Chapter 7

Findings
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Findings

7.1 Introduction

7.2 Findings

7.2.1 Findings for Objective 1

7.2.2 Findings for Objective 2

7.2.3 Findings for Objective 3

7.2.4 Findings for Objective 4

7.2.5 Findings for Objective 5

7.2.6 General Findings

7.3 Conclusion
Findings

7.1 Introduction

Findings represent the soul of a research, without which any study loses its meaning. Findings reflect the problem under study, provide answers to the unanswered research questions and fill the research gap in the relevant area. Findings provide the gist, which by themselves narrate the purpose and outcome of research and help the beneficiaries, in this case, the micro-finance organisations. This chapter discusses the findings of the research. The summary of the findings of the analysis is shown below.

7.2 Findings

The findings with reference to each objective along with general findings are noted herewith.

7.2.1 Findings for Objective 1

Objective 1: To study the micro-finance services in a comprehensive manner and understand the dimensions of women empowerment

Findings

Asian Development Bank defines microfinance as the provision of a broad range of services such as deposits, loans, payment services, money transfers, and insurance to poor and low income households and their microenterprises [ADB, 2000]. However, inspite of the wide range of products offered by micro-finance institutions, it was found that the most popular products were savings and micro-loans. Almost 89% of the respondents had opted for deposit making with micro-finance institutions. The major reasons could be (a) educating the rural women on the benefits of thrift and saving for future and (b) some institutions require that only SHGs with regular savings will be eligible for micro-loans. The exceptional cases belonged to the JLG model of credit-delivery which does not require the groups to save with the micro-finance institutions. However, on enquiry, it was found that these women also had separate bank accounts and they had developed the habit of saving. The second most preferred service was of availing micro-credit, which was a driving reason for most women to be a part of micro-finance operations. Almost 63% of the respondents had
availed loans and had either repaid them in full or were in the process of repayment. It was also found that the popular purpose for taking loans was for setting up micro-enterprises or expanding existing business set-ups. Further, it was found that roughly 20% of the respondents had opted for pension and insurance products. However, this was the case because these products had been integrated with micro-credits. On a stand-alone basis, these products would not have been much popular. In addition to the standard products as mentioned above, micro-finance organisations also engage themselves into providing services of financial intermediation, social intermediation, business development trainings and social services. The varied services cater to the social objectives associated with providing micro-finance.

The term ‘empowerment’ has different connotations, the meaning of which changes from one discipline to another. Literature also provides myriad definitions of empowerment ranging from simple to complex ones. Amma, Panicker and Sumi (2008)² have very lucidly defined empowerment as ‘a continuous process where the powerless people become conscious of their situation and organize themselves to improve it and access opportunities, as an outcome of which women take control over their lives, set their own agenda, gain skills, solve problems and develop self-reliance.’ Several dimensions of women empowerment were also studied through literature review; like the ‘power to’, ‘power with’ and ‘power within’ dimensions given by Murthy et al. (2002)³ and ‘change’, ‘choice’ and ‘power’ dimensions given by Cheston and Kuhn (2002)⁴. However, for the current research, model proposed by Malhotra, Schuler and Boender (2002)⁵ has been used. They have illustrated various dimensions of women empowerment as Economic, Socio-Cultural, Familial/Interpersonal, Legal, Political and Psychological at household, community, and national levels.

7.2.2 Findings for Objective 2

Objective 2: To study the impact of micro-finance on empowerment of women

Findings

- The empowerment level of women on several dimensions under study, viz. Economic, Socio-Cultural, Familial/Interpersonal, Psychological and Legal & Political were measured on a scale of ‘before-after’ (joining micro-finance organisation). It was
found that the proportion of women who had experienced change in empowerment levels was statistically significant. Maximum change was found in psychological empowerment followed by legal & political empowerment.

- About 41% of the respondents took independent decisions about their savings, income and credit before availing micro-finance services. Almost 14% of the respondents had felt a change in their economic empowerment level on the positive side i.e. after availing micro-finance services; these women had become more independent in deciding the usage of their income, savings as well as the deployment of loan funds. This finding was identical to the result of Hashemi et al. (1996)\(^6\) who found that membership in Grameen Bank and BRAC had significant positive effects on empowerment, even controlling for women's independent contributions to household income. In the Indian context, Galab and Rao (2003)\(^7\) had also found that micro-finance programs had improved woman's access to and control over their savings, credit and income. However, it was also observed that an improvement was still required in matters related to purchase of household assets and sale/purchase or renovation transactions of house property. These decisions which involved relatively huge cash-flows were either taken jointly by the woman and her spouse or at times, taken by the spouse alone. This was in contradiction to the finding of Asim (2008)\(^8\) who suggested that women were gaining more say when it came to higher order decisions regarding purchase/sale of household assets. Additionally, Torri (2010)\(^9\), Rahman (1999)\(^10\), Todd (1996)\(^11\) claimed that women played a passive role in loan management and often handed over the funds to their male counterparts. However, the research asserted that in most cases women themselves decided on procurement and deployment of loan funds. The women who were economically active found very less interferences from their spouses.

- Around 8% women had felt a change in their socio-cultural empowerment after joining micro-finance institutions. This percentage is low because it was found that about 65% women were already empowered on these lines. This meant that majority women took decisions independently regarding the schooling of their children, personal and children’s medical care, social visits to family and neighbouring homes. In fact, it was also found that women did not discriminate between daughters and sons. This was also made evident in a study by Asim (2008)\(^8\) who found that the control and treated samples enjoyed the same level of participation in decisions...
relating to children, health, social mobility and paid work. Highest change was found in taking decisions pertaining to personal and children’s medical care. This aligned with the finding of Batliwala (2007)\textsuperscript{12} who revealed that micro-credit helped in increasing the income of women which was applied to raise household nutrition levels and improve the health and education status of their children. Permissions were required more in the area of visiting native places, mostly because these were far away and the visit involved more number of days.

- Almost 9% women confirmed a change in their empowerment in interpersonal relationships. Again, about 73% women were already experiencing this empowerment before joining micro-finance institutions. The participation of women in household decisions was checked under this parameter. It was found that in most cases, women were consulted for matters pertaining to family planning and children’s marriage. Various studies support the view that women’s credit programs improved their status within the household because they were seen as income earners (Naved, 1994\textsuperscript{13}; Hashemi et al., 1996\textsuperscript{6}; White, 1992\textsuperscript{14}). The women also asserted that they were free from domestic violence. Hashemi et al. (1996)\textsuperscript{6} found fewer incidences of violence against women who were members of credit organizations than they found among the general population. Moreover, it was found that although most women were not consulted for spouse selection, they had experienced a change in ideology after availing micro-finance services and they believed in consulting their children at the time of their spouse selection.

- 35% respondents had experienced a change in their psychological empowerment, which was noteworthy. Psychological empowerment was adjudged by statements pertaining to the woman’s ability to independently take care of the needs of her family, self-confidence levels, gaining rights equal to men and respect got from family and society. It was found that after availing micro-finance services women had felt more self-reliant and secure. These findings were in line with studies of Mayoux (2006)\textsuperscript{15}, Hunt and Kasynathan (2001)\textsuperscript{16} and Rajendran and Raya (2010)\textsuperscript{17} which asserted that the opportunity of making a greater contribution to household gave women greater confidence and a sense of self-worth. However, an improvement was still required in the area of taking major household decisions independently, which aligned with the finding of economic empowerment.
• About 21% of the respondents had experienced a change in their legal & political empowerment levels after joining micro-finance institutions. Women had become more aware of the local laws and various Government benefits which accrued to them. They had actively started participating in voting processes and gained knowledge about the local political structure of their village. Infact, some women who were elected Panchayat members were also interviewed and they stated that the various training programs of micro-finance institutions had helped them in becoming more actively involved in decision-making processes. Reddy and Manak\(^{18}\) (APMAS, 2005)\(^{19}\) have also stated that credit programs influenced political awareness and activity among women. The greatest benefit felt by the women was the unity experienced by formation of groups. These groups became platforms of sharing information and ideas and the group solidarity also helped the women in fighting injustice and solving various developmental issues faced in their villages. This finding was similar to a result shown by Leach and Sitaram (2002)\(^{20}\) wherein they reported that women participating in micro-credit programs had started mobilizing against injustice.

• The area of asset ownership also experienced an improvement after availing micro-finance services. It was found that majority assets were purchased in the name of the woman herself or held jointly by the woman and her spouse. The ownership of house property, personal jewellery and mobile phones for self-usage was on the rise. This finding coincided with the finding presented by Chowdhury et al. (1991)\(^{21}\) who asserted that women (and men) participating in BRAC sponsored activities had more income (both in terms of amount and source), owned more assets and were more often gainfully employed than non-participants.

• Bargaining power of women in household matters was examined in details and it was found that after availing micro-finance services, women had become more independent in taking personal decisions. However, major decisions which were non-repetitive and high-value in nature were taken jointly by the woman and her spouse. This was validated by responses received under other empowerment dimensions as well. This was also in tandem with the report of the Centre for Self-Help Development (CSD) in Nepal which indicated that women were able to make small purchases of necessary items like groceries independently. But larger purchases and personal purchases, like jewellery, always required the consent of the husband,
representing incomplete progress toward empowerment in this area (Shrestha, 1998)\textsuperscript{22}.

7.2.3 Findings for Objective 3

**Objective 3: To identify the interventions of micro-finance institutions which have a bearing on women empowerment**

**Findings**

As indicated in the chapter of Literature Review, there are various schools of thought on the factors of micro-finance that affect women empowerment. However, there is no clear agreement between these studies. In the present study, the various features of micro-finance institutions were checked for association with the change in various empowerment parameters as well as overall empowerment.

- Mayoux (1999)\textsuperscript{23} takes a very simplistic view that mere participation in a scheme of micro-finance is sufficient for women empowerment. On similar lines, it was found that there was an association of availing micro-loans, which are a basic micro-finance product and changes in psychological and legal & political empowerment in respondents. The loan funds increased the respect of women in the household and society and raised her sense of self-worth. The strengthening of financial position of the women also inspired them to become politically active and claim their legal rights. It was also found that micro-credits were associated with the women’s perception of overall empowerment.

- Tenure of membership with micro-finance institution was found to be associated with changes in economic, interpersonal and legal & political empowerment. Moreover, it was also found that tenure of membership affected the women’s perception of their overall empowerment. As the length of membership with MFI increased, the empowerment level also increased. Morduch and Haley (2001)\textsuperscript{24} and Hulme and Mosley (1996)\textsuperscript{25} also indicated that the positive economic impact of micro-finance programs increased with duration of membership or intensity of loans as members began to invest in assets rather than consumption.

- Most micro-finance organisations organise training programs aimed at capacity building of these women who were poor and illiterate, yet economically active. Attendance in these training programs was found to be associated with changes in
psychological empowerment of the women. Trainings enhanced the confidence levels of these women and made them more self-reliant. It was also found that training programs which focused on specific modules like book-keeping and business development helped in improving the economic empowerment of women. However, a major issue was that only 55% of the respondents had availed training programs while the balance made excuses of excess work-load or long distance of training centre for not attending these programs. Further, it was observed that other trainings related to financial literacy, education awareness, women and child health, family planning did not specifically affect any empowerment dimension. This was probably the case because women were already empowered on socio-cultural and interpersonal terms. Cheston and Kuhn (2002)\textsuperscript{4} pointed out that the Human Development Initiatives Nigeria (HDI) had successfully combined education of widows about inheritance, legal, and property rights with training in business skills and microfinance which had greatly benefited the widows to claim their rights. A similar finding was also drawn in a study by Zaman (2000)\textsuperscript{26}. In the present study, although quantitative techniques did not find association behind training programs and their effect on legal & political empowerment, the depth interviews had suggested that Kaira Social Service Society, which actively ran a campaign of educating Panchayat members on their rights and spreading awareness about the flagship schemes of the Government had immensely benefitted the women in claiming their rights and had brought about a political empowerment as well.

- Micro-finance institutions delivered micro-credit by forming groups of women, of which the Self-Help Groups and Joint Liability Groups are studied. Every group elected a leader who shouldered many responsibilities like book-keeping, arranging periodic meetings, being accountable to the MFI, etc. It was found that type of membership (member or leader) was associated with changes in psychological, interpersonal and socio-cultural empowerment. Women holding leadership positions in the group were enjoying higher levels of empowerment than the other members. Rajendran and Raya (2010)\textsuperscript{17} studied the attitude of SHG leaders (rural women in particular) and concluded that there was a definite improvement in the managerial skills, psychological well-being and social empowerment as a result of participating in micro-finance through SHG program.
Another feature of micro-finance was periodical meetings of SHG/JLG for collection of savings and loan instalments. However, it was found that there was no association between attending group meetings and empowerment of women. This was the case as women had to compulsorily attend these meetings and most women sampled had regularly attended the group meetings, but they did not relate it to their empowerment levels. However, depth interviews suggested that meetings gave these women a platform for sharing ideas and information, and contributed to their knowledge and feeling of solidarity. This was a driving force for the women to raise their voice against injustice or solve developmental issues in their villages.

7.2.4 Findings for Objective 4

Objective 4: To study the inter-relationship between different dimensions of empowerment

Findings

The researcher wanted to check whether the empowerment dimensions were inter-related i.e. whether a change in one of the empowerment dimensions would lead to a change in another.

The analysis revealed that there was indeed an association between several dimensions of empowerment. A change in economic empowerment was related to change in socio-cultural, interpersonal, psychological, legal & political empowerment. Similarly, a change in socio-cultural empowerment was related to change in interpersonal, psychological, legal & political empowerment. Further, a change in interpersonal empowerment was associated with a change in psychological empowerment and the latter was associated with a change in legal & political empowerment. This was identical to virtuous spiral theory of Mayoux (1999)\textsuperscript{23}, which emphasises that micro-finance creates a 'virtuous spiral' of economic, social, and political empowerment.

The only exception was a lack of association between change in interpersonal empowerment and legal & political empowerment. The insights on this were available from depth interviews, wherein women suggested that although they participated in household matters, they would not interfere in external matters. In most cases these women were unaware of local laws and their rights as they had very little formal
education. However, things were improving after availing micro-finance through group formations. The group cohesion had been instrumental in giving these women the much needed moral support and they had started fighting injustice and solving various issues which required the intervention of the Panchayat. A more striking fact was that some women who had started taking active legal and political interest, and spoke outside, remained silent in household matters. Upon further probing, they opined that their speaking in family matters which involved the elders and the males generally was considered to be out of place and at times, they remained silent only to satisfy the male ego and show their submission to others’ decisions.

- Further, it was also found that there was a relationship between the women’s perception of overall empowerment to economic, socio-cultural and psychological dimensions of empowerment. Hence, an improvement in any one of these dimensions would increase the women’s overall empowerment level.

- However, an interesting finding was that women did not associate the changes in interpersonal empowerment dimension to overall empowerment. This was probably the case as many females were already empowered on this front and their consultation in household matters had now become common in the society. So, they did not relate it to empowerment. Similarly, women did not associate the changes in legal & political empowerment dimension to overall empowerment. This could be the case as legal and political activism featured low in the priority list of rural women. These women were more concerned about their control over routine decisions related to income, consumption, routine purchases. They aspired for greater levels of security and self-worth and respect from their family. Being aware of legal rights and political activities came after the women had experienced the former changes.

### 7.2.5 Findings for Objective 5

Objective 5: To compare the impact of micro-finance on empowerment of women based on three different institutional set-ups, viz. Banks, NGOs and NBFCs

Findings
<table>
<thead>
<tr>
<th>S. No</th>
<th>Name of micro-finance institution</th>
<th>Quantitative Analysis &amp; Results (Frequencies)</th>
<th>Qualitative Analysis &amp; Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Shri Mahila Sewa Sahakari Bank Ltd. (Co-operative Bank)</td>
<td>Change in: Psychological Empowerment (31%) Economic Empowerment (20%)</td>
<td>Pioneer in the area of micro-finance has made tremendous contribution in uplifting the self-employed poor women and bringing them to the fore. The interviews with women revealed that the participation in the micro-finance program itself led to psychological empowerment. Provision of micro-savings and micro-loans led to their economic empowerment. Asset ownership had increased and positive change was felt in decision-making related to personal assets.</td>
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<tr>
<td>2.</td>
<td>Kaira Social Service Society (NGO)</td>
<td>Change in: Psychological Empowerment (31%) Legal &amp; Political Empowerment (27%)</td>
<td>Initiates campaigns to propagate women empowerment. Hence, forming Self-Help groups and linking them with banks for the purpose of micro-finance is a major activity of this organisation. This resulted in psychological empowerment. The NGO takes up various programs aimed at capacity building and it has come a long way from just forming of SHGs and promoting loans for micro-enterprises to training the women</td>
</tr>
</tbody>
</table>
representatives in the local Panchayats on their rights and duties. This was apparent in the responses of their clients who felt that their legal & political empowerment had grown phenomenally.
Women had started making independent decisions pertaining to children’s needs and medical needs.

3. Light Microfinance Pvt. Ltd. (NBFC-MFI)

<table>
<thead>
<tr>
<th>Change in:</th>
<th>Relatively young in this sector but has grown immensely.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychological Empowerment (64%)</td>
<td>The interviews suggested that the greatest benefit accrued to the clients was of micro-loans which helped them infuse money in their economic activities and increased their incomes. This in turn led to psychological empowerment.</td>
</tr>
<tr>
<td>Legal &amp; Political Empowerment (46%)</td>
<td>The group cohesion was instrumental in solving some infrastructure related issues in their village, which also indicated a trend towards increased legal &amp; political empowerment.</td>
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<tr>
<td></td>
<td>House ownership had increased and women had started taking independent decisions related to children’s needs.</td>
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</tbody>
</table>

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

7.2.6 General Findings

- Respondents belonged to different caste and communities covering minority and backward segments as well. It was found that an association did exist between the caste and change in economic, interpersonal, psychological and legal & political empowerment after availing micro-finance services. Leach and Sitaram (2002)\(^{20}\) have reported that providing micro-credit to rural shudra (lower caste) women in Southern
India yielded many positive changes with respect to their economic and social status, respect from community, self-esteem and freedom of movement. Providing micro-finance to lower caste women had the potential to ameliorate their status.

- Almost 64% of the respondents had taken the decision of joining micro-finance institutions on their own. This by itself was a major indicator of their inherent empowerment level. It was also found that a relationship did exist between taking the joining decision and woman’s perception of overall empowerment. The women who had taken the decision independently were more empowered than those who had taken the consent of their spouses as well as those who had participated in this program only on the insistence of their spouses.

- The most popular purpose for taking loans was for business development, followed by renovation or construction of house property and medical emergencies. The first two rounds of loans taken for economic activity typically fell in the slab of Rs. 6000 to Rs. 10,000. However, the third tranche of loan became higher in value, probably because the business demanded infusion of more funds or the rapport with the MFI enabled the women to avail such loans.

- SEWA Bank and KSSS had given loans for productive as well as consumption purposes. However, the NBFCs preferred to give loans only to the economically active lot for the purpose of business development.

- Around 86% women reported an increase in income after availing micro-finance services, while a similar percentage of women also asserted that their consumption expenditure had increased. Hence, the effect on savings was questionable.

- All women who were house-wives had cultivated the habit of savings and nearly 50% had also applied for loans. These loans were either used for consumption purposes or directly handed over to their male counterparts for their economic activity. Women who were engaged in some economic activity also took loans and from the sample, majority loans were taken by women engaged in handicraft and animal husbandry. Women who had set up their micro-enterprises also heavily depended on micro-loans for infusion of funds.

- An association was found between economic activity and change in interpersonal empowerment as well as legal & political empowerment after availing micro-finance services. Those women who were already engaged in some productive activity, micro-finance, and especially micro-credit gave them an opportunity to increase their
incomes and the contact with the exterior world also boosted them to raise their voices against injustice and become more aware of their rights and benefits.

- 54% of the women falling in the age bracket of 26 to 40 years had opted for loans, mostly for the purpose of business development.

- Of the total illiterate women under study, 78% had availed micro-credit and formed almost 27% of the total borrowers. Further, an association was found between educational qualification and change in psychological empowerment as well as legal & political empowerment. The interviews revealed that these rural women had nil or very little formal education, due to which they felt inferior and in most cases, the decisions were taken by the spouses who were more educated. However, with the participation in micro-finance programs, these women found a rise in their confidence levels and self-esteem. They started gaining respect from family and outside. Their unity solved various developmental issues in the village and they felt the confidence to move forward.

- It was found that of the total borrowers majority (46%) belonged to the income group of less than Rs. 1500 and could be termed as ‘poor’. The analysis also revealed that there was an association between income of respondent and change in interpersonal empowerment as well as psychological empowerment. So, micro-credits which increase the respondent’s income, also contribute to these empowerment dimensions. Mizan (1993)\textsuperscript{27} concluded that Grameen Bank participation raised women's decision-making power within households because it increased women's employment and income earnings.

- A striking finding was that the income of household was associated with changes in all empowerment dimensions of the women. It can be inferred that if micro-finance programs improve the collective income of the household, it leads to an elevated status for women.

- An association was found between district of residence and change in economic, interpersonal, psychological and legal & political empowerment. Maximum change in economic empowerment was found in Surat, while that in interpersonal empowerment was found in Anand. Rural women in Ahmedabad led the change in psychological empowerment as well as legal & political empowerment. However, there was no significant difference between district and overall perception of empowerment level by women.
7.3 Conclusion

Micro-finance is a package of financial services including but not limited to deposits, loans, payment services, money transfers, and insurance to poor and low income households and their micro-enterprises. It was found that micro-savings and micro-loans were preferred services. Various paradigms of women empowerment were studied and for the present study, model proposed by Malhotra et al. (2002)\(^5\) was used. They have illustrated various dimensions of women empowerment as Economic, Socio-Cultural, Familial/Interpersonal, Legal, Political and Psychological at household, community, and national levels.

There was a significant difference in the proportion of women who had experienced change in empowerment levels. Maximum change was found in psychological empowerment followed by legal & political empowerment. An association was found between several features of micro-finance institutions like provision of micro-loans, tenure of membership, attending training programs organised by MFIs and position held in group to changes in various dimensions of empowerment in women. An inter-relationship was found between different empowerment dimensions except for change in interpersonal empowerment and change in legal & political empowerment. Additionally, it was found that those respondents who found changes in their economic empowerment, socio-cultural empowerment and psychological empowerment also associated these changes with their overall empowerment level.

The three different set-ups of MFIs were studied and the difference in their impact on women empowerment was compared and presented in this chapter. The chapter has depicted objective-wise findings for better clarity. The next chapter discusses recommendations for the micro-finance institutions based on the findings of the study.

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