ABSTRACT

**Rationale:** Micro-finance has been extensively studied and celebrated as a tool of poverty alleviation. It is also being viewed as a potential aid in empowering women, as majority beneficiaries of micro-finance are women. Yet the study of literature review has revealed certain gaps. The various impact studies are ambiguous due to conflicting findings and doubts as to their efficacy. Moreover, there is a dearth of detailed impact studies in the context of Gujarat as most research is skewed in the Southern region of India; and the exiting research further emphasizes on establishing the link between microcredit and empowerment in the non-urban context. Further, Grown, Gupta and Khan have indicated that India belongs to that cluster of countries which are characterized by low capability of women, low opportunity and medium agency facilities (ICRW, 2003). The findings of Gender Gap Report also suggest the same. Moreover, the Census Survey 2011 points out that Gujarat state ranked 24 out of 35 states and Union Territories as far as male to female ratio was concerned. Hence, it makes a case to study the status of women in this region. Also, impact studies are volatile in nature and they are required on a periodic basis for effective monitoring of the existing system and strategising for the future. In light of the above gap identified through literature review, an attempt is made to provide a detailed impact assessment of micro-finance on women empowerment especially in the rural areas of Gujarat.

**Purpose:** The study was mainly conducted for understanding the impact of micro-finance on empowerment of women availing these services. For this, the concept of micro-finance and various paradigms of women empowerment were studied in details. The research was also undertaken to identify the various interventions of micro-finance which could impact women empowerment, so that these could be used productively by Micro-finance institutions. Further, an attempt was made to identify inter-relationship between various dimensions of empowerment, namely, economic, socio-cultural, interpersonal, psychological and legal & political empowerment.
Further, the different set-ups of MFIs were studied and compared with respect to their effect on women empowerment.

**Design/Methodology/Approach:** Quantitative as well as qualitative methods have been used for conducting the research. The tools used were a structured questionnaire for survey research and depth interviews for qualitative research. Sample for the research consisted of women who had availed micro-finance services residing in rural areas of Kutchch, Mehsana, Ahmedabad, Anand and Surat districts in Gujarat. The micro-finance institutions Shri Mahila Sewa Sahakari Bank Ltd. (SEWA Bank), Kaira Social Service Society (KSSS), Light Microfinance Pvt. Ltd. and Pahal Microfinance were selected and their clients were interviewed for the collection of primary data. Sample size finalized for the study was 384 consumers, of which 360 could be used after editing. Sampling technique used for the study was Cluster followed by Stratified Sampling. The data has been interpreted with the help of various statistical tools like Frequency analysis using Descriptive Statistics, Cross Tabulation for nominal scale data, Chi-Square Test for Independence and test of association like Cramer’s V, Mc Nemar Test and One Way ANOVA. In addition to this, case studies have been written based on the detailed data collected through interviews.

**Findings:** It was found that the proportion of women who had experienced change in empowerment levels was statistically significant. Descriptives suggested that the change was positive. Maximum change was found in psychological empowerment followed by legal & political empowerment. Tenure of membership, availing loans, attending training programs, attending group meetings and position held in the group were associated with different dimensions of empowerment. Mostly, all the empowerment dimensions were inter-related which meant that improvement in one would lead to another. Psychological impact was common to all recipients, but while banks and NBFCs yielded economic empowerment, NGO set-ups also promoted legal and political empowerment with their capacity building programs.

**Research Limitations/Implications:** A key limitation of this study is the sampling frame. Future studies should replicate this study in different context.

**Keywords:** Micro-finance, Women Empowerment, Impact Study