CHAPTER – II
REVIEW OF LITERATURE

2.1 Introduction

As micro finance and women empowerment are well recognised and debatable issues, number of studies have been conducted on them. The literature on microfinance offers a diversity of findings relating to the type and level of impact of the programme. There are various studies which confirm that microfinance programme has a significant positive impact on increasing employment and reducing poverty. A number of studies show that the participant households enjoy a higher standard of living as the programme reduces consumption as well as income vulnerability among its beneficiaries. Some of the studies also confirm that the programme is helpful in attaining millennium development goals of reducing poverty, hunger, infectious diseases. There are a number of studies which explain that participation in the programme has led to greater levels of women empowerment in terms of increase in knowledge, self-confidence, economic, social and political awareness, mobility, the development of organisational skills etc. However, there are some studies which show that the programme is not reaching the bottom poor people and the group loans are utilised for non-income generating activities such as consumption and other emergency needs. The small money has only a small effect, a big push cannot be expected from this programme. The studies also show that the women participants have limited control over the use of group loans, therefore, the programme results in the limited empowerment of women participants. And it has increased the burden over women. Thus the literature on microfinance provides mixed results about the impact of microfinance programme for the members. The review of available resources provides valuable insights into the benefits and drawbacks associated with microfinance programme. Some important studies which are relevant to the present study have been discussed below on the following headings:

2.2) Economic empowerment of women

2.3) Economic Empowerment of Women

2.4) Impact of Microfinance on Empowerment of Women
2.2) Microfinance and Its Operation

Kapilananda Mondal (2014)\(^1\): the founder & CEO VSSU, in his article ‘Community Development through Innovative Microfinance’ published in Microfinance Barometer 2014: he has pointed out that the microfinance sector in India has recently witnessed the catastrophic impact of excessive focus on numerical achievements. Development does not follow any scientific formulae of progress; it needs to be client focused, process-oriented, and have a holistic approach with sustainable impact as its goal.

Jayati Ghosh (2013)\(^2\): is a Delhi based Feminist Economist & an observer of Microfinance, listed the review of the recent literature on microfinance in developing countries and a critical assessment of its effectiveness in her article “Microfinance and the challenge of financial inclusion for development”. In the article, the author examines the experience of India, which has one of the largest microfinance sectors in the world, and particularly the unfolding of the microfinance crisis in Andhra Pradesh. It concludes that microfinance cannot be seen as a silver bullet for development and that profit-oriented microfinance institutions are problematic. To satisfy even some of its progressive goals, it must be regulated and subsidised, and other strategies for viable financial inclusion of the poor and of small producers must be more actively pursued.

NABARD (2013)\(^3\): it has initiated new microfinance delivery model i.e., SBLP which become popular in the whole world. Microfinance in India, as elsewhere, originally began as part of a developmental and poverty-reduction project, led by NGOs who thought this would be an effective way of allowing the poor to lift themselves out of poverty by their own efforts. Many NGOs began the process of group lending based on self-help groups (SHGs) and the linkage with commercial banks (whereby banks were allowed to lend to groups with a proven track record of repayment) further enlarged its scope. SHGs and their federations became the intermediaries between individual clients (who were mostly women) and the commercial banking system through the SHG–Bank Linkage Programme (SBLP). National Bank for Agriculture and Rural Development estimates that currently around 97 million households have access to regular savings through 7.46 million linked to different banks. About 4.78 million SHGs also have access to direct
credit facilities from banks; around 82% of these are women-only SHGs. The focus on women borrowers has been a major feature of microcredit provision in India as in Bangladesh and is frequently cited as one of the ongoing public strategies for women’s economic empowerment.

**Microfinance Summit Campaign Report (2012)**: the report provides information about the outreach of microfinance worldwide. It states that out of 3,652 microfinance institutions, 1009 are found in operation in Sub-Saharan Africa, 1746 in Asia and the Pacific, and 647 in Latin America and the Caribbean. Microfinance as a financial intervention is popular in developing countries of the world. In those continents Asia and the Pacific, have majority of client outreach of some 82%. Next comes the Latin America and the Caribbean countries (6.47%), Sub-Saharan African countries (5.67%). India has gained momentum in development an expansion of microfinance institutions. The client outreach has increased from 18.64% in 2005 to 53.38% in 2011.

**Economic Survey (2011–2012)**: The survey report states that the growth rate in extension and outstanding of credit has increased in recent years. But it is decreasing in present period. There are two different models of microfinance linked with banks: SHG bank linkage model (SBLP) and microfinance institutions (MFI) model. In SBLP model, a direct relation exist between the members and the banks. The new formed SHGs were financed by the bank from 2009 to 2010. The number of new SHGs financed by banks has decreased from Rs.15,87,000 in 2009–2010 to Rs.11,96,000 SHGs in 2010–2011. It is clear from the report that, around 80% of the SHGs were of women and the share in the disbursement of loan is around 85.73%.

**Microfinance Information Exchange (2012)**: the report of MIE states like this is - Asia is the largest continent in the development of microfinance: as on 2010, 75% of microfinance borrowers of the world are from Asia i.e., around 74 million. Out of 10 borrowers 7 live in India some 32 million or some 22 million in Bangladesh. India has become hub for microfinance institutions, where as the number of borrowers in Bangladesh remained same in the 2000s. In India as on 2011, about $4.3 billion credit was extended to 26.4 million borrowers, and nearly 90% of them were concentrated in Andhra Pradesh and Tamil Nadu.
Arunachalam (2011): has pointed out a number of causes for the Andhra Pradesh crisis, which are closely related to the very functioning of the sector in both for-profit and not-for-profit variants. In particular, the explosion of multiple lending and borrowing was a prime cause, and this was positively encouraged by MFI lenders. Poor households took on multiple loans from different sources, often only for the purpose of repaying one of the lenders, and this was fed by the combination of aggressive expansion in the number of clients and strict enforcement of payments. Further, despite the claims about personal involvement and group solidarity being the basis of the lending process, Arunachalam notes the widespread use of agents. There are two main types of microfinance agents: local grassroots politicians, who use the loans to add to their political clout; and the heads of federations of borrower groups (or SHGs), who make an additional profit by controlling or appropriating the flow of loans.

Sriram (2011): A constant observer of the activities of Microfinance Institutions in India, in his article “Micro Finance Industry in India: More Thoughts” finds that, Micro finance institutions need not be treated as holy cows. Shows there need not be any soft regulations on MFI’s. MFI should be treated on par with Non-Banking companies. Soft corner on MFI’s will certainly allow them to deviate from their specified objectives of serving the poor. Also provides an insight into behavioural problems prevailing in MFI’s.

Sriram (2010): In his article he pointed out that unlike Grameen Bank and similar institutions around the world that are funded primarily by deposits raised from their own borrowers and non-members, Indian MFIs are prohibited by law from collecting deposits. So Indian MFIs did not have a legal framework that would allow them to ‘involve the community in the ownership structure of an MFI’ has also pointed to another aspect of this transformation that has more in common with the various other methods of the ‘get rich quick’ capitalism of the past decade in India. In a study that examines in detail the ‘transformation’ of four prominent MFIs in India (SKS Microfinance Ltd, Share Microfin Ltd, Asmitha and Spandana), he noted that in some cases this was also associated with the private enrichment of the promoters through various means. These included inflated salaries and stock options provided to the top management, who were usually the promoters. A more interesting legal innovation was the use of mutual benefit trusts (MBTs) that aggregated the member-
borrowers of SHGs as members. The grant money received for the purposes of ‘developmental’ microcredit could then be placed in the MBT, which would in turn contribute to the newly created for-profit MFI. In the case of two of these companies (Share Microfin and Asmitha) the matter was compounded by cross-holding, since the promoters of the two companies were the same family.

Sriram (2010): In his article titled “Microfinance: a Fairy tale turns into a nightmare” mentioned that it was inevitable that the commercial model of microfinance in India, with its minimalist and standardised model of lending, would grow into a bubble and run into trouble. Many microfinance commercial organisations have entered the market in search of profits and are competing to lend to the poor. In the process, they have put the “understanding” of the needs of the poor aside and have started chasing targets and numbers. For these institutions, the poor are not seen as human beings having individual identities and needs. Instead, they are seen as data points that add up in their profit statements. The anxiety for growth is dictated by the fact that the investors in the market-based models are impatient and look for high returns – and then exit.

Bateman (2010): Has described how international donors such as the World Bank and USAID pushed for a shift and spread of microfinance, but in effect it had little to do with that. Rather, it essentially created, a relatively small elite of microfinance providers who (much like lenders in the US ‘subprime’ credit market) entered into unsustainable patterns of lending that ensured short-term profitability but increased the vulnerability of the poor.

Shankar & Asher (2010): In their article they have explained the need for regulation of MFIs and given some recommendations to regulate them. And highlighted the challenges involved in regulating them. They opined that since MFIs deals with poor, uneducated peoples who are least able to bear finance related risks. It is the responsibility of the MFIs to offer them the right product and financial education. They have recommended for RBIs norms for prudential and non-prudential regulation of MFIs.

through the SBLP and MFIs, client and credit outreach. Regulatory frameworks of RBI imposed on MFIs.

**Karmakar (2009)**: In his article the author tells about the role played by NABARD in developing microfinance programmes. He has briefed a number of innovative projects funded by NABARD including SHG-BLP. He pointed out various merits of the SHG-BLP project on women empowerment and the challenges involved in the process. Author also recommends for improvement in outreach of financial services to less developed region of the country.

**Muhammad (2009)**: The author has attempted to understand the nature and extent of the corporate success of Grameen Banks and Micro credit enterprises and its claim about poverty reduction and women empowerment. He reviews the success of the Grameen Bank Model how it has crowned as a panacea for poverty eradication and empowerment of women. And uncovered the information that, large majority of microcredit borrowers are women and only 10% could be sure about their control over the loans availed. The rest has to share or hand over it to husband or any other male members of the family. The success of the model is not because of alleviating poverty, but by creating profits by integrating poor into the market. He concludes with the opinion that GB model has failed as a tool for poverty eradication and empowerment of women.

**Nagayya & Koteswara (2009)**: The authors, through their paper presented the recent trends in SHG-BLP of NABARD in the four states viz., Andhra Pradesh, Tamil Nadu, Kerala, and Karnataka with special reference to support organisations. They have given some action required recommendations like need of credit plus services such as counselling, technical training, market plus services etc.

**Muhammad Yunus (2003)**: After earning a Ph.D. in economics at Vanderbilt University, Dr. Yunus returned to Bangladesh to settle into a life as a professor. But a famine in 1974 ravaged the country, leading Dr. Yunus to alter his thinking and his life profoundly: "What good were all my complex theories when people were dying of starvation on the sidewalks and porches across from my lecture hall? Nothing in the economic theories I taught reflected the life around me.” After witnessing the cycle of poverty that kept many poor women enslaved to high-interest loan sharks in Bangladesh, Dr. Muhammad Yunus lent money to 42 women so they
could purchase bamboo to make and sell stools. In a short time, the women were able to repay the loans while continuing to support themselves and their families. Armed with little more than a lofty dream to end the suffering around him, he started an experimental microcredit enterprise in 1977; by 1983 the Grameen Bank was officially formed. The idea behind the Grameen Bank is ingeniously simple: extend credit to poor people and they will help themselves. This concept strikes at the root of poverty by specifically targeting the poorest of the poor, providing small loans (usually less than $300) to those unable to obtain credit from traditional banks. At Grameen, loans are administered to groups of five people, with only two receiving their money up front. As soon as these two make a few regular payments, loans are gradually extended to the rest of the group. In this way, the program builds a sense of community as well as individual self-reliance. Most of the Grameen Bank's loans are to women, and since its inception, there has been an astonishing loan repayment rate of over 98 percent.

Fisher and Sriram (2002): in the book “Beyond Micro-credit: Putting Development Back Into Micro-finance”, the authors explained about the great diversity of microfinance industry in India, which has raised many innovations, from new products for promoting livelihoods to democratic governance. The book provides the most comprehensive analysis available of Indian innovation and practice in microfinance, including detailed analysis of the "self-help groups" in India, comparisons with microfinance in Bangladesh, and the latest performance and impact assessment. Micro-finance is an instrument for development. However, the developmental purposes of microfinance are often lost behind the dominant focus on the technology and management of micro-finance, or on outreach to poor clients. This book challenges the microfinance industry to go beyond such a narrow focus, looking at the range of development goals for which microfinance can be used. These include not only poverty alleviation through providing savings, credit, and insurance, but also promoting livelihoods, empowering women, building people's organizations, and changing institutions.
2.3) Economic empowerment of women

Paola Pereznieto and Georgia Taylor (2014)\textsuperscript{19}: “A review of approaches and methods to measure economic empowerment of women and girls”, this article presents findings from a review of 70 evaluations of development interventions which had direct or indirect impacts on the economic empowerment of women and girls. It is based on secondary data and by reviewing various studies the four dimensions of power are referred to by the authors are defined as follows:

1. Power within: the knowledge, individual capabilities, sense of entitlement, self-esteem, and self-belief to make changes in their lives, including learning skills to get a job or start an enterprise.

2. Power to: economic decision-making power within their household, community, and local economy (including markets), not just in areas that are traditionally regarded as a women’s realm, but extending to areas that are traditionally regarded as men’s realms.

3. Power over: access to and control over financial, physical, and knowledge-based assets, including access to employment and income-generation activities.

4. Power with: the ability to organise with others to enhance economic activity and rights.

Diana Wu (2013)\textsuperscript{20}: This paper was commissioned by the Women’s Entrepreneurship Working Group (WEDWG) of the Donor Committee for Enterprise Development (DCED). Based on a literature review, this report proposes a set of four domains to represent economic empowerment viz., Agency, Institutional environment, norms, recognition and status, Social relations, accountability, networks, influence and Economic Advancement. This framework offers an important foundation for shaping the review on measuring economic empowerment in the context of women’s entrepreneurship. However, it is important to note that the concept of women’s economic empowerment is complex. Understanding women’s economic empowerment requires taking into account the fact that economic empowerment definitions will vary across contexts and diverse groups. To begin to understand the changes in women’s economic empowerment requires reflection on
interrelated aspects of a woman’s life to explore not only what has changed, but also how change has been experienced in order to ensure that positive gains are sustainable and that the intervention does no harm.

Rekha Mehra, (2012): “Financial Services for Low-Income Women: Opportunities for Economic Empowerment?” In a Revised Final Report prepared for International Centre for Research on Women (ICRW) they made an analysis of the evidence on the ways in which financial sector interventions have or have not contributed to women’s economic empowerment. In the 1970s, a number of different individuals and organizations started offering loans to the poor in various parts of the world. They included a bank in Indonesia, a U.S. non-profit in Brazil, Muhammad Yunus in Bangladesh and Ela Bhatt, founder of SEWA (Self-Employed Women’s Association) Bank in India. They shared the idea that small loans to the poor would help reduce poverty. It would give them the opportunity to grow their microenterprises, repay their loans and reinvest for greater growth, thereby setting in motion a virtuous cycle of economic growth and development. Microcredit was born.

Loan repayment was especially important for the nascent microfinance industry because it aimed for self-sufficiency. It adopted a business-like approach—a characteristic that set it apart from other development organizations seeking to help the poor. Thus, it mattered that clients repaid their loans and were also willing to pay interest and fees. Loan repayments became the source of funds for future lending, while earnings from interest and fees were used to finance costs. As MFIs grew and scaled their operations, some even became profitable. Initial investments in MFIs came primarily from national and international aid agencies, but now include others: internally generated loan funds from member savings, private equity funds, individuals and IPOs. In 2009, cumulative funds invested in microfinance amounted to $21.3 billion. Investors are willing because they see potential for profit.

Centre for the Study of Financial Innovation (2012): In its paper, it stated that by now, even strong votaries of the microfinance model have come to accept that the structure is flawed and fragile. Simply put, across the world, ‘too many clients of too many MFIs have taken on too much debt’ and the sector is displaying the problems that are widespread in other parts of the financial sector: wrong incentives, poor corporate governance and lax or inadequate risk management. Certainly, it has
moved very far from the original motivations of poverty alleviation that drove the early manifestations of the model.

**Bateman and Chang (2012)**: Go well beyond the now more common critiques of microfinance that suggest that it does not do much for poverty reduction, to argue that “microfinance actually constitutes a powerful institutional and political barrier to sustainable economic and social development, and so also to poverty reduction”. They provide some trenchant arguments in support of this conclusion: The microfinance model ignores the crucial role of scale economies, and thereby denies the importance of large investments for development. (This point has also been made very effectively by Amsden 2012). It ignores the ‘fallacy of composition’ and adds to the saturation of local economies by microenterprises all trying to do the same or similar activities. Partly as a result of this, it helps to deindustrialise and infantilise the local economy. Microfinance fails to connect with the rest of the enterprise sector and so does not allow for synergies to develop in productive activities, without which innovation and productivity improvements do not occur. The model is pre-programmed to precipitate a sub-prime style over-supply of credit. By emphasizing individual access and achievement, it ignores the crucial importance of solidarity and local community ownership and control. Bateman and Chang therefore argue that the widespread adoption of this model and its international acceptability are not because of its inherent positive qualities, but rather related to the fact that it is a model for poverty alleviation that is politically acceptable to the neoliberal establishment.

**Golla et al (2011)**: asserts that women’s economic empowerment requires her to have both the ability to succeed and advance economically, and the power to make and act on economic decisions. Succeeding economically means women must have the skills and resources to compete in markets, and fair and equal access to economic institutions. Having power and agency to benefit from economic activities requires that women have the ability to make and act on decisions, as well as to control resources and profits. Microcredit enables a woman to access financial capital, a critical factor in economic empowerment. However, it is just one of the resources she needs for economic success. Other factors include human capital (e.g., education, skills, training), physical capital (e.g., land, machinery) and social capital (e.g., networks). In addition, for empowerment, a woman also needs the ability to control resources and to define and make choices.
Duvendack et al (2011): One careful review of all the empirical literature that had been drummed up in support of microfinance (Duvendack et al 2011) came to the conclusion that the widespread policy enthusiasm for microfinance in the global development community had no empirical basis – rather it was built on “foundations of sand”. By now, even strong votaries of the microfinance model have come to accept that the structure is flawed and fragile.

HelgeRoxin (2010): An empowerment concept has been especially developed for the purposes of the study, which makes it possible to understand and illustrate change processes in the lives of women. The concept is based on a particular definition of empowerment: empowerment happens when individuals and organised groups are able to imagine their world differently and to realise that vision by changing the relations and structures that have been keeping them in poverty. Empowerment is a non-linear, multidimensional process, which evolves along different pathways – material, perceptual, cognitive and relational. Taking women’s access to credit as a starting point, we observed several positive changes on a material level, such as business expansion, higher income and increases in expenditure on immediate and strategic needs. These changes translated into an expansion of opportunities of choice in the economic sphere together with an enhanced agency of clients. However, economic empowerment cannot be understood in terms of material change only. The ability to imagine the world differently and to change structures that determine the opportunities of choice and agency also need to be considered. In this sense, the economic empowerment of clients remains at a basic level. Furthermore, transforming the positive impact of microcredit into subsequent dimensions of empowerment is more complex. Building on material change, initial changes in the social sphere take place, affecting such areas as clients’ self-esteem and household contribution.

Duvendack (2010): while re-examining the actual data used in a highly positive evaluation by USAID of the microfinance programme of Self Employed Women’s Association (SEWA) in Gujarat, India, found that careful use of the data did not support many of the claims of success. He argued that not only do these data and methods not provide support for the idea that microfinance is highly beneficial to the poor, rather than perhaps benefitting a slightly better off group, but it leaves open whether microfinance is of any real benefit at all, since much of the apparent
difference between microfinance participants and controls is likely due to differences in their characteristics rather than the intervention.

**Helpdesk Research Report (2010)**: DFID Asia- ‘Measuring Women’s Economic Empowerment’ The states that there is no single standard definition of women’s economic empowerment and the term is often used loosely. From the literature reviewed for this report, it would appear that the majority of efforts to measure women's economic empowerment programmes focus primarily on quantitative outcomes - such as increased access to credit or increased business revenue - even where the stated objectives include broader empowerment goals. Whilst some evaluations include variables to show that women have not been disempowered, few succeed in showing that specific aspects of women’s power have actually increased (e.g., more household resources dedicated to women’s consumption and personal time, increased women's decision making and control over household resources, increased autonomy). As is often noted in the literature, positive outcomes in financial terms, do not necessarily equate to empowerment (Kabeer 2005) and can even have disempowering effects (Martinez, 2006).

**Centre for Economic and Business Research (2008)**: This study shows the relevant knowledge about how and when specific project level instruments and/or policy interventions work to increase gender equality and to foster economic development through increased empowerment of women. Part 4 (pp 22-45), summarises the evidence from a range of microfinance, education and legal aid interventions which aim to empower women, the study finds considerable evidence indicating that supply-side interventions in the areas of microfinance and education can lead to empowerment of women. The available literature does not allow for the identification of factors which make the individual microfinance arrangements successful. The study also makes the point that very few studies attempt to weigh the effects found against the costs.

**Bridge (2007)**: Report on ‘Gender and Indicators’ explains, what is meant by gender-sensitive indicators and measurements of change. It makes the case for gender-sensitive measurements and outlines how to go about measuring in practice. According to the analysis, empowerment combines not only observable action, but also the meaning, motivation and purpose attributed to such action. As such, women's
empowerment must be measured along a number of indicators. Moreover, purely quantitative indicators may not be sensitive enough to capture the nuances of gendered power relations inherent in empowerment processes; nor can they measure an individual’s (subjective) sense of agency or self-worth. In order to understand the socio-cultural context within which social interaction and gender relationships take place, it may be useful to use in-depth qualitative methods. Approaches to measuring women’s empowerment must also take into account the fact that empowerment can be a slow process of change. The report identifies a key challenge as balancing the need for both universal standards to measure empowerment and context-sensitive indicators. One approach is to use multi-level indicators, where broader-level indicators might be applicable across a range of contexts, while indicators at the community and household level might be adapted for specific contexts.

Martinez (2006): ‘The Courage to Change: Confronting the limits and unleashing the potential of CARE’s programming for women. This report summarises findings from Phase 2 of CARE International’s Strategic Impact Inquiry on Women’s Empowerment. It is based on nearly 30 research sites and secondary data from nearly 1,000 projects in the CARE International portfolio, all of which make some claim to advancing the rights and well-being of women and girls. A key finding of the evaluation is that there is an important difference between the many examples of success of isolated interventions and the few examples of success in fundamentally transforming gender relations. It identifies two central paradoxes of work to promote empowerment:

- Income does not in itself equal empowerment; nor do morbidity reductions, educational attainment, voting, group membership or even rights awareness. These things can be accomplished in ways that empower or disempower, that are sustainable or easily reversible.

- A drive to show attributable results in the short term can blind us to the real progress and pathways of long-term impact on women’s empowerment.

Vaill (2003): ‘More than Money: Strategies to Build Women’s Economic Power, Impact Report This report synthesises the key lessons learned from the Global Fund for Women’s three-year Economic Opportunity Initiative. It finds that the most effective interventions for women’s economic empowerment are those efforts that
iterate explicit objectives that go beyond income generation. Specifically: providing women with access to information on their rights and building self-esteem helps reverse their lack of power and economic independence in the home. Creating access to credit, skills training and economic literacy enable women to successfully run their monetary affairs. Linking women to local providers of technical assistance and business expertise ensures the long-term sustainability of their economic ventures. Educating men about the value of improving the status of women and girls in the family and society can engage men in the advancement of female family members. Supporting women's labour rights organizing and policy advocacy helps challenge the harmful effects of the rapid expansion of free markets. Supporting related programs in the following areas recognizes the complexity of women's lives and yields more effective outcomes:

**M.P. Boraian (2003)**: In his article titled “Empowerment of Rural Women: Towards Reversal of Gender Relations”, paper deals with the impact of SHGs, promoted by eight leading NGOs in two southern states of India, namely Tamil Nadu and Andhra Pradesh. All these organisations come under a partnership programme promoted by the Development Promotion Group (DPG, Chennai) with financial support from EED, Germany. The study has revealed that women's groups have succeeded in reversing the gender relations in their favor and proved that they can effectively replace the leadership in local institutions and provide better governance to the community.

Empowerment is the process of challenging existing power relations and of gaining greater control over the sources of power. The goals of women's empowerment are to challenge patriarchal ideology, to transform the structures and institutions that reinforce and perpetrate gender discrimination and social inequality, and to enable poor women to gain access to and control over both material and informational resources. Empowerment is not externally bestowed upon people, but instead, the women need to be the agents of their own empowerment; outsiders and outside organisations can only help create the conditions favorable to women's empowerment and can support the process that works in these directions.
M.P. Borain (2003): Skill training activities among the SHG members is at a low level. Members concentrate on accumulating their savings, distributing credit and ensuring its prompt repayment. Attention on credit utilisation by members is poor. However, members state genuine reasons and utilise it for the stated purpose, unlike in most of government schemes. Often, the SHG members avail the credit for redeeming their old debts, consumption purposes and domestic exigencies, rather than on concrete productive activities. Collective economic activities, too, have not opened their account in most of the groups. 'All these will certainly follow', asserted the women and attributed the present practice as inevitable, in the initial phase of credit utilisation from the SHG. 'Growth will be gradual', said the women and, 'progress is inevitable', assured the group.

M.P. Borain (2003): 'Measuring Women’s Empowerment as a Variable in International Development’, this paper presents a review of theories and strategies to foster women's empowerment in the development context. It defines empowerment as the ability of people to make strategic choices in areas that affect their lives. Two key factors in the process of empowerment are identified: control over resources (the conditions for empowerment) and agency (the ability to formulate choices). Section one of the paper outlines the conceptual framework, whilst section two discusses how empowerment can be measured in practice, with an overview of various frameworks which cover economic, socio-cultural, familial, legal, political and psychological dimensions. It identifies the following elements of economic empowerment at three levels:

1. Household level
   - Women’s control over income;
   - Relative contribution to family support;
   - Access to and control of family resources.

2. Community level
   - Women’s access to employment;
   - Ownership of assets and land;
   - Access to credit;
   - Involvement and/or representation in local trade associations;
   - Access to markets.
3. Broader access

- Women’s representation in high paying jobs;
- Women CEOs;
- Representation of women’s economic interests in macroeconomic policies, State and federal budgets.

The report argues that in practice, measuring empowerment depends on the establishment of universal standards (such as human rights), but at the same time must allow for indicators which are sensitive to context. Recommendations include the need to develop a framework that can be used across settings, and to address empowerment at the mezzo/community level as well as at the level of the macro (legal/political) and micro (family).

**Cheston and Kuhn (2002)**: The term empowerment is used to refer to self reliance and self respect in order to enable each person to reach his/her God given potential, they also state that empowerment is about change, choice and power. Empowerment is also considered as a process of change by which individuals or groups with little or no power gain the power and the ability to make choices that affect their lives. Women’s empowerment should also reflect on their sexual and reproductive rights and health. An empowerment approach to women’s health emphasizes women’s individual sense of self worth connecting to the values they attach to their own health (linked to “power within”) women’s individual decision making over access to health care (“power to”) and women’s collective empowerment through organizing to make health services more accountable and to increase women’s choice decision making and control over their bodies (“power with”).

**Kabeer (2001)**: Defines empowerment as “the expansion in people’s ability to make strategic life choices in a context where the ability was previously denied to them.” It involves individual agency, i.e., the idea of acting on one’s own behalf, and collective actions to engage in a process of transformative change. Thus, women must themselves be actors in the process of change and, for empowerment to occur, the change has to be manifest in the woman herself.

**Kabeer (2001)**: This paper discusses attempts to construct indicators of women’s empowerment, focussing in particular on the meanings given to these
measures and values embedded within them. Kabeer defines empowerment as the process by which those who have been denied the ability to make strategic life choices acquire such ability. She argues that there is a wide gap between this understanding of empowerment and the more instrumentalist definition attached to efforts to measure and quantifies empowerment. In her analysis, the ability to exercise choice incorporates three interrelated dimensions: resources (defined broadly to include not only access, but also future claims, to both material and human and social resources); agency (including processes of decision making, as well as less measurable manifestations of agency such as negotiation, deception and manipulation); and achievements (well-being outcomes). The paper concludes that these three dimensions of choice are indivisible in determining the meaning of an indicator and hence its validity as a measure of empowerment.

2.4) Impact of Microfinance on empowerment of women

The Hindu(2015)³⁹: "Microcredit no panacea for poverty” a recent article in The Hindu states, Six studies in four continents, including one in India, have shown no evidence of microcredit successfully alleviating poverty. Microcredit also had no impact on women’s empowerment, the findings showed, upturning one of the articles of faith of development policy, including in India.

Mauricio Cervantes & Miguel A. Montoya Mexico (2014)⁴⁰: In the working paper series ‘The Bright and Dark Sides of Microfinance’ authors analyzes the impact of microcredit on the life of women and shows that there is a dark side of microcredit that needs to be addressed. This dark side includes women being forced to take credit by their family, issues surrounding financial education, complaints about the Grameen model, marital disharmony, problems with children, etc. Additionally, benefits are kept mainly in the microfinance institutions due to the high interest rates they charge. The most significant issue uncovered by this study is the lack of financial culture and poor level of general education exhibited by creditors. For example, the sample proved to be unaware of the high interest rates that they are paying. Another critical point is the control that sentimental partners and other family males exert over the women; almost half of the sample recognized a degree of male control in the decision-making process. This reflects the fact that the MFIs in the region follows the Grameen-model in only granting microcredit to women.
Arindam Laha & Prvat Kumar Kuri (2014): The outreach of microfinance program is considered to be a means to enhance the economic opportunities among the women section of the population and thus have its far reaching implications to the empowerment of women. In this respect, a wide variation in the outreach of microfinance program to the women poor households is observed across countries of the world. In India, the states having higher level of microfinance outreach are also the states with a relatively high level of women empowerment. It is, thus, predicted that an all-inclusive microfinance system would strengthen the process of financial inclusion in India and thereby would promote women’s empowerment. An attempt has been made in this paper to construct a comprehensive measure of microfinance outreach that will capture information on several indicators of microfinance outreach, viz. penetration, availability, and usage. For each indicator, the performance of the state misevaluated in respect of the national average.

Eswarkuma & Raghvendra (2014): In their paper Role of Shri KshetraDharmasthala Rural Development Project (SKDRDP) in Micro Finance Through SHGs –A Study in Shimoga District of Karnataka they analyse the role of SKDRDP in sustainable rural development through microfinance. The study reported that SKDRDP are playing vital role in the formation of SHGs and motivating women to join the groups and linking the groups with the banks for microfinance. But, SKDRDP played limited role in marketing the products of SHGs.

Manju & Shanmugam (2013): Micro Finance is one of the important instruments of economic empowerment of women in India. The main objectives of this study are, to analyze the economic empowerment of women through Micro Finance and evaluate the performance of Micro Finance in India. This study purely based on secondary date, and this paper has used simple mathematical and econometric models to interpret the data. The period of the study is from 2000-2001 to 2010-2011. NABARD has been providing loan facilities to SHGs through SHG-Bank Linkage programs with the help of RBI through three banks like, Commercial Banks, Regional Rural Banks and Cooperative Banks. This paper concludes that, Commercial Banks have a dominant role in providing loans facility to SHGs as well as Region-wise through SHG-Bank Linkage Programs in India. But unfortunately, the majority of SHG members are using loans to unproductive purpose this leads to
indebtedness. So, the members should use loans to productive purpose, in order to empower the economic condition.

**Biradar (2013)**⁴⁴: in his research work, the author studied the activities of four NGOs working in the states of Karnataka and Tamilnadu and impact of microcredit on NGO promoted SHG members. The author examined the impact of microcredit on poverty and find out that microcredit helps the members to overcome poverty. At the same time he also pointed out that microfinance is not a one stop solution for poverty eradication, it can help in income generating activity but subject to the interest of the members.

**Vasantha Kumari (2012)**⁴⁵: In her article’s author discusses about the economic empowerment of women through micro enterprises through different promoting agencies of microfinance. To make a comparative study, she has taken SHGs promoted by SGSY, State govt. promoted SHGs, & NGO promoted SHGs. Women in India have only secondary status in the society. They are generally underemployed due to limited command over resources. Their position can be improved only by providing employment opportunities. Micro credit based enterprises have significance in this context. The successful functioning of these enterprises provides economic independence to women. Organising women through Self Help Groups and equip them to undertake income generating activities through the formation of micro enterprises have created an economic revolution in the country. The emergence of women entrepreneurs and the beginning of micro enterprise development have followed from these achievements. The intervention of the voluntary efforts from promotional agencies need not be emphasized. As against this background the present study has been undertaken. The empowerment of women, especially economically, is being regarded as a sine-qua-non of progress for a country. The Self Help Group (SHG), through micro enterprise development, is recognized as an important mechanism for empowering women. By organizing poor women into groups, they not only expand options available to them for their development, but also provide them with opportunities to develop their confidence and skills to improve their status and to bring about a change in the attitude of the society towards women. The paper, beyond any shadow of doubt, underlines that micro enterprise in India leads to the economic empowerment of rural poor women.
This allows them to express and impose their views because if women make adequate economic contributions to the family, they are bound to be treated at par with men.

**Bateman and Chang (2012)**: In their article viewed that microfinance does not do much for poverty reduction, to argue that ‘microfinance actually constitutes a powerful institutional and political barrier to sustainable economic and social development, and so also to poverty reduction’. They provide some trenchant arguments in support of this conclusion: the microfinance model ignores the crucial role of scale economies and thereby denies the importance of large investments for development. It ignores the ‘fallacy of composition’ and adds to the saturation of local economies by microenterprises all trying to do the same or similar activities. Partly as a result of this, it helps to reindustrialise and infantilise the local economy. Microfinance fails to connect with the rest of the enterprise sector and so does not allow for synergies to develop in productive activities, without which innovation and productivity improvements do not occur. The model is pre-programmed to precipitate a subprime-style oversupply of credit. By emphasising individual access and achievement, it ignores the crucial importance of solidarity and local community ownership and control. Bateman and Chang therefore argue that the widespread adoption of this model and its international acceptability are not because of its inherent positive qualities, but rather related to the fact that it is a model for poverty alleviation that is politically acceptable to the neoliberal establishment.

**IRIN News (2012)**: LONDON, 13 March The scope of microfinance to lift poor people out of poverty and provide mechanisms of empowerment is being challenged as questions are raised about the supporting evidence. "I think a lot of people think that microfinance equals microcredit [providing small loans," Duvendack told IRIN. "Microfinance is not just credit and savings, but also insurance business skills, training, financial, literacy.” Most studies consider the impact of microcredit, but Roodman suggested another of the microfinance portfolio products – micro savings - could have positive impacts on poverty reduction. "It is the overall lack of access to credit for small and medium enterprises that prevents micro-enterprises growing into anything more substantive," Bateman added in an ODI paper. Microfinance initiatives have provided a social legitimacy for poor people to become indebted, commented Bateman, and the commercial business model has meant high interest rates for microcredit. Duvendack, however, who is completing a study on the
impact of micro savings, said it showed no significant benefits over microcredit. "There is no clear evidence that microfinance has any positive or negative impacts," said Maren Duvendack ODI fellow and author of a recent systematic review of microfinance while David Roodman of the Centre for Global Development, added: "I wouldn't say microfinance doesn't work, I would say it does not systematically reduce poverty. We do not have credible academic evidence that microcredit on average lifts people out of poverty... We also do not have evidence that microfinance is systematically making people worse off."

**ICRW Revised Final Report (2012)**: The report titled ‘Financial Services for Low-Income Women: Opportunities for Economic Empowerment?’ states that, financial service provision to the poor women have increased over past years. The intervention aims to advance women economically. They include informal savings groups, the integration of women into formal banking, and financial intermediaries that bridge the divide between them. The microcredit programme targeting poor women have gained considerable recognition especially in some countries such as India, Bangladesh and Bolivia. A whole spectrum of methodologies is being applied by a wide range of institutions, some of which now offer varied products including savings and micro insurance. In the last 15 years, technological advances such as mobile phone-based banking offer new opportunities for greater outreach and scale. Some banks are also making efforts to provide loans to more women small and medium entrepreneurs. Although these financial interventions have been extensively studied, using a range of evaluation techniques in different contexts, they have not often been examined comprehensively in the context of empowering women economically.

The report examines the available evidence on the extent to and ways in which financial services have (or have not) contributed to women’s economic empowerment. It seeks to highlight the research gaps and identify priorities for research and practice as guidance for how to effectively invest in creating economic opportunities for women in the financial services sector. The report concludes with the opinion that, microfinance has not done much for creating opportunity for economic empowerment of women. A positive effect can be seen in terms of saving groups for poor women.
Golla et al. (2011)\textsuperscript{49}: Women’s economic empowerment, which uses sample indicators to show different stages at which results can be measured. These stages range from project outputs and immediate outcomes to intermediate and longer term impacts. Determining which stage to measure depends on what is feasible to measure given the project’s resources, expected impact and timeframe. As the matrix shows, agency/power and economic advancement can be measured separately. Both quantitative and qualitative methods are appropriate for measurement, depending on what type of information is needed and feasible to collect.

Duvendack et al. (2011)\textsuperscript{50}: In his work he came to conclusion that the widespread policy enthusiasm for microfinance in the global development community had no empirical basis; rather, it was built on ‘foundations of sand’. Indeed, the critique has also brought into focus the problematic methodology employed by some of the early more positive evaluations, particularly the problems of selection bias and unobservable characteristics.

Vani. S. Kulkarni (2011)\textsuperscript{51}: While there is a shared understanding and general consensus on the functions of microfinance institutions (MFIs), their potential for the empowerment of women has been much debated. This paper focuses on the nature of this debate. Studies have indicated both the promise of MFIs and the challenges they present for women’s empowerment. In this context, various factors – economic, organizational, political and cultural – have been emphasized. The present study, while acknowledging all these factors, makes a case for a more-sophisticated and nuanced analysis of culture for a deeper understanding of the linkages between MFIs and women’s empowerment, and suggests areas of enquiry for informed policymaking. The empowerment potential and significance of the larger social matrix indicate that microfinance needs to be designed not as an economic model, but as a holistic approach to development, in which the role of culture becomes especially important. The empowerment potential and significance of the larger social matrix indicate that microfinance needs to be designed not as an economic model, but as a holistic approach to development, in which the role of culture becomes especially important.

Priyadarshee & Ghalib (2011)\textsuperscript{52}: In their paper they pointed out that within a relatively short time, microfinance has gone from being hero to zero in the
development discourse: from being praised as the silver bullet to solve the problems of development and poverty reduction, to being derided as the progenitor of financial instability and enhanced vulnerability among the poorest people who can ill afford to take this additional burden. Indeed, it is now even described as ‘a poster child of exploitation of the vulnerable ’This is a far cry from the situation in the early 1990s, when microfinance particularly in the form of microcredit was the most popular fad of the international development industry (it has since been replaced by conditional cash transfers), emphasised by the World Bank as an almost universal panacea for poverty and receiving the lion’s share of untied aid money from international donors microfinance.

Camille Sutton-Brown (2011)\(^5\): Women's Empowerment in the Context of Microfinance: A Photo voice Study it is a desertion submitted to Georgia State University. In this study the researcher tries to find the impact of microfinance on women. The assumptions underlying the relationships between microfinance and women’s empowerment are typically rooted in a financial paradigm, wherein the prevailing belief is that increase in economic resources necessarily leads to increase in women’s empowerment. This results in a conceptual erasure of the multidimensionality of empowerment and disregards the influences that microfinance has on women that extend beyond the economic sphere. This study explored how 6 women in Mali perceive and experience empowerment in relation to their participation in a microfinance program using photo voice. Photo voice is a qualitative methodology wherein participants document, reflect on, and represent their community and experiences using a specific photographic technique. The photographic collection that the women generated, along with their narratives and oral testimonies, suggest that empowerment is a complex construct that includes, yet extends beyond the economic paradigm. The findings of this indicate that microfinance has both positively and negatively impacted various dimensions of the women’s perceived empowerment.

Banerjee et al.(2010)\(^6\): found, on the basis of a randomised controlled trial of households in Hyderabad,India, that existing business owners appeared to use microcredit to expand their businesses, while (poorer) households with low predicted propensity to start a business increased their spending on non-durable items, particularly food. The study found ‘no discernible effect on education, health, or
women’s empowerment’. Often, those who showed some benefit were those who had higher and more secure incomes to start with business.

Kuri, (2010)55. The economic opportunities created by growth are to be made available across the entire spectrum of population including the vulnerable sections of the society. The process of microfinance outreach enables to create an environment to provide better access to economic opportunities. To ensure equal access, it is necessary to strengthen human capabilities to enable the people to qualify for productive employment

WIDE (2009)56: conducted one day consultation to raise awareness about positive and negative impacts of microcredit on women and the role they can play in tackling poverty in the European Union. The two main issues raised are-

- Does microcredit really lead to women’s empowerment in the South? Which are the improvements to make and the lessons learnt in the South?
- Can microcredit be considered a sustainable alternative to stimulate employment and fight against poverty & discrimination both in the Global South as well as in the EU?
- The session highlighted growing concerns about the limitations of Microfinance Programme and proposed ways of addressing these.
- How to ensure governments do not abdicate social policy responsibilities in the advent of microcredit schemes;
- The impact of the financial crisis on financing;
- The need for market education and follow-up training for women as part of Micro-credit schemes
- The role of the European Union
- The issue of the setting of interest rates.

Ayesha Pervez(2009)57: in her article ‘Revisiting the Concept of Women’s Empowerment’: she pointed out that looking at the Micro-credit programmes and its impact on women’s empowerment level in India Micro credits don’t often lift women out of income poverty, serving more immediate consumption needs. They are not market oriented, focusing on low risk and yielding low profits. Women have no marketing or price negotiating skills and few decision-making powers. Their mobility
is limited and they still keep most of their household duties. Men often control the loan amount. Women often hand profits to male family members. Repayment pressure is often severe, with women taking out one loan to repay another. The poorest women continue to be excluded from micro credit schemes.

**Saswatee Rath (2009)**: The present study is an attempt to understand the influence of SHGs on the lives of women involved in it. The focus is to develop insight into the process of empowerment of women in terms of not only economic but also social and political empowerment including health. The concept of empowerment of women has been analyzed at individual, familial and societal levels. It was found that though women generated additional income for the family, they occupied a backseat in major decisions like education of children, marriage, and purchase of land. In other words, though women could come out of their homes, purchasing things for themselves or their family, major decisions relating to purchase of land, marriage and education of children was taken by the male members of the family. It was the women who spent their income to improve the nutritional standard of the family. Almost half of their income was spent on food items but were in the last priority in distribution of food in the family. At times when women invested in lands, decisions relating to purchase or sale of it were taken only by men.

**Ranjula Bali Swain and Fan Yang Wallentin (2008)**: Working Paper on Economic or Non-Economic Factors – What Empowers Women? Microfinance programs like Self Help Group Bank linkage program (SHG); aim to empower women through provision of financial services. We investigate this further to determine whether it is the economic or the non-economic factors that have a greater impact on empowering women. Using household survey data on SHG from India, a general structural model is adopted where the latent women empowerment and its latent components (economic factors and financial confidence, managerial control, behavioral changes, education and networking, communication and political participation and awareness) are measured using observed indicators. The results show that for SHG members, economic factors, managerial control and behavioral changes are the most significant factors in empowering women.

**S.M. Sakri (2008)**: In the minor research project titled “Women Empowerment Through Micro-Finance: A Case Study of Belgaum District in
Karnataka” submitted to UGC viewed that micro finance refers to the entire range of financial and non-financial services including skill upgradation and entrepreneurial development, rendered to the poor for enabling them to overcome poverty. Micro finance includes programmes those extend small loans and other financial and business services to very poor people for self employment projects that generate income allowing them to care for themselves and their families. The focus of micro finance programmes is on facilitating the poor to graduate from the pre-micro-enterprise stage to the micro enterprise stage and in successfully accessing credit from financial intermediaries.

**Action Research Project (2007)**: Report on Action Research Project on Gendering Microfinance under SGSY. A study on SGSY by National Institute of Bank Management (NIBM) indicated that the main tenets of SGSY as enunciated earlier were not adhered to. The Central Level Coordination Committee (CLCC) too had revealed the inadequacies. So Ministry of Rural Development (MORD), Government of India (GOI) decided to support an ARP to be taken up by NIBM with the participation of NIPFP for developing a prototype for SGSY. The plan came with a conclusion that Planning and implementation of SGSY are not satisfactory. Key and cluster approach are not working well. And majority of the Swarozgaris/SHG have not generated economic surplus from their credit led assets; skill based training seems to be weak; marketing channel has not been created.

**Meron Haileseleassie (2007)**: The study establishes that improved access to microfinance has been able to empower women economically. Although the results vary, the study indicated that the income and saving levels of the majority of the clients have increased after the delivery of microfinance. Encouraging results have also been shown in the enhancement of the women’s of self-confidence with respect to the capability to work on their own and improve their lives. On the other hand, there is no indication of an enhancement in the decision making power of women and in their political empowerment as reflected in respect for their legal rights, ownership of household assets and holding of political positions. In addition, the delivery of microfinance has failed to bring about changes in their decision making at the household level. The study recognizes the limits of the transformative capacities of microfinance and it shows that financial empowerment does not necessarily lead to a
transformation in gender relationships which is a basis for the overall empowerment of women.

**Kabeer (2005)**: Access to resources does not by itself translate into empowerment or equality unless women acquire the ability to use the resources to meet their goals. For resources to empower women they must be able to use them for the purposes of their choice. The effective use of resources requires agency, which is, the process of decision making, negotiation and manipulation. Women who have been excluded from decision making for most of their lives often lack this sense of agency that allows them to define goals and act effectively to achieve them.

**Kabeer (2005)**: Identifies three contrasting paradigms with different underlying aims and understandings and different policy prescriptions and priorities in relation to microfinance and gender policy. The three paradigms, namely the feminist empowerment, poverty reduction and financial sustainability, also have different emphasis in the way they perceive the inter-linkages between microfinance and women’s empowerment. Women’s access to credit is generally believed to result in their economic empowerment. As a result, the provision of microfinance to women has been called for by various international and national organizations in light of their productive role for economic development and women’s rights. However, many still question the empowering capacity of credit in relation to the economic, social and political conditions of women.

**Sreejata Banerjee & Swamidoss (2005)**: The objective of the study is to understand how far the beneficiaries of SHGs have been empowered. To examine structural issues that is impediments to empowerment. They try to identify steps that can be adopted to enable the vulnerable people to be economically strengthened in the road map to empowerment. The success of a microfinance programme should be measured not only from the standpoint of high repayment ratio but also from the perspective of how far self-sufficiency has been achieved. The authors have identified four basic factors that influence the consumption behavior of marginalized people, which impinge on the success of microfinance. They are awareness, self-esteem, dependence and sustainability. We analyse each of these factors in relation to their impact on the ability of the SHG member to be self-sufficient and lead a better quality of life.
Skarlatos (2004)⁶⁶: The author states that there are a number of issues within the women’s empowerment framework that impede the poverty reduction capacity of microfinance. First the size of the loans is too small which does not enable the women to make long lasting income change for the household. Secondly, the increased access to credit in the same geographic area could contribute to market saturation of products provided by women. This is because poor women usually engage in similar businesses. Thirdly, there is the possibility that the women’s successful business might have a negative impact on the girl child who might be required to help her mother leaving the school. And he also pointed out that However; women’s ability to benefit from the access in is limited by the gender related disadvantages.

Mayoux (2002)⁶⁷: The impact of microfinance on income has been observed to be variable. It appears that for the majority of borrowers income increases are small and even in some cases negative. This is due to the fact that most women invest in existing activities which are low profit and insecure. In addition, women’s choices and ability to increase income is constrained by gender inequalities in access to other resources for investment in household responsibility and lack of mobility. Hence, the presumption that access to credit automatically leads to women’s empowerment is not often true. This is because women with access to credit are usually unable to gain and maintain control of it. In addition there are additional disadvantages that women face including inability to access information, productive resources and social networks that hinder their access to and control of resources.

Microfinance can be benefited by involving women both as staff and borrowers has the potential for increased levels of economic empowerment and financial stability that will benefit the individual women, their families and communities.

Fiona Leach & Shashikala Sitaram (2002)⁶⁸: This article focuses on the Indian NGO project, located in Karnataka State in South India. Its aim was to empower scheduled caste women working in the silk-reeling industry (an almost exclusively male enclave) by transforming them from poorly paid laborers into successful independent entrepreneurs. Given that these women belong to the lowest and poorest caste in Indian society, and as such are doubly discriminated against, this was an ambitious project. The project inputs consisted of training, microfinance, and
follow-up support, it documents the impact that the project had on their economic and social status over a period of time and highlights the negative consequences of excluding male relatives from playing any meaningful role. It suggests ways in which the project might have been made more male inclusive while still empowering women. At the same time, it acknowledges that even if the men’s hostility to the project had been overcome, the women’s micro enterprises were unlikely to have been viable commercially. This is because the project insisted that the women operate as a group in what was a high-risk area of economic activity, with no clear strategy as to how their work could be sustained.

**Mayoux (2002)**⁶⁹: argues that the logical assumption of virtuous spiral of economic empowerment to the household due to microfinance does not in reality exist. This is particularly so given that there exists gender relations in society in relation to loan uses; a scenario that more often than not leaves poor women borrowers highly indebted, and not much wealth to show for it.

**Susy Cheston & Lisa Kuhn (2002)**⁷⁰: ‘Empowerment of Women Through Microfinance’ UNIFEM sponsored research project in their report they demonstrated that though Microfinance does not address all the barriers to women empowerment, microfinance programmes when properly designed can make an important contribution to women empowerment. Credit is the only way for women to continue income generating activity but it is not sufficient condition for empowerment of the same, it depends on the socio cultural conditions of a society. Women still affect adversely by men domination, heavy domestic duties, and lack of control over their life.

**Hulme (2000)**⁷¹: In his work pointed out that ‘Clients have to pretend that they want microenterprise loans (when they need to pay school fees, cope with a medical emergency, buy food, etc.) and do not have access to the types of micro savings services that they desire.’

**Madheswaran and Dharmadhikari (2000)**⁷²: The exclusion of the poorest could be attributed to the less targeting on the poorest as compared to moderately poor. This was because the financial institutions presumed that the promotion of the poorest might hinder the sustainability of the programme. Their study has brought out that lack of awareness, social exclusion to join with other group members. Improper
identification techniques, difficulties faced at the time of appraisal and follow up and strict discipline in repayment requirements and penalties for delays acted as hindrances for the poorest to participate in the Maharashtra Rural Credit Programme.

Rahman, (1999): The bank workers select women borrowers, as it is easier for them to ensure repayment. But, often, their husbands and other family members put pressure on them to join the programme to get loans for their own use. Women-oriented micro-finance programmes have the public transcript that they improve women's contribution to family welfare and assist poor women through their socio-economic empowerment. The idea of giving loans to women who do not have physical collateral may seem attractive. But, it has a hidden transcript that since women have limited physical mobility and culturally imposed restrictions, often, the positional vulnerability of women is used at times of repayment on Grameen Bank model of micro-finance programme in Bangladesh reveals that at the time of repayment women experienced tensions and violence from within the household and from them members in a group and also from the bank workers. Moreover, the undue importance given to the credit performance measured in terms of repayment gave over-weight to dispensing and recovery of loans rather than the issue of whether women developed meaningful control over their investment activities.

Goetz and Gupta (1996): Women have a stake in the overall economic achievement of the household. However, in societies where there are restrictions on women’s public mobility the impacts of microfinance on women are marginal or even non-existent. In addition, the economic impact of microfinance on women depends on whether they have full control over the loan secured and their voice in house hold decision making. Women’s access to financial resources has been substantially increasing over the years. It is also significant to note that often their male relatives controlled large proportion of the women's loans.

Hashemi et al. (1996): explained that the microfinance programme in Bangladesh had led to empowerment of women. They had used a measure of length of programme participation among Grameen Bank and BRAC (Bangladesh Rural Advancement Committee) clients to show that each year of membership increased the likelihood of a female client being empowered by 16 per cent. The survey was conducted in 1992 based on 1225 women. A composite empowerment indicator was
created based on eight components: mobility, economic security, ability to make small purchases, involvement in major household decisions, and freedom from domination within the family, political and legal awareness and involvement in political campaigning and protests. A woman was considered empowered if she scored five out of eight of the subcomponents. Results showed that Grameen Bank members were seven and a half times more empowered as compared to the comparison group. Even women who did not participate in the programme were more than twice as likely to be empowered simply by virtue of living in Grameen villages. Thus, a positive spill over from microfinance was affecting the norms in communities.

2.5) Research Gaps

The observation of review of literature indicates certain research gaps which are as follows:

- From the above review it is noted that many of researchers have studied about the over all empowerment of women. Very limited works were observed on economic empowerment of women.
- Majority of the researcher studied women empowerment in terms of improvement in the economic status of family, direct impact of microfinance on its clients were not observed.
- Limited works were done on the impact of microfinance on IGAs which is crucial part of microfinance programme.
- The focus of none of the above reviews is exclusively to study the Economic Empowerment of Women Through Microfinance-A Case study of Gadag District.
- None of the available studies are conducted in the present area of study i.e. Gadag district.
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