen years. Fr. Appavoo slipped into the past for some moments and reminisced about the purpose of establishing the organization.
6.3.1 The Beginning

Gujarat had encountered a severe famine during the years 1965 to 1967. The situation deteriorated the condition of poor and the marginalized communities resulting in people suffering from severe hunger, diseases and children dropping out of schools. Moreover, there was a clear line of demarcation between the rich and the poor. The poor farmers were exploited as they had already mortgaged their land with the local money-lenders, and they could not come out of the debt trap. So, to rescue people from poverty, sickness, malnourishment, illiteracy and exploitation, a visionary, Rt. Rev. Edwin Pinto SJ, Bishop of Ahmedabad, came forward. He along with his team of committed Priests, Fathers, M. Herrero, A. Martinez, J. L. Lopetegui, Basil L. Parmar, C. Bastons and J. Garcia, established the Association “Kaira Social Service Society” by registering it on 3rd of February, 1967, under Bombay Public Trust Act, 1950 and the Societies Registration Act, 1860, having its registered office at Nadiad. The organization was grounded in the principles of Catholic Social Teaching which motivated people to work towards eliminating poverty and promoting justice. The Vision statement, to build a humane society where gospel values such as justice, equality, love and peace are nurtured and living in harmony with nature reflected the basic philosophy of the organization. The Mission statement reiterated that the human dignity of the poor and marginalized be restored through the process of empowerment.

Several objectives were identified, so that the services of the organization could be well targeted and the resources could be optimally allocated. Promotion of peace, justice and human dignity, promotion of gender equality, promotion of community participation, promotion of good governance, to be an inclusive organization and exercise a preferential option for the poor and marginalized and main streaming of HIV concept for better quality of life would be the agenda of programs launched by KSSS.

Having plotted the objectives, KSSS started working for the needy and underprivileged, irrespective of caste, creed, gender and religion in the districts of Anand, Kheda, Ahmedabad and parts of Mehsana and Panchmahal in the state of Gujarat. The organization also tied-up with other national and international agencies to improve the reach of their services.
6.3.2 Services

KSSS had earned much recognition for its selfless work. Under the various initiatives taken by KSSS, programs like ‘Aman Setu’, ‘Play for Peace’, ‘Navi Disha Na Panthe’ had made notable contribution in the society.

6.3.2.1 Promotion of Child Rights

Ahmedabad was a victim of communal riots and on several occasions, this mindless violence had grave impact on the lives of its residents. Families were separated, and with most male members dead; poverty, hunger and illiteracy were the by-products. A deep rift had emerged between the Hindu and Muslim communities and this hatred was being passed on to the new generations. Children had no access to space or opportunities for their holistic development. They felt insecure, which also resulted in increased school drop-out rates. It was essential that these children be rescued from their terrible fate. So, the program ‘Play for Peace’ was launched. The program which lasted for three years from February 2007 to June 2010, involved building self-confidence in children with the help of games, motivation camps and training sessions. The program catered to multiple objectives of building communal harmony as children from all religions were involved, strengthening the existing youth groups and empowering women. The impact was analyzed and it was found that children had developed a sense of solidarity and security, and school enrolment rates had increased. The jobless youth registered themselves in the employment office and were exposed to different job opportunities. The women who were unable to access opportunities for self-development were organized into Self-help groups (SHGs) and trained for beginning some income-generating activities. Thus, the movement which had started with an aim of bridging the gap between different communities with the help of children gave multi-pronged results.

KSSS continuously strived for children’s rights, with education being at the root of all their campaigns. The organization focused on enrolment and retention of children in school and gave special scholarships to girl children from the needy households. Children Parliaments were formed where children could participate and build leadership qualities.
KSSS also tied up with several Government and Non-Government stakeholders to stop incidents of child trafficking.

6.3.2.2 Promotion of Health-care

Health was a primary concern for poor people, especially in the semi-urban and rural areas. KSSS delivered basic health care services through local dispensaries and also provided health education at community level. This made the people aware about several national and state level health flagship programs. Moreover, KSSS acted as a facilitator and linked the people to Government health services. KSSS was also instrumental in improving the lives of people suffering from HIV/AIDS. The Community Care Centers at Ramol and Hansol in Ahmedabad educated people about the disease and also counseled the people who were affected by the disease. The main aim was to reduce the stigma and discrimination associated with the people who were detected as HIV positive.

6.3.2.3 Drive for Good Governance

KSSS acted as a catalyst between the communities and local government authorities. By encouraging and training the women and marginalized communities, they had begun claiming their rights. Interventions such as social audit, panchayat budget tracking, community led monitoring of government run schemes, networking with national campaigns on right to food and right to education helped KSSS to strengthen good governance practices in target areas.

6.3.2.4 Promotion of Communal Harmony

KSSS jointly worked with all stakeholders, namely, the youth, women, children, NGOs, Government departments and religious leaders to promote peace and communal harmony. A special program called ‘Aman Setu’ was also developed for this purpose. The several activities included inter-religious fellowship meets (mediation, reconciliation and dialogue of religious leaders), Children’s Peace Ambassadors, youth groups and Mashal Sanskriti Manchs (Street play groups). These activities helped in removing religious biases and spread the message of brotherhood.
6.3.2.5 Preservation of Environment

KSSS actively promoted activities for preservation of plants and trees and also helped the farmers in agriculture-related issues. This not only addressed the burning problem of climatic imbalance but also led to better food security and improvement in social and economic status of farmers and agricultural labourers. In addition to this, KSSS also provided relief and rehabilitation work in areas affected by natural and man-made calamities like floods, earthquakes, riots, etc. KSSS in partnership with Panchayats, Community based Organizations and other NGOs worked on several programs which educated the people on disaster management and made them more resilient to unexpected events.

6.3.3 Empowering Women

Women were a victim of social discrimination since years and hence, were a major target for empowerment. The core strategies adopted for this purpose were leadership development and capacity building by formation of women collectives. Women empowerment was taken up by KSSS in the year 1995 by launching the campaign of ‘Mata Swasthya (health of mothers)’. Since then, the organization has not looked back on its efforts in the direction of strengthening women.

6.3.3.1 Working

KSSS began by organizing women in Self-help groups (SHGs), Mahila Mandals, and Cluster Federations. Women who belonged to the same neighborhood or community came together to form a group, and each group comprised of ten to fifteen members. Community was taken as a base for forming groups since they already had a sense of cohesion and could work in a better manner towards enhancing their resource base through external linkages and take charge of their developmental activities. According to Ms. Meena Christie, program manager at KSSS based in Anand office, “Forming SHGs and training programs brought about a sense of unity in these women. After working collectively, they also developed self-confidence and a sense of independence. One could have an insight into Tuckman’s model⁰ for groups which involved processes of forming, storming, norming, performing and adjourning by looking at these SHGs. Hence, true to
the case when the groups would start performing well which took about two to three years, KSSS would adopt a withdrawal strategy. SHGs would function autonomously and then gradually the women would be on their own.” This actually summed up the working adopted by KSSS. Once the SHGs were formed, these women were given periodic training on several topics like health and sanitation, different vocations like sewing, poultry farming, embroidery, etc., leadership skills and nitty-gritty of Panchayati Raj. Most women were encouraged to start micro-enterprises and such SHGs were linked to NABARD and other banks. These banks then carried out their appraisal procedures and gave micro-credits to the SHGs. Loans were given on the basis of savings accumulated by these women. Repayment of loans was not an issue, because peer pressure worked as the biggest collateral for the bank. Non-repayment would scar the image of the SHG and none of its members would be eligible for another loan. So the members ensured that the loan amount be accounted properly and be repaid in time. Hence, KSSS mainly carried out the task of an animator, facilitating the linkages between women SHGs and banks. Fr. Appavoo had made it clear that KSSS would not provide micro-credits or handle any such funds because he opined, “If we start giving loans, gradually there would be a mission drift which has happened with many micro-finance institutions. Again, being a faith-based organization, people would make all kinds of excuses for non-repayment and financial discipline would be compromised. So, as an NGO, the role of facilitator and capacity builder is best suited to us.” Padhi (2003)\textsuperscript{14} validates this statement by pointing out that NGOs as microfinance institutions have had some success in facilitation and social intermediation, but there is little evidence of the fact that they have had much success in poverty reduction. Hence, the author recommended a synergistic relationship between the NGOs and banks, with the former efficiently utilising their strengths in social engineering and the latter focusing on pure financial intermediation. The author also indicated that of the dominant SHG-bank linkage models, 72% SHGs were formed by NGOs and directly financed by banks (Progress of SHG-Bank Linkage in India: 2002-03, NABARD, Mumbai, 2003). This could also be proved by looking at the growth trajectory of SHGs capacitated by KSSS and linked with banks (Refer Table 6.4). In the year 2013-14, more than 11,000 women were mobilized in Self-help Groups and 800 plus SHGs were linked with Banks & Other Government schemes. Almost 90% women
members of these SHGs were involved in Income Generating Activities. Loans worth Rs. 102 lakhs had been availed by 80% SHG members for various economic activities like agriculture, cutlery stalls, vegetable shops, tailoring, animal husbandry, etc. In 21 villages, SHGs had mobilized funds from Panchayat and successfully completed micro plans like Dhobi Ghats, Approach Roads, Sewage lines, Bus Stands, Anganwadi, Hand Pump, etc. Once the SHGs became self-reliant, KSSS gradually withdrew from these groups and set out to help other women.

<table>
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<th>Year</th>
<th>No. of SHGs</th>
<th>No. of women members</th>
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<th>Loans outstanding (Rs.)</th>
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</tr>
</tbody>
</table>

(Source: Annual Reports of KSSS)

6.3.3.2 Navi Disha Ne Panthe

A project titled ‘Navi Disha Ne Panthe’ was launched from April 1, 2007 till July 31, 2010 with multiple goals directed towards ensuring that women got separate social space of their own, women could gain control over their resources, and a women’s organization which was economically self-reliant, sustainable and functioned in a democratic manner could be developed. The project was targeted at 54 villages of Kheda and Anand districts of Gujarat state. Various strategies were identified to meet the goals. Micro-enterprises would be developed so that the people could improve their quality of life in a sustained manner. Economically self-reliant Village core committees would be formed which would cater to good governance in the village. The idea was to cover 80% of the target
families in the village and organize them into SHGs. These SHGs would be strengthened and clusters would be federated so that they could develop better linkages with the local government for developmental purposes. Finally, the clusters would become self-reliant and work independently of KSSS.

The project did wonders in every sense. Around 950 SHGs started functioning actively in the targeted areas and about 350 SHG leaders were trained on the concept of core committee. About 55 Village Core committees were formed consisting of representatives from SHGs, few active Panchayat members and key players of the village. The ratio of inter-loaning increased as more SHGs were linked with banks. 48 women started income generating activities and earned revenues of more than Rs. 15 lacs and around 200 women received benefits from the government schemes amounting to Rs. 23 lacs. Women from 20 villages came together to form Cluster Federations and started monitoring Ration shops and resource mobilization in schools. Infact, these women were also exposed to the existing clusters formed by MYRADA in Southern states, so as to learn their processes and terms and conditions. Hence, the impact of the program was tremendous and it was hoped that the same would be sustained even after completion of the project.

6.3.3.4 Stakeholders’ Say

6.3.3.4.1 Deena Parmar

Deena Parmar, a lady of about sixty years, born in Chaklasi in the Dalit community, married and settled for almost forty years in Bedva village of Anand district, was an apt example of political empowerment in females. She was barely twenty when she got married; her husband indulged in drinking and did not care for employment. So the responsibilities of the household rested on the shoulders of Deena. With four children, the going was tough but she had a ‘Never Say Die’ attitude. She took up tailoring work and somehow made ends meet. She did not compromise on the education of her children and as they grew up, they chose their careers. The result was that now her elder son was a driver in Mumbai and elder daughter was based as a baby-sitter in Israel. Both helped her financially. Having struggled hard in life and having to raise her family on her own, she
took all income-related and household related decisions independently. But she had a bigger dream to chase. She stood for the Panchayat elections first in 1998, however, she lost.

Then she was introduced to the KSSS animator Ms. Nila. Nila told her to form SHG in the village and emphasized on the importance of savings. She joined reluctantly saying, “I will save money but I will not attend meetings as I consider it a waste of time.” But gradually, as KSSS started giving various trainings related to vocational needs, financial literacy, information of schemes launched by government, etc., Deena’s interest increased. She started attending all meetings and all training programs. She began saving more money with the bank account in place. She was made aware of the Vruddha Pension scheme and Vidhwa Sahay scheme launched by the government, which helped her financially. Moreover, she also benefited in terms of loans received from bank-linkage for setting up a grocery shop. Currently, her younger daughter also took a loan and invested in the venture, to expand the product portfolio. She also remembered an incident wherein her son had met with an accident and was hospitalized. The expenses came to about Rs. 1,65,000 which was beyond her means. She immediately got help from KSSS donors and also the bank with which she was linked gave a partial loan to her, on the basis of her being a committed SHG member. Hence, as her financial needs were met with, she was motivated to move further. She solicited help and guidance from KSSS regarding the functioning of Panchayat and other programs helped her in improving her speech and made her self-confident. Moreover, the village was dominated by the ‘Patel’ community and so, people belonging to the lower communities like ‘Dalits’ were not entertained anywhere, not even at the village meetings. But due to interventions of KSSS, there was a reduction in discrimination and with SHGs, Dalit women would also collectively attend Gram-sabhas (village meetings with the Sarpanch).

In the year 2008, Deena again stood for elections, and won. Currently she was the deputy Sarpanch of the village and handled cumbersome tasks alone. She was entrusted with the responsibility of efficient allocation of grants given by the government and she took pride in stating that their village now had concrete roads, safe drinking water, better sewage facilities, etc.
6.3.3.4.2 Najma Diwani

Najma, a lady of forty years narrated her tale of independence. Born in Baroda, she finished her SSC and got married and came to Mehsana district of Gujarat. Living in a joint family of fifteen people, she had the least authority to take any kind of decision pertaining to self or family. She did not have the permission to move out of her home, nor was her opinion in any matter solicited, inspite of her being educated. Gradually, the circumstances changed.

KSSS started the SHG movement in the village in the year 2007, and Najma was introduced to the animator Ms. Tarlika. At the same time, Najma’s family had also separated and she was settling down in the nuclear set-up. The concept of saving money and having a bank account lured her and she formed an SHG in the village. With the help of vocational training programs, she also started tailoring and selling garments, which earned her an average of Rs. 2000 per month. As a result, her income and savings increased. She became more self-reliant and started participating in decision-making process. Currently, as her husband did cutlery business and was away for days together, all kinds of decisions ranging from small household purchases to renovating the house or purchasing an asset were taken by her. She attributed the increased decision-making power to trainings received from KSSS. With a twinkle in her eyes, she said, “I take all decisions at home. Now for major decisions, my husband asks me.” Her new found freedom also led her to freely move out of the four walls of her home. On the insistence of her husband, she became member of the Panchayat. She now actively participated in developmental issues related to her village and educated the other women on the various schemes introduced by the government.

She also became the leader of her SHG (Masiha Swa-Sahay Juth) and helped the other members get loans. She herself had taken education loans for her three children, from DCB bank but not through the SHG route. She believed that SHG was extremely beneficial as it united the women and they gained a lot of support and guidance by talking with each other and from training programs conducted by KSSS. However, she also pointed out the lacunae that when the money was needed in emergency, loans from this route were not easily available. Something needed to be done on this front.
6.3.3.4.3 Sumitra Makwan

Sumitra, a lady in late forties was eager to share her experiences with KSSS. Born in Ratlam, she married and settled in Mehsana district of Gujarat. She had basic primary education and was fearful even of talking at her home. Then one day, her husband lost his job as the mill in which he worked closed down. They had difficult times, nevertheless, Sumitra was committed to educating her children. She started working as a baby-sitter in nearby places. Yet, she could not save and any kind of saving at home would be spent under one or the other pretext.

Then, she came in touch with KSSS in 2007 and learnt the significance of savings. She became a member of the SHG and was linked to the bank. This was her first encounter with formal banking. She said, “I never moved out of my home except for limited purposes. Now, I collect savings from SHG members and go on my own to the bank for depositing the same. I have become street-smart now.” With training on book-keeping, she was able to keep records of the group. Now, all her family members were earning and their combined monthly income was about Rs. 10,000. KSSS and bank linkage had empowered her financially, and she felt more secure and self-confident. She now wished to serve others and benefit others with her experience. She confidently fought for other women, if she felt they were being oppressed. She expressed earnestly, “It is acceptable if we don’t participate in others’ joys, but to participate in others’ sorrows is a must as humans.”

6.3.3.4.4 Rekha Suthar

Rekha was born in Uttarsanda, studied till grade VII, got married in early twenties and settled in Anand district. She currently lived with her husband and two daughters. Her husband was a driver and would stay away from home days together. Rekha did tailoring work and earned approximately Rs. 4000 per month. Although, the income was comfortable, she had the urge to progress in life.

When KSSS introduced the concept of SHG, she signed up as a member and has been the leader of Jay Gayatri SHG since three years. She liked the way savings was done and she could now decide on the usage of her own income and savings. The training on financial
literacy helped her for the same. However, when it came to moving out of home, she still
did not take the first step. Her husband would generally visit the market-place. She still
required permission for visiting her parents, and she preferred to take approvals to satisfy
her husband’s ego. Infact, she was happy that atleast her opinion was seeked in major
matters of the household. When asked whether she would fight against injustice caused to
someone, she replied, “I can fight and I can speak, but I hold myself back in the fear of
how my husband and in-laws would react afterwards.” She acknowledged the fact that
the SHG and the trainings were a good platform of exchanging ideas and information.
She believed that this sharing had boosted her self-confidence and self-esteem, yet there
were household matters where she had to grow independent.

6.3.3.4.5 Kokila Parmar

Kokila, born in a poor family in Kathlal never attended school. She got married and
settled in Anand. She has been living in this village for thirty-five years, her husband and
er elder son were drivers, and younger son was studying. Kokila herself practiced buffalo-
rearing. She had three buffalos on her name, and she sold milk everyday to the nearby
dairy. She would earn on an average Rs. 150 per day and an average of Rs. 100 would be
spent in purchasing fodder for the animals. The household income came to around Rs.
6000 per month, which was just enough to meet the routine expenses.

She became the member of Jay Gayatri SHG formed by KSSS before two years. On her
husband’s insistence, she also took a loan of Rs. 9000 for buying a buffalo. She claimed
that the loan facility help her enhance the revenues. Moreover, the compulsory savings
also boosted her asset-base. Yet, she did not find much difference as far as bargaining
power in household decisions was concerned. Her role in the family had not changed
much. She visited the Panchayat once, but only because the other women-members were
also going. Although, the training programs had improved her knowledge, it had not
helped her gain respect in her family. She felt that probably with the passage of time, she
would be able to gain more confidence and speak out firmly at her home and outside.
6.3.4 Conclusion

Father Appavoo knew that KSSS had started rooting for women empowerment in rural areas, but the task was not a one-time project. It was a process which needed a change in the attitude of women as well as the men. Current year also, a lot of contribution was made in this area by KSSS, and data was collected so that the impact could be studied. Owing to the diversity of women, the level of empowerment also differed. The question now was to frame future strategies to create a deeper impact on women empowerment.

It was apparent that joining the SHG had benefited the women in terms of savings, exchange of information, collective support in fighting against injustice and claiming their rights. As far as economic empowerment was concerned, women took care of the savings from their income and also decided on other usage of income. From the conversation, it was found that women’s incomes were normally used for household purposes and children’s needs. However, when it came to taking loans and deciding on the usage of loans, women relied on their husbands for decision-making. Similarly, routine household decisions might be taken by the women, but it was the men who visited the market for routine purchases. Most women were involved when major family decisions were being taken like renovation of house or purchase of a high-value item; although they were not key decision-makers. Similarly, most women were also involved in the decisions related to their children, viz. education, marriage, etc. Women did not assert any discrimination between son and daughter. Yet, the women acknowledged that increase in their income was responsible for status elevation at home. Moreover, these women had begun to think on their own and the training programs aimed at financial literacy, vocational training, health and hygiene had increased their self-confidence and sense of security in most cases. However, there were still some restrictions faced while visiting the parents’ home or market-places. In some cases, women preferred seeking permissions, as this satisfied the male ego. Further, KSSS had been successful in bringing about political empowerment in women. Previously, the women sitting in the Panchayat were mere puppets in the hands of their male counterparts. But, with training on Panchayati Raj and formation of SHG, women learnt of their rights and duties. The women members of Panchayat became more active and the other SHG members now
could collectively visit the local authorities and raise their voice against injustice or for developmental purposes. This kind of freedom was a dream for most women.

Hence, forming SHGs and linking them with banks, imparting training programs and creating awareness had definitely improved the condition of women in terms of empowering them psychologically and politically. However, some variables of economic, social and interpersonal decision-making were yet to be affected favorably. Now, with the Gujarat government declaring a separate ‘Gender Budget’\textsuperscript{16} for the first time where all the women-centric provisions would be clubbed, all the energies were working in the direction of making Gujarat vibrant with the presence of empowered women. The path of empowerment has been paved but as Robert Frost puts it, “I have miles to go before I sleep”; so also, the women empowerment process has a long way to go.

6.4 Case Study 3 – Light Microfinance Pvt. Ltd.: Can for-profit MFIs Empower Women?

6.4.1 Introduction

Light Microfinance was established in January, 2009, head quartered in Ahmedabad to cater to microfinance needs of women in rural and semi-urban areas of Gujarat. Basically, K. K. Finbuilds Pvt. Ltd., a Non-Banking Financial Company (NBFC) based in Jaipur was acquired by Mr. Deepak Amin, an angel investor. An application was made to the Reserve Bank of India (RBI) for obtaining a Certificate of Registration. After the due diligence process, which included receipt of name change and approval from Registrar of Companies, Light Microfinance, began its operations in August 2009. Moreover, in February 2012, following an application, RBI also issued a Certificate of Registration upon changing the Registered office from Jaipur to New Delhi. The head-office of the company was established in Ahmedabad and its activities were carried out in several districts of Gujarat, inclusive but not limited to Ahmedabad, Kheda, Gandhinagar, Mehsana & Surendranagar where it had set up its nine branches comprising of more than hundred employees. However, the company planned to expand its manpower and operations in other states of India. The head office accommodated several departments related to product design, planning, legal and secretarial, finance and treasury, marketing
and logistics and human resources, while the branches mainly dealt with operations and reporting of field personnel. Light Microfinance had a clear vision of becoming the leader in providing micro and meso financial products and services, which would help serve its mission of enabling the poor and the excluded lot in living a holistic dignified life. Although Light Microfinance did not have the permission of collecting deposits, its main focus area was distribution of micro-credits solely for economic purpose. The sources of funds mainly comprised of equity investments done by the promoter, borrowings from banks like Bank of India, Bank of Baroda, IDBI Bank Limited & Central Bank of India and Private players in the market such as MAS Financial Services Limited, IFMR Capital Limited, Reliance Capital Limited & Ananya Finance which was the NBFC arm of Friends of Women’s World Banking (FWWB). As of September 30, 2014, loans amounting to Rs. 2,369.09 lakhs had been received and talks were on for more borrowings from other players in the market. Currently, the paid-up capital of the company amounted to Rs. 575 lakhs contributed by the promoter Mr. Deepak Amin. The company had earned profit of Rs 44.32 lakhs for FY 2013-14 and the Net Owned Funds stood at Rs. 5.62 crores as on March 31, 2014. Having an emphasis on gender and poverty programs, Light Microfinance targeted rural and semi-urban areas and designed products for women, especially. Aligning to its basic philosophy, Light Microfinance had upheld values like being ethical and transparent in its dealings, respecting time and individuals, rewarding performance and growth and being a learning organization where they continuously strived for innovation and encouragement of creativity. The company was successfully managed by the Promoter and Chairman, Mr. Deepak Amin who acted as an angel investor and brought in his technical expertise and experience. Mr. Rakesh Kumar who had extensive experience in setting up centers for providing micro-finance ably led the Operations at Light. Mr. Aviral Saini led the Business Development and Finance functions of the organization as he was an expert at developing strategic and financial roadmaps for businesses. Mr. Deepak Amin had witnessed Light Microfinance moving from one strength to another; from a loan portfolio of Rs. 1 crore in September, 2010, it had crossed the mark of Rs. 2.5 crore in March, 2012; from recording its first monthly profit in December, 2011, it had moved to its first annual profit in March, 2013. This was a result of continuous improvement in their processes and products.
The interest rate was reduced from the earlier rate of 29.25% to 27.745% in order to adhere to the norms laid for NBFC-MFIs by the RBI. Similarly, a new product had been launched, wherein micro-credit of Rs. 30,000 would be given to the members having vintage value and excellent repayment and disciplined track-record with the organization. Mr. Deepak Amin was deeply interested in evaluating the impact of microfinance, so that the future product designs could be improved and customized to meet the requirements of their target segment. He knew that microfinance was undoubtedly helping the women in terms of economic prosperity; however, he was concerned about the twin goal of women empowerment after availing microfinance. Various meetings had been held with the respective department heads to understand the feasibility of launching new products to meet the varied credit requirements of the existing clientele, so their migration to economic self-sustenance could be much more meaningful and sustainable. Discussions with various parties and stakeholders were going on to understand and launch such products in the near future.

6.4.2 Working

Light Microfinance followed a standardized procedure for formation of groups and thereby disbursement of micro-credits as indicated in the following flowchart.

**FIGURE 6.2**

**Process Flowchart of Light Microfinance**

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
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<tbody>
<tr>
<td>I.</td>
<td>Diligence Survey of villages by Field Personnel</td>
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<tr>
<td>II.</td>
<td>Initial Projection Meetings</td>
</tr>
<tr>
<td>III.</td>
<td>JLG Formation</td>
</tr>
<tr>
<td>IV.</td>
<td>Training and Test</td>
</tr>
<tr>
<td>V.</td>
<td>Appraisal of creditworthiness and disbursement of funds</td>
</tr>
<tr>
<td>VI.</td>
<td>Monitoring and Review</td>
</tr>
</tbody>
</table>
The process started with a visit of the field personnel to various regions, wherein they covered multiple villages. The main target population of Light Microfinance was women, especially from the rural areas, who were mostly economically productive but could not rise beyond a certain level due to lack of resources, especially funds. Moreover, it is empirically proven that women’s income is used for the family, especially children’s needs. Hence, financing a woman would lead to an improved standard of living for the household. The women who received the loans increased their income substantially, improved their families’ nutrition and faithfully repaid their loans. They also had higher aspirations for their children’s education and were more likely to reduce fertility (Drioadisuryo, Rosintan & Cloud, 1999)\(^\text{19}\). Pitt, Mark & Khandker (2003)\(^\text{20}\) also noted that women’s credit had a large and statistically significant impact on two of three measures of the health of both boy and girl children, while credit provided to men had no statistically significant impact on the same. The Light team on a typical field visit recorded various information related to the demographics like per capita income, type of house, fuel used, basic services, etc. This data was then appraised to identify the regions which would be most suitable for operations. The selected villages would then be visited to hold initial promotion events which were also known as Projection Meetings. These meetings were aimed at creating awareness and educating the local people on the organization and its products and services. The Light team would also address the queries and doubts presented by the villagers at this juncture. After the successful completion of meetings, the next phase included the formation of groups in villages. Light Microfinance followed the Joint Liability Group (JLG) model for delivery of micro-credit, which ideally comprised of 5 to 10 members in a group. Such groups were designed with the objective of taking loans for economic purpose and generally, group members followed homogenous economic activities. The disbursement of credit took place on an individual basis or group basis. The group formation exercise was closely reviewed by the Field Executives to ensure that the formations encouraged social inclusion and mutual trust. Groups at one location became part of a centre where all meetings would be held. Each center was proposed to include a minimum of 10 groups and a maximum of 40 groups. If more than 40 groups were formed, a separate center was formed to accommodate the extra groups.
After the formation of groups, in phase three, the members were called to nearby branches for assessment of creditworthiness. The KYC (Know Your Customer) documents and other identity cards were taken from the members pursuant with RBI norms. Credit check of clients took place through Equifax and HiMark credit bureaus. This kept a check on ghost borrowers or borrowers who had already taken multiple loans from other financial institutions. Simultaneously, all members had to compulsorily attend multi day training programs which focused on basic financial literacy and the products, processes and systems of Light Microfinance. This program was helpful in rapport building and making processes transparent, which ensured a climate of mutual trust. The training climaxed with a test, mostly verbal in nature to ensure that the members understood the program content. In fact, the test also helped in identifying their economic needs and the level of trust within a group. Once, the groups were confirmed, the process of loan disbursement began. In line with the industry norms, some members in the group received loans before the other members. These members were selected by the group with mutual consent. The selected members then put forth their requirement of loan along with the proposed usage of the amount. The proposal was supposed to be approved by the group members first followed by all the groups at the center. Then the proposal was analysed by the field staff, who possessed specialized knowledge on typical capital requirements in rural enterprises. After the due assessment and modification of the proposal, the member was called at the branch and the loan amount was disbursed. The first loan amount was fixed as Rs. 12,000 for a period of one year at 27.5% interest per annum on Reducing Balance Method. Instalments had to be paid on a weekly or fortnightly basis, and the repayment started from the following week of the loan disbursement. For the collection of instalments, field executives visited the centre at the designated day of the week in morning hours. Once, this loan was repaid, they were eligible for the next big loan. Typical loans of Light Microfinance ranged from Rs. 5000 to Rs. 30,000 per member based on their needs and specifications. The repayment of these loans also ranged from 1 year to 2 years, depending on the amount of loan. These loans also carried micro-insurance, so, in case of natural death of the borrower, the interest taken along with the principal amount was reimbursed to the family. The outstanding loan amount was also waived off. For such credit protection, a charge of
0.6% was levied extra at the time of loan disbursal. Loan processing charge of 1% was also recovered at the time of loan disbursal. At times, top-up loans were also given to the economically active and relatively older members of the JLG. Micro-loans were granted without any collateral, peer pressure being a strong security for the company. Moreover, default in payments was a loss for the group also, as none of the members would be eligible for another loan. If any of the members did not require credit any longer, they were free to quit their group without any penalties.

The field staff was trained on the modus operandi of the collection meetings. Each center was informed beforehand of the day of the week and the time when the collection officers would come. Generally, the collection officers performed this function in the morning hours between 8 am and 11 am, so that the members could carry on their economic activity without any disruption. A typical meeting would last for an hour. Meetings were held at the house of one of the members, where all the members of the centre gathered in the verandah. The collection officers along with the members would sit on the floor and start the meeting with the traditional greeting “Namaste”. The women members then would narrate their oath (Refer Figure 6.3) which spelled out the requirement of each member to attend meetings regularly and repay regularly. The oath also compelled them to follow fair practice code and to improve their living standard using the funds allocated to them. This was followed by the oath narration of the collection officers which also explicated the importance of employing ethics in dispensing their responsibilities.
FIGURE 6.3
Oath for women members (borrowers) of Light Microfinance

(Source: Pass Book of a member procured during primary survey)

Then, the women would start paying their instalments to these officers. Incase, a member was absent, the instalment would be paid by other members of her group. This practice was common as all the group members understood the consequences of default. Hence, any problem of absenteeism or non-payments was internally managed by the group members. The collected money was then tallied with the sheets held by the collection officers and the same was verbally informed to the members. Once the collection officers had visited the appointed centres, they deposited the collections in the branch. Light Microfinance currently employed hundred plus employees including the head office and nine branches based in Gujarat. The company proposed to further increase the manpower as the operational reach increased.

6.4.3 Stakeholders’ Say

6.4.3.1 Sugna Vasvoda

Sugna, a lady in mid-thirties, with an air of confidence took the initiative of answering the questions posed by the researcher. Sugna lived with her husband and son of five years and was mainly engaged in handicrafts. Her family traditionally worked in this field,
where they made various articles like baskets, vase, blinds, carpets, etc. from bamboo. The work was mainly order-based, wherein wholesalers of surrounding cities, especially Ahmedabad gave her orders and took the delivery on the assigned date. The bamboo was procured from suppliers in the vicinity. However, lack of funds restricted the scalability of business.

Sugna took the opportunity when Light Microfinance identified her village and started the group formation exercise in 2011. Sugna, being a social activist convinced other women on becoming part of the organization. Till date, Sugna had taken three loans; the first loan was of Rs. 10,000 which she duly repaid in a year’s time. The second and third loan of Rs. 6000 and Rs. 14,000 were taken and all the funds were utilized for her economic activity. She happily replied that loan and extra cash meant that she could buy more bamboo in the market and produce more products, and the demand already existed. Moreover, now she could also take advantage of excess demand in festive seasons and earn almost double of what she made before joining Light Microfinance. Her current earnings approximated Rs. 4000 per month and raised to Rs. 6000 during festivals. With the extra cash on hand now, Sugna cleverly practiced backward integration and started selling bamboo sticks to houses for consumption needs. Although her formal education was restricted to grade X, she spoke like a management graduate when she said, “We explore the market for feasible products and accordingly set up our business – mostly we do seasonal business which reaps more income”. She had clearly found a gap and was taking advantage of the same. She opined that microfinance certainly helped in increasing income, and inspite of the inflation, the savings also increased which she deposited in the nearby bank. Moreover, as compared to previous sources of acquiring funds (mostly informal in nature), loans were now available at cheaper rates and facilities of top-up loans further made things easier.

She expressed frankly that as she was more educated than her husband, most economic decisions pertaining to usage of income, savings and deployment of loan funds were taken by her. She also gave a generalized statement by saying, “We (women members) ourselves take loans and start business. There are very few cases where the husbands interfere; otherwise they leave the decision of usage of loan on us.” However, decisions
pertaining to big-ticket items like acquisition of consumer durables or renovation of house were taken jointly by the couple. Sugna was affirmative when it came to rights of women. She said that although before joining Light Microfinance, she did not feel that she had rights equal to men, however, this had changed now with the increased income, more respect from her family members and society and higher confidence level. She said, “I put applications at Gandhinagar office now and being a social worker, I also convince the women for joining rallies and attending meetings held in the village. I am the centre leader here, which has helped increase my decision-making power. But I am not contented, I still want to move ahead, and not retrace my steps at any cost.”

6.4.3.2 Geeta Patadiya

Geeta Patadiya was a lady in her thirties with no formal education, who married and came to the village and was living here with her family consisting of her husband and three children. Her husband performed labour work in a brick manufacturing company and she herself did sewing and tailoring work. Before joining Light Microfinance, she was introvert, did not take many decisions and limited herself to routine household activities and whatever work she got in the form of orders from wholesalers. Due to limited income and savings, she was afraid she would not be able to achieve her dream of educating all her children. She said, “I did not study, but I don’t want my children to suffer and so, I will educate them.”

She promptly joined a group linked with Light Microfinance in 2011 and started taking loans. Her first loan was of Rs. 10,000 which she repaid in a year and applied for another loan of Rs. 20,000. These loans did wonders; she could now purchase more raw materials and take more orders. But she was not satisfied with resting solely on orders and she mustered courage and started travelling to the market place for selling her products. The woman, who had not stepped out of her home, now ran a successful micro-enterprise. She earned on an average Rs. 4000 per month and this amount increased exponentially in festive seasons. She found that now she could take more decisions at home and freely express her opinions and others actually paid heed to her. The inhibitions which came with illiteracy and lack of income were gradually falling down. The usage of her income
and loan amount was decided by her. Yet, decisions which involved higher fund disbursement were taken with the mutual consent of her husband.

However, she emphasized that it would take a while before she became completely independent. She felt that whether it was fighting some injustice or claiming rights for better drinking facilities and sewage systems, things could improve only when the women united and raised a voice.

6.4.3.3 Hansa Parmar

Hansa had an extensive family consisting of her husband and eight children; seven daughters and one son. She knew that if they wanted a better life, they had to increase their earnings. Her husband did odd jobs of shunting and earned meager amount of Rs. 1500 on an average per month. However, Hansa contributed more by selling saris in nearby cities. These saris were procured from city of Surat on wholesale basis and sold in Ahmedabad to retailers or at times, directly to customers. The price of saris ranged from Rs. 300 to Rs. 1000. Once in a fortnight, Hansa along with her husband would visit Surat and buy the saris. However, lack of liquidity posed as a major obstacle since she could not buy enough saris at one go.

Hansa was quick to grab the opportunity which knocked her door in the form of Light Microfinance. She became the member of JLG and took the first loan, the standard amount of Rs. 10,000 with one year maturity. After the payment of this loan, she went further to take the loan of Rs. 20,000 which was being repaid by her. She gladly said, “The demand of saris in Ahmedabad market was always there. But I could not meet it due to lack of funds. Now, with the loan amount I am able to buy more saris and my earnings have increased two-folds. After expenses, my profits sum up to Rs. 6000 per month.” The increase in income and resultant savings helped her in completing the construction of her partially built home. Although none of her children was earning currently, she could bear their education expenses. At home, she took all the routine decisions by herself, while the decisions which involved more money were taken jointly by the couple.
She believed that the loan amount along with increase in income had helped her gain respect in the family and society. She had also motivated other women in joining Light Microfinance; the journey which began with fifteen women had reached to thirty women in the centre and others were waiting to join. Although, she did not possess much knowledge about the local laws, she believed that if the women united, they could change the system for a better one.

**6.4.4.4 Gita Parmar**

Gita, a young woman in her late twenties lived in the village with her husband and parents-in-law. Her husband did miscellaneous jobs of repairing and fitting while she was engaged in the business of painting articles and making of khakhras. She employed labourers for both these jobs as per the requirement of work. These labourers were paid daily wages, however, they were not full-time employees. Gita was of the opinion that loans from Light Microfinance helped her increase the level of work, which resulted in increased income. Currently, she earned around Rs. 5000 per month and her savings had also increased.

However, she did not believe that the loans had affected her decision-making power or bargaining power at home. The decisions pertaining to the usage of income, including her own income were jointly taken along with her husband, and the scenario had not changed post micro-finance. One of the reasons she indicated was that her husband and she were equally educated and hence, found it better to take mutual consensus. Gita generally took decisions involving smaller amounts and repetitive in nature, but she had to inform of the same to her husband. Summing it all up, Gita said, “We had to think twice before buying something, but now after taking loans, we have money on hand. Yet, I don’t see any change in my decision-making power pre and post loans.”

**6.4.4.5 Hansa Luhar**

Hansa, 55 years of age, born in Karamsad in Anand district had not received any formal education. She lived in a joint family of eight people. Her son was employed at a local shop and earned Rs. 7000 per month, while along with her husband, Hansa performed
Their combined income approximated Rs. 1500 per month when the work was available, at other times they went without any earnings.

However, the loan funds allowed her to buy more raw materials (metals in this case) and increase her production. These articles were then sold in the market by her husband. She did not prefer visiting the market and she said that she was overloaded with household chores, which did not allow her to go anywhere.

She agreed that loans from Light Microfinance were beneficial as they were cheaper and increased their income, but it was met with increasing expenses. Hence, the savings were not affected positively. Since, the husband and wife worked in the same area; the decision-making pattern had not changed. Most decisions were taken jointly or solely by her husband. Her confidence levels were also not affected. She saw micro-finance as a source of acquiring extra funds, and nothing beyond it.

6.4.4.6 Shanti Vaghela

Shanti lived with her husband and two sons in a small house. Her husband was a driver and she was engaged in the business of selling spices (Chilli powder, Turmeric powder, etc.) used extensively in Indian cuisine. She would go to the market herself or sell the spices door to door in nearby cities. Micro-loans helped her in increasing the magnitude of her business. She could now buy more spices and resultantly sell more, which led to an increase in her income. She earned approximately Rs. 4000 per month which was nearly double of her income before having access to micro-finance.

However, the catch was that all decisions pertaining to usage of her income, savings and loan-taking were made by her husband and the scenario had not changed. Few attributable reasons could be that her marriage was only five years old, so she did not want to take any chances or she deliberately let her husband decide as she had not received any formal education. Shanti believed that her respect and self-worth in the family and society had increased; however, her opinions were not taken into consideration at the time of decision-making. In fact, even she chose to remain quiet when household decisions were being made. She asserted that she was happy with the economic benefits and hoped to progress further.
Conclusion

Light Microfinance was set up as an NBFC, involved in distributing micro-loans to women, especially in the semi-urban and rural areas of Gujarat state in India. Although Light Microfinance was a relatively young company in the domain, it had progressed immensely and its current outstanding loan portfolio stood at Rs 10.8 Cr as of March 31, 2014 (Refer Table 6.5) which had grown at a CAGR of 85% approximately in 5 years (As of September 30, 2014 the portfolio had reached the size of Rs 19.5 Cr). Light Microfinance however, liked to experiment with its products and designed products which were apt for its customer segment. This initiative required the company to study the impact of its products on the lives of its clients. Few stories of the clients are illustrated to depict the impact of micro-finance on their empowerment levels.

From the women members of Light Microfinance, it was found that almost all women had joined the company before two years. They had already availed their first loan which was a standard product of Rs. 10,000 at 27.5% interest plus processing fees for a period of one year. The repayment happened on a weekly basis, wherein collection officers visited a particular centre on a predetermined day and time, and collected the instalments. These women had already repaid the first loan and were now paying off the second loan of Rs. 20,000 given over two years. All loans were granted solely for the purpose of conducting economic activities. All the beneficiaries collectively agreed that the micro-loans had helped them in increasing the scale of their business and their earnings had undoubtedly increased. Some agreed that the savings in turn had increased while others blamed inflation and rising expenses for not being able to save enough. Most women took their economic decisions independently like usage of income, savings and deployment of loan funds. However, in some cases where illiteracy existed or dependence in work existed, decisions were taken either jointly by the woman and her husband or solely by the husband. Decisions which involved hefty cash-flows like renovation of house or acquisition of assets were taken jointly by the couple in majority cases. Education of children in some cases was influenced more by the woman than her husband, and barring an exception, there was no discrimination between a male and female child. Many women admitted that as their incomes rose after taking micro-loans,
they felt more confident and their self-worth increased. Also, the level of respect in family and household increased, although it did not necessarily result in greater bargaining power for women in household decisions. Moreover, the meetings which took place every week were only related to the collection activity, and there was no exchange of information. Hence, their legal or political knowledge had not been affected much. But, these women together had sorted out the drinking water problems faced in their village and were confident that their group unity and cohesion would help them in developing other facilities and bringing about a positive change.

**TABLE 6.5**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of JLGs</th>
<th>No. of women members</th>
<th>No. of borrowers</th>
<th>Loans outstanding (Rs. lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-11</td>
<td>476</td>
<td>2,244</td>
<td>2,150</td>
<td>137.25</td>
</tr>
<tr>
<td>2011-12</td>
<td>705</td>
<td>3,257</td>
<td>2,728</td>
<td>259.83</td>
</tr>
<tr>
<td>2012-13</td>
<td>1,586</td>
<td>7,767</td>
<td>7,154</td>
<td>618.42</td>
</tr>
<tr>
<td>2013-14</td>
<td>2,279</td>
<td>11,175</td>
<td>9,444</td>
<td>1079.34</td>
</tr>
</tbody>
</table>

(Source: Company Profile 31 March 2014 (in private circulation only))

6.4 Cross-Comparison of Micro-finance Institutions under study

The MFIs under study were SEWA Bank, Kaira Social Service Society, Light Microfinance Pvt. Ltd. and Pahal Microfinance. These MFIs were differently set-up and hence, purposively taken for research. The tables below present the similarities and differences among these MFIs analysed based on the data collected through questionnaires and depth interviews. Hence, quantitative as well as qualitative data is used for comparing the MFIs.

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6.5.1 Institutional Characteristics

Table 6.6 compares the MFIs based on the institutional characteristics like their legal status, registration, working and processes, products and services. A general idea regarding the MFI and its modus operandi can be got from this table below.

**TABLE 6.6**  
Comparison of Institutional Characteristics

<table>
<thead>
<tr>
<th>Institutional Characteristics</th>
<th>SEWA Bank</th>
<th>Kaira Social Service Society</th>
<th>Light Microfinance Pvt. Ltd. &amp; Pahal Microfinance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Status</td>
<td>Co-operative Bank</td>
<td>Non Governmental Organisation</td>
<td>Non Banking Financial Company</td>
</tr>
<tr>
<td>Registered under</td>
<td>Banking Regulation Act</td>
<td>Societies Registration Act</td>
<td>Companies Act</td>
</tr>
<tr>
<td>Sector</td>
<td>Formal</td>
<td>Semi-formal</td>
<td>Formal</td>
</tr>
<tr>
<td>Credit Delivery Model</td>
<td>Self-help Group</td>
<td>Self-help Group</td>
<td>Joint Liability Group</td>
</tr>
<tr>
<td>Involvement in formation of groups</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Role in providing micro-finance</td>
<td>Direct</td>
<td>Facilitator (SHGs are linked to banks for the provision of micro-finance on recommendation of NGO)</td>
<td>Direct</td>
</tr>
<tr>
<td>Products</td>
<td>Deposits, Loans, Insurance, Pension,</td>
<td>Deposits and loans</td>
<td>Loans and Insurance</td>
</tr>
<tr>
<td>Services</td>
<td>Fund transfer, ATM provided by banks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>Financial Intermediation through training of Financial Literacy, Book-keeping and Business development; Counseling for innovative products</td>
<td>Financial Intermediation through training of Book-keeping, Business Development, Vocational trainings; Social Intermediation through counseling for health and sanitation; Capacity Building Programs on Right to Food and Panchayati Raj</td>
<td></td>
</tr>
<tr>
<td>Purpose of giving micro-credit</td>
<td>Business development, Housing needs, Children’s marriage / education needs, Medical needs</td>
<td>Business development, Housing needs, Children’s marriage / education needs, Medical needs</td>
<td></td>
</tr>
</tbody>
</table>

(Source: Compilation of primary data collected through questionnaires and depth interviews)

### 6.5.2 Demographic Characteristics of Women members

Table 6.7 illustrates the common demographic characteristics of the female clientele of the MFIs under study. This table represents the socio-economic background of the women who are members of the MFIs and availing micro-finance services in the rural areas of Gujarat.
<table>
<thead>
<tr>
<th>Demographic Characteristics</th>
<th>SEWA Bank Kaira Social Service Society</th>
<th>Light Microfinance Pvt. Ltd. &amp; Pahal Microfinance</th>
</tr>
</thead>
<tbody>
<tr>
<td>District</td>
<td>Kutchch, Surat, Ahmedabad, Anand</td>
<td>Ahmedabad</td>
</tr>
<tr>
<td>Economic Activity</td>
<td>Majority involved in animal husbandry</td>
<td>Majority are homemakers</td>
</tr>
<tr>
<td>Caste</td>
<td>Majority belong to the Patel community</td>
<td>Majority are Christians and Muslims</td>
</tr>
<tr>
<td>Age Group</td>
<td>Serves equally to women in the age bracket of 26-40 years and above</td>
<td>Serves equally to women in the age bracket of 26-40 years and above</td>
</tr>
<tr>
<td>Educational Qualification</td>
<td>Most women have undertaken secondary education</td>
<td>Most women have undertaken secondary education</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Most women are married</td>
<td>Most women are married</td>
</tr>
<tr>
<td>Family Size</td>
<td>Most women lived in families of 1-5 members</td>
<td>Most women lived in families of 1-5 members</td>
</tr>
<tr>
<td>No. of children</td>
<td>Mostly, the respondents had 2 children</td>
<td>Mostly, the respondents had 2 children</td>
</tr>
<tr>
<td>-----------------</td>
<td>----------------------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>Monthly income of respondent</td>
<td>Most women earned a monthly income of less than Rs. 1500</td>
<td>Most women earned a monthly income of less than Rs. 1500</td>
</tr>
<tr>
<td>No. of earning members in family</td>
<td>In most cases, there were 2 earning members in the family</td>
<td>There were 2 or only 1 earning member in the family</td>
</tr>
<tr>
<td>Monthly income of household</td>
<td>Equal representation of women was seen from households having a monthly income of less than Rs. 7500 and in the bracket of Rs. 7500-15000</td>
<td>Equal representation of women was seen from households having a monthly income of less than Rs. 7500 and in the bracket of Rs. 7500-15000</td>
</tr>
</tbody>
</table>

(Source: Compilation of primary data collected through questionnaires and depth interviews)

### 6.5.3 Characteristics related to membership of Respondents with MFIs

Table 6.8 illustrates the variables which are believed to be important for the present research. The table presents the details of loans availed, decision-making related to joining the MFI, tenure of membership with the MFIs and details of group meetings.
<table>
<thead>
<tr>
<th>Membership Characteristics</th>
<th>SEWA Bank Kaira Social Service Society</th>
<th>Light Microfinance Pvt. Ltd. &amp; Pahal Microfinance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of Loans</td>
<td>Almost 75% respondents had availed loans. The standard loan amount was Rs. 10000.</td>
<td>Only 34% respondents had availed loans. Most loans were in the bracket of Rs. 6000-10000.</td>
</tr>
<tr>
<td>Purpose of Loans</td>
<td>Majority loans were taken for business development, followed by housing needs</td>
<td>Majority loans were taken for business development, followed by housing needs</td>
</tr>
<tr>
<td>Joining Decision</td>
<td>Most women had taken the decision of joining independently on the counsel of banksathi</td>
<td>Most women had taken the decision of joining independently on the counsel of field personnel of KSSS</td>
</tr>
<tr>
<td>Tenure of membership</td>
<td>Most respondents were linked to the MFI for a period of 3-5 years</td>
<td>Most respondents were linked to the MFI for a period of less than 2 years</td>
</tr>
<tr>
<td>Periodicity of group meetings</td>
<td>Every month</td>
<td>Every month</td>
</tr>
</tbody>
</table>
6.5.4 Impact on Empowerment of Women members

Table 6.9 presents a crux of change in dimensions of empowerment as felt by the women after availing micro-finance services. The previous chapter has clarified that the change is towards the positive side. The table below compares and contrasts the effects of different MFIs on empowerment levels of their members.

<table>
<thead>
<tr>
<th>Empowerment Indicators/Dimensions</th>
<th>SEWA Bank</th>
<th>Kaira Social Service Society</th>
<th>Light Microfinance Pvt. Ltd. &amp; Pahal Microfinance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset ownership post micro-finance</td>
<td>Majority self-ownership of jewellery, mobile phones and livestock</td>
<td>Majority self-ownership of jewellery, mobile phones and houses</td>
<td>Majority self-ownership of houses</td>
</tr>
<tr>
<td>Economic Empowerment</td>
<td>20% respondents felt a change. Women had started taking lead in decisions related to income, savings and loans. However, at times loan deployment</td>
<td>7% respondents felt a change. Decisions related to usage of income and savings were taken independently by most women before joining MFI. Women relied on</td>
<td>9% respondents felt a change. Decisions related to usage of income, savings and loans were taken independently by most women even before joining MFI. Higher order</td>
</tr>
</tbody>
</table>
and higher order decisions were taken in consultation with the spouse.

<table>
<thead>
<tr>
<th>Socio-cultural Empowerment</th>
<th>7% respondents felt a change. Change was found in taking decisions independently about children’s schooling as well as children and self medical care.</th>
<th>8% respondents felt a change. Change was found in taking decisions independently about children’s schooling as well as children and self medical care.</th>
<th>9% respondents felt a change. Change was found majorly in taking decisions related to medical care of children and self.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interpersonal/Familial Empowerment</td>
<td>10% respondents felt a change. Major change was found in the ideology related to spouse selection followed by participation in family planning decisions.</td>
<td>11% respondents felt a change. Major change was found in the ideology related to spouse selection followed by participation in family planning decisions.</td>
<td>Change was found in the ideology related to spouse selection.</td>
</tr>
</tbody>
</table>

their spouse for decisions related to procurement and usage of loan. Higher order decisions were taken jointly with the spouse, but women did not play a key role.
| Psychological Empowerment | 31% respondents felt a change. Changes were found in women regarding their self-reliance, self-confidence, respect from family and security levels. | 32% respondents felt a change. Changes were found in women regarding their self-reliance, self-confidence, respect from family and security levels. | 68% respondents felt a change. Changes were found in women regarding their self-reliance, self-confidence, respect from family and security levels. The change percentage is higher because very few women were empowered on psychological terms before joining MFI. |
| Legal & Political Empowerment | 13% respondents felt a change. Maximum change was found in awareness about legal rights and Government benefits and the sense of group cohesion had given them the strength to fight against injustice. | 27% respondents felt a change. Maximum change was found in awareness about legal rights and Government benefits. Similarly, change was also found in understanding the local political structure. This change was attributed to the formation of groups and resultant | 50% respondents felt a change. These women found phenomenal change in raising their voice against any injustice and they were certain that they would receive family support for the same. This change was attributed to the formation of groups and resultant |
trainings they received from KSSS. feeling of unity.

Household Decisions

<table>
<thead>
<tr>
<th></th>
<th>Change was felt in decisions related to personal assets and personal routine purchases. Few women had started taking decisions pertaining to house property.</th>
<th>Change was felt in decisions pertaining to children’s purchases or medical needs, personal routine purchases and grocery shopping.</th>
<th>Change was felt in decisions pertaining to children’s medical needs.</th>
</tr>
</thead>
</table>

Perception of overall empowerment

<table>
<thead>
<tr>
<th></th>
<th>58% respondents strongly agreed.</th>
<th>46% respondents strongly agreed.</th>
<th>23% respondents strongly agreed.</th>
</tr>
</thead>
</table>

(Source: Compilation of primary data collected through questionnaires and depth interviews)

6.6 Conclusion

The chapter presents case studies on three different MFIs under study, namely, SEWA Bank, Kaira Social Service Society and Light Microfinance Pvt. Ltd. These case studies illustrate the philosophy, working and the various products and services offered by the MFIs. This brief on MFIs is followed by short cases of their women members based on the information shared by them in depth interviews. These interviews helped gain a better insight on the profile of these women and their feelings about the changes experienced after joining the MFIs and availing micro-finance. One generalization which could be done was that these women had benefited on psychological grounds and had found an elevated status in the society, which meant a lot to them.

The case studies are followed by a tabular version of comparison of various characteristics related to these MFIs, including institutional characteristics, demographic characteristics of their female members, characteristics related to membership of these
respondents and varied impact on several empowerment dimensions. Quantitative as well as qualitative data has been used to present this comparison.

15 *Annual Reports*. Kaira Social Service Society.


“Gandhinagar” refers to a district in Gujarat State of India and it is currently the capital of Gujarat State. So the major Government agencies are set up in this district.

“Saris” are traditional Indian garment worn by females

“Khakhras” are traditional Indian snacks made of wheat

“Luhar kaam” refers to work similar to blacksmithing, which involves making objects out of metals like iron and copper

Primary information availed from company officials