CHAPTER FOUR

Research Methodology

4.1 Introduction:
As discussed in the preceding chapters\(^1\), while the benefits of microfinance at the household level (generally measured through the quantitative changes in the economic parameters) are more prevalent, the central paradox is that their benefits to the concerned women as perceived may get relegated to a supplementary position. This happens mainly because such benefit’s can be ranked in ordinal terms while the women’s experiences about the changes on the ‘power within’ are more ambiguous to measure. Moreover as stated in Chapters 1 & 3, the main protagonist of most empowerment programmes, woman is an element of a larger eco-system within which she has to operate. This eco-system comprises of her immediate family, relatives & friends, the community/village where she resides and the people that she encounters due to her work/personal needs and connections (see, Fig 4.1). Hence the data and research methods were planned so as to get a comprehensive view of the beneficiary’s association with the microfinance providers.

4.2 Data Sources:
This study is based on both primary as well as secondary data sources. The secondary data on various parameters related to microfinance, SHG activities in Maharashtra and other related issues were collected from the publications of National Bank for Agriculture and Rural Development (NABARD), Mumbai and State Government of Maharashtra. Data were also collected from published reports, published articles/paper and related websites.

The primary data were collected from women centric SHG Federation existing in rural area and JLG Models of community based microfinance delivery models in operation in urban area of selected block of Pune district with an aim to study their impact on women empowerment.

\(^1\) Refer to Chapter 3 which discuss the therotical model. The research design was prepared with a view to gather a holistic response from the member beneficiary in a natural setting. This was done keeping in view the demographic profile of the beneficiaries.
Fig 4.1: Avoiding the Empowerment Paradox: Focussing on the Women Beneficiary’s Opinion

4.3 Selection of the Study Area:

4.3.1 Maharashtra State

4.3.1.1 Maharashtra: A Paradox of Prosperity & Poverty

Maharashtra has the image of a developed agro-industrial state. The state’s population (11.23 crore) accounts for 9.29 percent in country’s total population in 2011. The gross state domestic product (GSDP) contributes about 14.7 per cent towards the GDP of the country. Mumbai, the state capital and financial capital of India, houses the headquarters of most of the major corporate and financial institutions. India’s main stock exchanges and capital market and commodity exchanges are located here. According to the 2011 Census, the state had a total literacy rate of 82.34 (male 88.38% and female 75.87%) against 74.04 per cent at national level. Yet, Maharashtra has some of the poorest and most underdeveloped regions in the country. Maharashtra leads the country in the number of farmer suicides. According to the NCRB, the state has recorded the highest number of farmer suicides (total of 3,146

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3 http://mahades.maharashtra.gov.in/files/publication/esm_2010-11_eng.pdf. The districts like Washim, Nadurbar, Gadchiroli, Hingoli, Nanded, Buldana, Latur, Beed, Jalna, Parbhani have per capita incomes which are well below the national level of INR 46,492 (2010-11).
4 http://ncrb.gov.in/ and http://www.thehindu.com
farmers’ suicide) in 2013, while over 60,000 farmers have committed suicide since 1995. The disturbing trend continues, since 1,088 cases of farmer suicides were reported in 2015 by the end of May. This is almost twice the figure reported just two months ago (i.e. between January and March) by the state government (601 cases\(^5\)).

### 4.3.1.2 Gender Bias: Adverse Sex Ratio

The statistics pertaining to the condition of women in the state reflect the paradox between poverty and prosperity. According to (UNDP, 2014)\(^6\), the state has an adverse sex ratio, there were only 915 females for every 1000\(^7\) males in the state in 2011. The ratio for Maharashtra is much lower than that of the national average of 932 females per 1000 males (Table 4.1). Similarly the (under age group of 6 sex ratio) is also skewed at only 883 females for every 1000 males as compared to 914 females per 1000 females at the national level.

#### Table 4.1: Sex Ratio in Maharashtra

<table>
<thead>
<tr>
<th>Year</th>
<th>Maharashtra</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>922</td>
<td>933</td>
</tr>
<tr>
<td>2006</td>
<td>919</td>
<td>932</td>
</tr>
<tr>
<td>2011</td>
<td>915</td>
<td>932</td>
</tr>
<tr>
<td>2016</td>
<td>911</td>
<td>931</td>
</tr>
<tr>
<td>2021</td>
<td>907</td>
<td>930</td>
</tr>
<tr>
<td>2026</td>
<td>904</td>
<td>930</td>
</tr>
</tbody>
</table>

Source: Ministry of Health & Family Welfare, Govt. of India (11509)

### 4.3.1.3 Rampant Malnutrition

Malnutrition is rampant in the state. According to 2010 report by an NGO called SATHI\(^8\), almost half the state’s children are undernourished and one-third of adults are underweight while 15% are severely underweight. Nearly 45,000 children die of malnutrition every year in the state. Government spending on malnutrition prevention programmes is low—just 0.8 per cent of its GDP and severe malnutrition is grossly under-reported. Chronic hunger

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\(^5\) Times of India, dated June 11 2015 (Vidarbha: 564, Marathwada: 367, Nashik:130, Pune:26 and Konkan:1). The farmer suicide cases till March 31 2015 were 601 of which 241 were considered eligible for some sort of compensation. For May 2015, this figure rose to 1088 of which only 545 were considered eligible for assistance. The government norms stipulate that in order to be considered an ‘eligible suicide’ which qualifies for eligible for compensation the land has to be in the farmer’s name and there has to be physical evidence of indebtedness. In reality however this is seldom the case.

\(^6\) UNDP, HDRM, 2014.

\(^7\) Census 2011.

\(^8\) http://infochangeindia.org.
is not prevalent in rural areas alone but even prevalent in Mumbai where about 43 per cent people suffer from calorie deficiency\(^9\).

### 4.3.1.4 Unexplored potential: Opportunity for MFIs

Maharashtra is among the ideal destinations for new MFIs to consider since it has the largest penetration of formal outlets such as co-operatives and a high loan outstanding. (Sriram & Kumar, 2005). Maharashtra is also considered to be a ‘problematic state’ regarding the efficient delivery and recovery of rural credit. According to Gulati & Bathla (2002), the rural financial institutions (RFI) in the state showed the highest amount of over dues and outstanding loan in the decade 1990-2000 as compared to any other state in the country. The proportion of overdue to outstanding loans of RFIs was more than 30 per cent in Maharashtra in 1997 and that there were several weaknesses in the working of the RFIs- not just in the co-operative sector alone but across several rural financial institutions. A study by Shah (2001) pointed at the need to strengthen the primary or grass-root level RFIs and revisiting their design.

Shah (2001) endorsed the SHG model since: a) the institutions had a high recovery rate despite high interest rates on their advances. b) They also had lower transaction costs and favourable impact on the social and economic status of their members- thus overcoming the twin problems plaguing the RFIs in Maharashtra. The share of bank loans disbursed to SHGs in the state has seen a decline in the year 2012-13, i.e. in post the Indian microfinance crisis stage (Table 4.2). Given the ambitious credit linkage target that was planned for coming years, the study attempts to shed light on the experiences of the beneficiaries of mature women centric SHG Federation (rural) and JLG Models (urban). This experience can have useful application for policy especially in the areas designing products, building and capacity development of groups given the ambitious target that was set for 2013-14 post the decline in 2012-13.

**Table 4.2: Bank Loan Disbursed to SHGs in Maharashtra**

<table>
<thead>
<tr>
<th>State</th>
<th>Bank Loan Disbursed (Rs. in Lakh)</th>
<th>Credit Linkage Target (2013-14) (Rs. in Lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011-12</td>
<td>2012-13</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>601.81</td>
<td>578.06</td>
</tr>
<tr>
<td>India</td>
<td>16551.44</td>
<td>20568.60</td>
</tr>
</tbody>
</table>

Source: Ministry of Rural Development, Govt. of India.

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\(^9\) Calculations made using the per-consumer-unit-calories norm of 2,400 in rural areas and 2,100 in urban areas reveals that the incidence of calories-based poverty is 54 per cent in rural areas and 39.5 per cent in urban areas.
As it can be seen from Tables 4.3 and 4.4, Maharashtra has the highest share of SHG activity in the western region. It has the maximum share in terms of both the amount of loans disbursed as well as the savings with banks and with SHGs (where it is placed in the 2nd position).

Table 4.3: Progress under Microfinance- Savings with Banks

<table>
<thead>
<tr>
<th>Sr No</th>
<th>Region/State</th>
<th>No of SHGs</th>
<th>Loans disbursed Amount</th>
<th>No of SHGs</th>
<th>Loans disbursed Amount</th>
<th>No of SHGs</th>
<th>Loans disbursed Amount</th>
<th>No of SHGs</th>
<th>Loans disbursed Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Goa</td>
<td>540</td>
<td>1077.37</td>
<td>0</td>
<td>0</td>
<td>279</td>
<td>615.56</td>
<td>819</td>
<td>1692.93</td>
</tr>
<tr>
<td>2</td>
<td>Gujarat</td>
<td>9016</td>
<td>7620.95</td>
<td>2839</td>
<td>3598.07</td>
<td>2264</td>
<td>1718.56</td>
<td>14119</td>
<td>12937.58</td>
</tr>
<tr>
<td>3</td>
<td>Maharashtra</td>
<td>34127</td>
<td>50974.62</td>
<td>9491</td>
<td>11222.14</td>
<td>29290</td>
<td>9616.38</td>
<td>72908</td>
<td>71813.14</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>43683</td>
<td>59672.94</td>
<td>12330</td>
<td>14820.21</td>
<td>31833</td>
<td>11950.50</td>
<td>87846</td>
<td>86443.65</td>
</tr>
</tbody>
</table>


Table 4.4: Regionwise savings balance per SHG in India (2013-14)

<table>
<thead>
<tr>
<th>Year</th>
<th>Region-wise Savings Balance per SHG (2013 &amp; 2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>North</td>
</tr>
<tr>
<td>2013</td>
<td>7810</td>
</tr>
<tr>
<td>2014</td>
<td>7748</td>
</tr>
<tr>
<td>% change in 2014 over 2013</td>
<td>-0.79385</td>
</tr>
</tbody>
</table>

Source: NABARD, 2014.

4.3.1.5 Maharashtra: Less documented – Needs Attention

Within the Indian context too, there exists a plethora of literature pertaining to the microfinance models the Southern states of Andhra Pradesh/Telangana and Karnataka followed by the Northern part of the country. Studies covering Maharashtra are far more uncommon. As it can be seen in Table 4.5, the state has seen a surge in the NPAs in 2014 as compared to 2013, which is in contrast to the 2012-2013 percentage change. Hence the

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10 Northern Region (Chandigarh, Haryana, Himachal Pradesh, Jammu & Kashmir, New Delhi, Punjab, Rajasthan); North Eastern Region (Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura); Eastern Region (A & N Islands, Bihar, Jharkhand, Odisha, West Bengal); Central Region (Chhattisgarh, Madhya Pradesh, Uttar Pradesh, Uttarakhand); Western Region (Goa, Gujarat, Maharashtra); Southern Region (Andhra Pradesh, Karnataka, Kerala, Lakshadweep, Puducherry, Tamil Nadu).
causes for the same need to studied to prevent the situation from deteriorating. Focussing on the MFIs operating in this sector, especially successful community based models of financial delivery can assist in this endeavour.

Table 4.5: Regionwise Non Performing Assets (NPA) trends (2013-14)

<table>
<thead>
<tr>
<th>Period/Date</th>
<th>Northern Region</th>
<th>North Eastern Region</th>
<th>Eastern Region</th>
<th>Central Region</th>
<th>Western Region</th>
<th>Southern Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>As on 31.03.2012</td>
<td>6.92</td>
<td>5.17</td>
<td>7.28</td>
<td>13.2</td>
<td>8.22</td>
<td>4.98</td>
</tr>
<tr>
<td>As on 31.03.2013</td>
<td>11.19</td>
<td>8.56</td>
<td>10.3</td>
<td>17.28</td>
<td>8.63</td>
<td>5.11</td>
</tr>
<tr>
<td>% age in 2013 over 2012</td>
<td>61.71</td>
<td>65.57</td>
<td>41.48</td>
<td>30.91</td>
<td>4.99</td>
<td>2.61</td>
</tr>
<tr>
<td>As on 31.03.2014</td>
<td>13.67</td>
<td>8.88</td>
<td>11.07</td>
<td>18.87</td>
<td>11.11</td>
<td>4.64</td>
</tr>
<tr>
<td>% age in 2014 over 2013</td>
<td>22.16</td>
<td>3.74</td>
<td>7.48</td>
<td>9.20</td>
<td>28.74</td>
<td>-9.20</td>
</tr>
</tbody>
</table>

Source: NABARD

4.3.2 Selection of Pune District:

Pune district was selected for the study since both the prompting organizations are based in the district, i.e. SHG Federation (GMSS - Gramin Mahila Swayam Siddha Sangh Khed block of Pune district) and JLG organisation (AMCCS- Annapurna Mahila Cooperative Credit Society, Pune city).

Pune city has a lot of banks and financial institutions, and it is the destination of choice for rural migrants from various villages around the district. The three year drought period (2013-2015) has resulted in a lot of farmers especially from the Marathwada area to migrate to Pune. Hence it offers ample avenue to gather perspectives from women beneficiaries about the changes experienced by them due to an affiliation with an organization like AMCCS given the availability of other banking and finance institutions and options widely available in the city.

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http://www.asianage.com/india/migration-due-drought-maharashtra-883 dated July 30 2015 accessed on October 23 105. The drought has exacerbated the drinking water situation in the Marathwada area which consists of Aurangabad, Jalna, Parbhani, Nanded, Hingoli, Beed, Latur and Osmanabad districts. While Aurangabad, the regional headquarters, has been supplying water twice a week, Latur gets water once in 15 days, according to news reports. The area has given the state four chief ministers (S.B. Chavan, Shivajirao Patil Nilangekar, Vislrao Deshmukh and Ashok Chavan) and the country many important political leaders like Vislrao Deshmukh and Shivraj Patil (Latur), Gopinath Munde (Beed) and the Shiv Sena-BJP combine has been in power in the Aurangabad Municipal Corporation since 1988 but this has not solved the drinking water problem in the region, which still gets water through tankers.
4.4 Selection of Microfinance Promoting Institutions & Locations

Based upon the objectives of the research, the first step involved selection of women-centric microfinance organizations that were comparable i.e. they had similar product offerings, membership base and vintage. Both, the Chaitanya spawned GMSS and AMCCS have been in existence for over two decades and have been started by highly educated women (both have doctorate degrees in microfinance) with considerable research and grassroots experience. The village of Vetale was selected in the rural context to understand the impact of access to microfinance on various dimensions of the rural women beneficiaries lives and due to the fact that the SHG groups have been in existence in the village for a long time (25 years in Vetale). Since empowerment is a long term phenomenon, the village with a history of successful SHG groups/clusters were selected so that the women beneficiaries would have experienced the impact of the access to microfinance across various facets such as their household status: to save, access and service credit when needed, contribute towards mitigating emergencies and planned expenses, changes experienced at a personal level: viz appearance, grooming, self-esteem and mobility as well as the changes at the community level. In case of the urban slums, the locations were selected on account of the membership base and the socio-economic diversity of the profile of the AMCCS (JLG) members. Moreover, the JLG groups in the selected slums were in existence for nearly a decade. The rampant construction and growth in the areas around the slums (viz. Aundh, Sangvi and Shivaji Nagar) has also resulted in the members having the proximity to other financial institutions and banks as well abundant work/ business opportunities.

4.5 Selection of Village and Slums

4.5.1 Selection of Vetale Village:

Vetale\textsuperscript{12} village was selected for studying the impact of the SHG federation model. It is the village where the founder, Dr. Sudha Kothari started her mission of developing women’s groups or ‘mahila mandals’ more than twenty five years ago. The village is about 61 kms from Pune city (see Map 4.1)\textsuperscript{13}.

\textsuperscript{12} Vetale is the first village in the Khed block (which also houses the headquarters of GMSS) from where the founder Dr Sudhatai Kothari started the work of developing village level SHGs more than two decades ago and thereafter consolidating them into village clusters and federations. This helped to pool in members’ savings and deploy them in a gainful manner. She started by developing ‘mahila-mandals’ where members would meet periodically to discuss common social problems especially alcoholism and its related effects. Developing a female corps by mobilizing the woman power in the village transformed the social landscape of this tiny hamlet and helped to combat the menace of alcoholism effectively.

\textsuperscript{13} Prior to selecting Vetale, the author had visited and studied the SHG groups from the Chimbali village.Khed block. The village is about 26 kms from Pune city and the author spent about 3 months interacting with the
Map 4.1: Location of Study Area: Pune district, Maharashtra, India

groups. The Chimbali village cluster has won awards and recognition for many community based initiatives taken by that SHG cluster. However the construction of the Pune-Nashik Highway and the rapid urbanization of the village has resulted in many changes at the village level. Chimbali village is on that highway and as a result, the land prices have shot up post the construction of the highway. This has resulted in many of the families selling out their land and moving to Pune city. Since the study involved studying rural groups, the village of Vetale (which is 60 kms North-West of Pune city) was chosen.
As is evident from the table 4.6, the overall literacy rate of the Vetale village is much lower than the state figure of 82.34%. The female literacy rate in the village particular is very poor (merely 61.37% versus 75.87%) for the state. 25% of the village population belongs to the scheduled tribe category. Vetale does not have a post office, police station, medical facilities bank or even a school after class 10 (the medium instruction followed in the village school is-Marathi). The daily wage is INR 60 per day. The only transport option (other than private transport) is via the public (state) transport bus that connects the village with Rajgurunagar and runs at an interval of every three hours. As seen in table 5.6, the main source of occupation is agriculture.

### Table 4.6: Details of Selected Village as per Census 2011

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>Village- Vetale</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>1</td>
<td>Total No. of Houses</td>
<td>527</td>
</tr>
<tr>
<td>2</td>
<td>Population</td>
<td>2,313</td>
</tr>
<tr>
<td>3</td>
<td>Child (0-6)</td>
<td>236</td>
</tr>
<tr>
<td>4</td>
<td>Schedule Caste</td>
<td>77</td>
</tr>
<tr>
<td>5</td>
<td>Schedule Tribe</td>
<td>579</td>
</tr>
<tr>
<td>6</td>
<td>Literacy</td>
<td>70.82%</td>
</tr>
<tr>
<td>7</td>
<td>Total Workers</td>
<td>1,262</td>
</tr>
<tr>
<td>8</td>
<td>Main Worker</td>
<td>1,203</td>
</tr>
<tr>
<td>9</td>
<td>Marginal Worker</td>
<td>59</td>
</tr>
</tbody>
</table>

Source: Census 2011

### 4.5.2 Selection of Slums (Pune):

In case of the JLG model, members from four slums in Pune city (from two branch jurisdictions) were chosen. These slum areas were selected such that they represented the geographical, historical, cultural, social and economic diversity of the city. Further access to other savings and credit options were available in close vicinity (commercial banks, savings and credit institutions, and ‘for profit’ microfinance institutions). Data was collected from the slums falling in the areas of Pune urban agglomeration (UA). This comprises of Pune and Pimpri-Chinchwad area (table 4.7 and 4.8).

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15 Kasturba Gandhi Vasahat (Branch 1: Aundh-Sangvi), Ambedkar Nagar (Branch 1: Aundh-Sangvi), Banjara Basti (Branch 1: Aundh-Sangvi) and Khairewadi slums (Branch 10: Shivaji Nagar), Aundh Sangvi area jurisdiction of the AMCCS is their largest and among their oldest geographical cluster in the city.
Table 4.7: Details of branches of Annapurna Parivar in Mumbai and Pune

<table>
<thead>
<tr>
<th>Branch No.</th>
<th>City- Pune</th>
<th>Branch No</th>
<th>City- Mumbai</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dapodi-Aundh-Sangvi</td>
<td>2</td>
<td>GTB Nagar</td>
</tr>
<tr>
<td>3</td>
<td>Karvenagar</td>
<td>3</td>
<td>Kurla</td>
</tr>
<tr>
<td>4</td>
<td>Upper Rajiv Gandhi Nagar</td>
<td>4</td>
<td>Dighi</td>
</tr>
<tr>
<td>5</td>
<td>Yerwada-Vishrantwadi</td>
<td>5</td>
<td>Mankhurd</td>
</tr>
<tr>
<td>6</td>
<td>Hadapsar- Chandan Nagar</td>
<td>6</td>
<td>Bhandup</td>
</tr>
<tr>
<td>7</td>
<td>Bhawani Peth</td>
<td>7</td>
<td>Ghatkopar</td>
</tr>
<tr>
<td>8</td>
<td>Dhayari Phata</td>
<td>8</td>
<td>Turbhe</td>
</tr>
<tr>
<td>10</td>
<td>Shivaji Nagar- Alandi</td>
<td>9</td>
<td>Kalyan</td>
</tr>
<tr>
<td>15</td>
<td>Pimpri</td>
<td>10</td>
<td>Chembur</td>
</tr>
<tr>
<td>16</td>
<td>Yeshwant Nagar-Yerwada</td>
<td>15</td>
<td>Thane</td>
</tr>
</tbody>
</table>

Source: www.annapurnapariwar.org

Table 4.8: Details of Selected Slum Areas in Pune

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Details</th>
<th>Slum Areas in Pune</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>1</td>
<td>Population</td>
<td>5,057,709</td>
</tr>
<tr>
<td>2</td>
<td>Literates</td>
<td>4,010,594</td>
</tr>
<tr>
<td>3</td>
<td>Children (0-6 yrs)</td>
<td>579,681</td>
</tr>
<tr>
<td>4</td>
<td>Pune Avg Literacy Rate</td>
<td>89.56%</td>
</tr>
<tr>
<td>5</td>
<td>Sex Ratio</td>
<td>904</td>
</tr>
<tr>
<td>6</td>
<td>Child Sex Ratio</td>
<td>896</td>
</tr>
</tbody>
</table>

Source: Census 2011

4.6 Sampling Frame:

The list obtained from the microfinance providers (GMSS/AMCCS) was used to select women members in a random manner. The sampling frame constituted women beneficiaries who were members of the GMSS and AMCCS. Since empowerment is a long term phenomenon, a multi-stage screening criterion was further adopted to ‘shortlist’ women members who (i) had been part of the SHG federation/JLG for at least three years (ii) had borrowed at least twice and had a satisfactory borrowable/repayment history. This was done so that the women would be able to comment and narrate their experiences about the impact of the funds, and their affiliation with the MFIs in a detailed manner.
4.7 Sampling Units:

The sampling units were the members of the SHG Federation and JLG groups that featured in the sampling frame.

4.8 Sampling Tools:

The details obtained from both the microfinance organizations were used as a starting point to identify the sampling units and were used to open the conversation with them. Depending upon their willingness to participate in a discussion, in-depth interviews (each lasting for about 1.5 to 2 hrs) was conducted. When the identified member was more comfortable in a group setting, focus group discussions were carried out. (see Figs 4.2 and 4.3)

A variety of research tools were used to facilitate triangulation of data. (Denzin, 1978) was the first one to discuss the idea of triangulation of data. He defined the process as

“…. the combination of methodologies in the study of the same phenomenon”.

Denzin (1978) also advocated the use of ‘between-methods’ rather than ‘within methods’ of research.

**Fig 4.2: Mixed Methods: An Important aide for Data Triangulation**

![Data Triangulation Diagram](source: Author based on (Denzin, 1978))

Source: Author based on (Denzin, 1978)
A semi-structured questionnaire was used to capture personal (demographic) information and details about the changes perceived due to access to microfinance. Transcripts, photographs and video recordings were used to capture the experiences of the beneficiaries during personal interviews more so in case of focus group discussions. Observations pertaining to the members’ communication clarity, body language, familial setting, condition of the dwelling etc. were noted. These were studied in conjunction to the secondary data sources described in section 4.2.

**Fig 4.3: Process followed in the Study: Data Triangulation**

**Data Triangulation**

![Data Triangulation Diagram]

- **Secondary Data Sources**
  - Published Reports
  - Peer Reviewed journal articles
  - Research reports
  - Internet databases

- **Qualitative Data Sources**
  - Focus Group Discussions
  - Key Indepth Interviews (KII)
  - Observations’
  - Video Recordings

**Quantitative Data Sources**
- Semi structured questionnaire

Source: Author
4.9 Sample Selection & Size:

Based upon the membership details obtained from both the MFIs, the author approached the beneficiaries in a random order basis. In case of the rural sample (Vetale village) multiple visits were required for familiarization with the beneficiaries and the process of operation. The author used the membership list as a guide to approach the respective household and seek an audience to interview the member. In some cases the SHG member was willing to speak to the author while in some cases they did not want to do so. The other members living in the same area were then contacted.

4.9.1 Sample Size:

Personal interviews of 62 out of the total 112 members of the Vetale SHG cluster were conducted. 25 women were covered through focus group discussions (FGDs). In the urban study, 62 women out of a total 85 members of the Joint Liability Groups (JLGs) were covered via personal interviews and 35 women members out of the total sampling frame of 85 members were covered via focus group discussions (FGDs). In addition, stakeholder testimonies (covering the workers of GMSS, bank officials in the Kadus and Rajgurunagar area and the village council members (gram panchayat) of Vetale) were obtained.

Table 4.9: Details on Selected Villages and Sample Households

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Cluster/Area</th>
<th>Name of Village/Cluster/Area</th>
<th>Total No. of Members</th>
<th>No. of Selected Women</th>
<th>No of Personal Interviews as a % of total (4)/(3)</th>
<th>No. of Women members covered through FDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A Rural (SHG Federation)</td>
<td>Vetale Village</td>
<td>112</td>
<td>62</td>
<td>55.35</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>B Semi-Urban (JLG)</td>
<td>Pune city slum area*</td>
<td>85</td>
<td>62</td>
<td>72.94</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>197</td>
<td>124</td>
<td>62.94</td>
<td>60</td>
</tr>
</tbody>
</table>

Note: *Data was collected from the members residing in the areas of Aundh, Sangvi, Shivajinagar since they were part of the biggest cluster of AMCCS and represented a wide range of people from various socio-economic backgrounds.
Source: Author

4.10 Data Collection Timeframe & Issues Encountered:

The engagement with GMSS commenced in 2010 and was done in two stages.
Stage 1: Period from August 2010 to July 2011 was spent by the researcher in familiarization with the organization staff and beneficiaries. In order to gain a better understanding of the situation prevailing across the state, a joint study with the staff of GMSS was undertaken. This objective of the study was to gather a base of the pyramid perspective towards the impact and efficacy of the SHGs. It sought to identify capacity building requirements required to be given to SHGs. Data from 253 SHG members from 37 villages were collected during this exercise.

Stage 2: August 2011 to March 2013 was spent in familiarizing with the SHG members and the customs & practices prevailing at the village level.

Stage 3: Data collection was done between April-May 2013 in Vetale village just prior to the onset of the (kharif) sowing season and the onset of monsoon. In the urban slums data was collected between June-September 2013.

Stage 4: Follow-Up visits in 2014 both to the Vetale village and the Pune city slums were undertaken in 2014. These were planned prior and during the festival times so as to discuss and witness the usage and application of funds at the member/community level in both the groups.

Stage 5: On-going contact via phone and occasional visits to keep up with the individuals and also to keep abreast of the changes happening in the members/village (Vetale) and in some of the slums has been done during 2015.

4.11 Research Design & Method:

A mixed methods research approach was used in the study. This was done since mixed methods involve a synthesis which includes qualitative and quantitative data. It was used since it was best suited for the purpose given, participant profile and nature of the research questions. The following research hypotheses were formulated:

H1₀: There is no impact on women empowerment due to access to microfinance
H2₀: There is no significant positive change in the savings pattern and the beneficiaries’ ability to contribute towards the HH kitty after access to MF.
H3₀: There is no difference in the impact of MF at the community level (between the JLG and SHG beneficiaries).

A design map that illustrates the approach used, is illustrated in fig 4.4 followed by a detailed discussion about the research design and methods adopted.

16 villages from the Akola, Chandrapur, Parbhani, Solapur, Ratnagiri and Dhule districts were selected. Study Report appended in annexure number...
Fig 4.4: Design Map of the Study

**Goals / Objectives**
- To study the status of empowerment of women beneficiaries after access to microfinance.
- To understand the challenges of the SHG/JLG models as faced by the beneficiaries.
- To recommend suggestions for improving the efficacy of the models.

**Conceptual Framework**
- Literature on empowerment and microfinance, different types of delivery models.
- Interaction with experts, fieldstaff, beneficiaries, bankers.
- Draw on my own experiences as a commercial banker.

**Research Questions**
- What is the profile of the MF beneficiaries?
- Has the access to MF enabled the beneficiaries to become empowered?
- What is the characteristics of an empowered woman as perceived by the rural beneficiaries?
- What are the alternate savings and credit avenues used by the urban beneficiaries?
- Who is the payer of the MF loan in the urban context?
  - What are the limitations faced by the beneficiaries in the current context?

**Methods**
- Participant observation
- Stakeholder Interviews:
  - Beneficiaries
  - Staff of the microfinance organization
  - Bankers
- Analysis of documents and records

**Validity**
- Triangulation of data:
  - Compare data sources obtained through multi-stranded methods.
  - Comparison with other similar programs cited in literature.

Source: Author Based upon (Maxwell & Joseph, 2012)
The following definitions of mixed methods were used as guidance.

Creswell (2013) has defined Mixed methods research as a research design (or methodology) in which the researcher collects, analyzes and mixes (integrates or connects) both quantitative and qualitative data in a single study or a multiphase program of inquiry. Onwuegbuzie & Turner (2007) have stated that mixed research is positioned between the two extremes (like Plato’s quantitative approach and the qualitative approach propounded by the Sophists) It attempts to respect the wisdom of both the viewpoints while also seeking a workable middle point for many research problems of interest. They further state that mixed methods is generally speaking an approach of knowledge (theory and practice) that attempts to consolidate multiple viewpoints, perspectives and positions.

Since the research topic has the flavours of banking, development, sociology (women oriented ) and the changes experienced by the respondents at the individual, household and community level – an integrated approach as recommended by Mayoux ( 2006) was also considered. According to Mayoux (2006), building upon mixed methods as a way of linking the qualitative, quantitative methods can help to overcome the traditional boundaries particularly in response to the emergence of the world’s and the problems that overlap. This results in complex multidisciplinary situations that warrant drawing upon the strengths of the best that each method has to offer. Table 4.10 captures the pros and cons of the different methods.

**Table 4.10: Pros and Cons of different methods (Adapted from Mayoux, 2006)**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantitative Methods</th>
<th>Qualitative Methods</th>
<th>Mixed Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pros</td>
<td>Cons</td>
<td>Pros</td>
</tr>
<tr>
<td>Focus</td>
<td>Measurement of specific questions/hypotheses</td>
<td>Everything may not be measureable</td>
<td>Can capture sensitive issues/observations underlying meanings and therefore more holistic</td>
</tr>
<tr>
<td>Sampling</td>
<td>Generally random sampling used</td>
<td>Minorities may get underrepresented. Choice of a control group (in most cases) presumes that the relevant variables are known and in practice sampling is often ‘non-random’</td>
<td>Non probabilistic sampling used. Using purposive sampling technique can enable a close-up view of the topic of interest</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>Suitability/ Data &amp; Output</strong></td>
<td>Apparent Objectivity</td>
<td>However objectivity may only occur depending upon the ‘orthodoxy’ of the method. Hence ‘random’ in theory may not be ‘random’ in reality-may result in data manipulation. May not suitable for multidisciplinary projects, particularly for projects that may be connected with in sociology, gender, anthropology, history or development economics.</td>
<td>Subjectivity can be captured. Suitable for multidisciplinary projects. A larger flexibility in adopting a combination of approaches may decrease the possibility of falsification and forced manipulation</td>
</tr>
<tr>
<td><strong>Reliability</strong></td>
<td>Presence of ‘hard facts’ maybe more convincing to policy makers/reviewers</td>
<td>A lot hinges upon the questionnaire design and data collection</td>
<td>May capture a lot more data due to the inherent flexibility available. This in turn can put the respondents at ease and may result in them opening up.</td>
</tr>
</tbody>
</table>

Source: Author
4.11.1 Usage of Ethnography

Ethnographic research\textsuperscript{17} techniques were used in order to capture the insights and the responses of the beneficiaries in a natural setting. This method was chosen based upon its relevance to the study as stated by (Hammersley & Atkinson, 2007) in their highly cited book “Ethnography\textsuperscript{18}: Principles and Practice”. According to the authors, this technique:

- Helps in developing descriptions of the perspectives of a particular category, groups of people or patterns of interactions within a particular type of setting
- Is particularly helpful in developing and testing theory particularly in capturing multifarious life styles and complex divisions of labour, rights & duties, lifestyles, etc.
- Is very flexible since it allows ideas to be tried and changed quickly thereby allowing the theory development to be highly effective and in an economical way.
- Is more realistic since the researcher investigates social processes in an everyday setting rather than in a ‘set-up’ purely for research purposes. This minimizes the danger of the findings being ‘localized’ to the research alone.
- Due to the multi-stranded characteristic of ethnographic research, multiple data sources are used which enable the \textit{triangulation} of data in the most effective manner.

Hence as mentioned earlier, a combination of research tools such as semi structured questionnaire, interview transcripts, video recordings were used during the study\textsuperscript{19}.

Since the microfinance sector is unique in terms of the profile of the clients, the amount of loan, repayment mechanism etc., significant amount of preparatory time was spent in the process of familiarization which began with the SHG federation model. In order to get acquainted with the grassroots situation, the researcher attended different types of meetings of the SHG groups affiliated with GMSS in and around the Rajgurunagar area to get familiar with the profile of the members, mechanics of the meeting and to build a rapport with the office bearers as well as members of the NGO. For eg: SHG group and cluster meetings which were held at the village level, federation meetings held at the headquarters of GMSS,

\textsuperscript{17} Defined as per (LeCompte & Schensul, 2010)
\textsuperscript{18} Ethnography was first used by the Chicago Booth School of Research. They documented the different patterns of life based in the different parts of the city based upon the analogy of plant and animal ecology. Later on the same analogy was applied to the cultures of different occupations such as art.
\textsuperscript{19} To view the video recordings please see the You Tube Channel link https://www.youtube.com/results?search_query=raji+ajwani
‘Jaankar proceedings’\textsuperscript{20} and FGDs being conducted by other organizations or by the NGO for their own training and development needs. This immersion helped in getting acquainted with the implementation of the SHGs operating procedures and local customs and practices.

Since the relatively younger women members were engaged in farming activities during the day, they were interviewed post 9 pm when they had completed their household chores. The older/retired/available members were interviewed during the day.

A similar approach was followed in case of the urban sample. Multiple visits to various slum locations were made – after seeking the appointments of the members. This was necessitated due to the varied profile of the urban members: most worked as domestic maids, vegetable sellers or had small shops hence their timings fell into different time slots.

Accordingly the meetings were conducted to suit the urban members. The main points of differentiation between collecting data from the two samples was: a) the effort involved (number of visits) in collecting the urban responses- since it was very difficult to find domestic maids who had the same time/location schedule, the author had to plan and make several personalized visits, often returning back empty handed on many days. On most days it was possible to interview one or two members during the entire day since the women would get held up at their workplaces and hence waiting on them was very time consuming. Most had cell phones but would not answer the call for a variety of reasons: a) busy with domestic work and had missed the call since the cell phone was in the bag which was placed in another location b) did not recognize the author’s number and hence did not take the call since they were busy c) Wanted to avoid the interview.

In case of the rural sample, the initial process of familiarization was time consuming however once the initial ice was broken, it was simpler to remain in one location (i.e. the village) since all the respondents/members were located in and around the village. Vetale’s remote location and poor transport availability makes it virtually impossible for the women to travel outside the village. Most work on farms in and around the village itself.

\section*{4.12 Research Constructs:}

\subsection*{4.12.1 Empowerment:}

This construct has been discussed in detail in Chapter 3 and hence a brief summary is provided herewith. To empower means, ‘to give official authority or legal power to; to promote the self-actualization or influence of individuals or a group’ (Webster’s Dictionary, 2020). 

\textsuperscript{20} Jaankars are subject matter experts that are trained in various skills: there are shaskiya (administration experts), kayda jaankar (legal expert) so as to have a pool of trained members present in every village to enable and guide the other members and find solutions to minor issues at the village level itself.
The International Encyclopaedia of Social Science (1968:1621) defines empowerment as ‘strengthening, capacity development, ability to do anything that the community or organization wants’. Theories of power tend to divide between agency related theories and those relating to structure. The agency versus structure argument is essentially an issue of socialization versus autonomy in determining whether an individual acts as a free agent or in a manner dictated by social structure. Agency refers to the capacity of individuals to act independently, to make their own free choices, and to construct and reconstruct their worlds. Agency theorists suggest that individual actors are the central element of a social system, and social structure is a result and consequence of the actions and activities of interacting individuals. Structure relates to recurrent patterned systems and arrangements that influence or limit the choices and opportunities available to people; the social rules by which people act, the cultural norms, traditions, customs and ideologies within society, and the resources that actors draw upon to exercise power, all of which, according to structure-based theories, are not equal or evenly distributed and thereby enable systems of domination.

Batliwala (1994) defines empowerment as the process of ‘consciousness raising’ before the social construction of gender, which subordinates women in family, class, caste, religion or society can be changed. The author refers to three approaches towards empowerment that have been tried in South Asia: integrated development\(^{21}\), economic empowerment and consciousness raising. Mayoux (2000) states that empowerment is about change, choice and power. It is a process of change by which individuals or groups with little or no power gain the power and ability to make choices that affect their lives. Kabeer (1999) has explained the concept of women’s empowerment as the process by which those who have been denied the ability to make strategic life choices acquire such ability. Kabeer treats agency as one of the main pillars of empowerments, linking agency to awareness (including choice) and action (including dimensions of power). Gupta & Yesudian (2006), Appelbaum, Hebert, & Leroux, 1997 state that empowerment is ‘designed to counter existing power relations that result in the domination of subordinate groups by more powerful ones’. According to UNIFEM (2000) “gaining the ability to generate choices and exercise bargaining power “developing a sense of self-worth, a belief in one’s ability to secure desired

\(^{21}\) The economic empowerment approach relies on improving women’s control over resources and strengthening their economic security, e.g. Grameen Bank which has organized women around savings, credit, income generation and skill training. Integrated development which aims at social problem resolution by forming collectives of women that engage in solving social problems. This activity is usually focused towards poor women.
changes, and the right to control one’s life” are the important elements of women’s empowerment.

For the purpose of this study, empowerment refers to positive changes experienced by a woman beneficiary on her economic, personal and social fronts due to her affiliation with a women centric, not for profit, community based microfinance institution. Such an affiliation enables the beneficiary (woman) to navigate the existing the structures of power and eventually enables make the transition from a stage where she is trying to protect her choices or making the choices based upon a set of situations/constraints and moving to stage where she is able to make, execute and withstand the impact of the choices that she wishes to exercise, within a reasonable period of time (5 years). Thus, empowerment is the journey from a point of dependence up to a destination where such a beneficiary is able to sustain independently without the supporting framework of the microfinance affiliation.

Hence the study aims at analyzing the beneficiaries perceptions about the positive changes in savings, credit, ability to handle emergencies, application of funds (economic changes), confidence to speak-up and express their views, attention to personal appearance and grooming (personal changes) and active participation in community improvement activities, an affiliation with peers (social changes). It is important to underscore that this perception of empowerment is subjective (may vary from person to person), intangible (for some measures), contextual and a function of time. Empowerment can improve the ‘bargaining position’ of a woman and her ‘breakdown position’ (Sen A., 1987) and enable her to realize the ‘power within’ (Parmar, 2003).

However, it is important to distinguish between some terms that may appear to be synonymous but need to be clarified for this study. Empowerment is not ‘negative freedom’ as propounded by (Sen A., 1987) nor is it ‘positive freedom’. It is closer to positive freedom; however, there is a subtle difference. In case of positive freedom an individual’s choice (or ability to choose) may not necessarily improve her breakdown position or the resulting collusive arrangements (Sen A., 1987).

Empowerment, therefore, should result in eliminating deterrents that result in a vicious cycle of a weak bargaining position, caused typically because of disparity in earnings, thereby lowering the perceived contribution of woman and negatively impacting

\[\text{For instance (Sen A., Gender and Cooperative Conflicts, 1987) states that for poor woman in the Indian rural setting, her well being is synonymous with that of her family and that she will not comprehend the concept of individual well-being} \]

\[\text{Positive Freedom according to Sen is the ability of a person to choose to do or to achieve. Negative freedom is the absence of restraints that a person may exercise on another or an institution may impose on an individual.} \]
her entitlements (be it in terms of her access to basic nutrition, hygiene, education, mobility etc) resulting in a household equation that places her a position that ‘sets her up for failure’, that is makes a woman vulnerable to successive rounds of adverse outcomes thereby threatening her very existence.

For a poor\textsuperscript{24} woman to be truly empowered, she should be capable to firstly make choices that enable her to attach a fair value to her well-being (i.e. improve her perceived interest response), improve her ability to contribute towards the overall opulence of the group (i.e. improve her perceived contribution response) resulting in a favourable breakdown position and feedback transmission (i.e. strengthen her position after each successive round of bargaining) resulting in a favourable intergenerational impact. It is important to emphasize that while structures (such as women centric community based microfinance organizations) are important enablers, true empowerment can occur only when the (woman) beneficiary is able to sustain this circle of positive choices and outcomes on her own- that is eventually free herself from the dependence of supporting structures (be it women centric community based microfinance organizations) or government initiated programs/subsidies. If her breakdown position is contingent on the availability of such supporting structures then she is ‘quasi empowered’.

‘Quasi-empowerment’ is therefore a step ahead of ‘negative freedom’ however it is not positive freedom nor is it empowerment. In such a case a poor woman beneficiary is in a position that is better than her original state due to the removal of restraints (negative freedom) but she is still not in a position where she is able to break free of the framework that supports her since she is incapable of making choices that enable her to attach a fair value to her well being (i.e. improve her perceived interest response), improve her ability to contribute towards the overall opulence of the group (i.e. improve her perceived contribution response) resulting in a favourable breakdown position and feedback transmission (i.e. strengthen her position after each successive round of bargaining) resulting in a favourable intergenerational impact) on her own. If her well being response and outcome is contingent of her being ensconced in the protective cover of such a supporting structure- then such a woman is quasi empowered

\textbf{4.12.2 Microfinance:}

Although there is a tendency to regard the microfinance sector as a homogenous whole, there are different models of microfinance delivery. This study focuses on community based

\textsuperscript{24} This qualifier has been added since this study specifically focuses on the impact of microfinance on poor women living in rural parts (villages) and urban slums of Pune district, Maharashtra.
MFIs, i.e. microfinance delivery institutions that follow a blend of two ‘broad categories’ of approaches\textsuperscript{25} prevalent in the sector. Both the Self Help Group (SHG) federation (GMSS) and the Joint Liability Group (JLG) (AMCCS) derive their main source of funding from banks and by profitable placement and rotation of their members’ funds. Donor funds form a small portion of their corpus and hence they derive their ‘working capital’ mainly by adding new members, efficient payments and recoveries by existing members, bank credit and intermediation income\textsuperscript{26}. Some of the distinguishing features that differentiate the two models that are covered in this study are presented in Chapter 3.

4.12.3 Community based Microfinance Institutions (CMFIs)

CMFIs are institutions that are women centric –i.e. they have a model which is geared to address the multi-dimensional life cycle needs of their poor beneficiary members. This involves more than just disbursing credit. It involves extending a package of finance (credit), physical well being measures (medical assurance and access to affordable healthcare and medication), capacity building (training and dissemination of various government skill development schemes), childcare (affordable and safe day care facilities for dependant infants and wards), employment opportunities (either by generating income earning opportunities for employee within the set-up or linking them with external job opportunities) and the support of a social network (by counselling women members on the importance of aggregation of membership) and finally avenues for leadership development in a democratic manner (contesting elections for various leadership positions at the village-cluster-federation level and at the external level (for positions in the gram panchayat). Hence both the organizations covered in the study have been considered since they offer their members all of the above.

4.12.4 Rural and Urban Areas:

The Census of India does not have a clear definition for the term ‘rural’\textsuperscript{27}. Hence the definitions used by the NSSO\textsuperscript{28} has been used for both. An urban area was defined in the 1971 census and is:

\textsuperscript{25} The two contrasting approaches, as per Robinson (2001) are the ‘poverty lending’ approach which can be characterized as subsidized lending to the poorest of the poor, often offered with a variety of support services. However, its existence is contingent upon the availability of donor funds and hence this is not considered to be sustainable in the long term. The second broad category is the ‘financial approach’ in which in minimally structured commercially viable credit package is offered to the bankable poor. The focus is on costs, recovery of loans and promotion of small businesses. The ‘very poor’ are considered prime candidates for government assistance and are left out of the purview of such institutions.

\textsuperscript{26} Intermediation Income in this context refers to the difference between the rate at which the CBMFI.

\textsuperscript{27} http://censusindia.gov.in, accessed on October 25 2015.
a) all places with a Municipality, Corporation or Cantonment and places notified as town area

b) all other places which satisfy the following criteria:
   i. a minimum population of 5000
   ii. at least 75 percent of the male working population are non-agriculturists and
   iii. a density of population of at least 1000 per sq mile (390 per sq km)

The definition of urban area adopted for the 1981 and 1991 censuses were the same as those for the 1971 census. Rural areas cover areas other than urban areas. Hence a village includes all its hamlets. For the purpose of this study a village is:

   i. A small community or group of houses having a population of less than 4000 people
   ii. The main occupation of the inhabitants is agriculture or related activities and
   iii. The main governing body is a gram panchayat or a village council

Hence data was collected from all-women groups that are affiliated to women centric microfinance institutions either at a rural or urban level. The model considered for the rural study was the SHG federation model—wherein the village level SHG groups were connected to each other for the purpose of pooling savings at the village level or at the district level. The urban microfinance model was relatively ‘flat’ since groups of five women were connected directly to the microfinance provider (AMCCS).

4.13 Summary of the Chapter:

This chapter discusses the research methodology adopted during this study. A mixed methods approach was followed in order to capture and compare the perspectives of two different groups of beneficiaries. Some of the drawbacks cited in published literature mention about a focus on measuring the quantifiable economic variables as a proxy for empowerment, the research was planned in a way so as to enable the main protagonist (i.e. the woman beneficiary express herself about her perception regarding the impact of the SHG federation/JLG in facilitating the process of empowerment).

29 For the 1971 census a definition of density of at least 400 persons per sq km was used instead of 390 per sq km.