

**THE ROLE OF MICROFINANCE IN WOMEN EMPOWERMENT:
A STUDY ON THE SHG BANK LINKAGE PROGRAM IN
HYDERABAD (ANDHRA PRADESH)**

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ABSTRACT

Micro finance programs are treated as a key strategy in addressing development issues across nations since the last three decades. This study attempts to explore on the much debated question of the role of microfinance as a financial intermediary for enhancing women empowerment. A primary survey has been carried out to capture the realistic experiences and observation from the beneficiaries of Micro sate branch of Hyderabad, a unique initiative of Indian Bank for microfinance operations intended to improve the status of women. The empirical findings of the study suggests that microfinance has a profound influence on the economic status, decision making power, knowledge and self worthiness of women participants of self help group linkage program in Hyderabad. The microfinance related loan availement and its productive utilization found to be causing significant differences in women empowerment levels, measured through women empowerment index (WEI), of the loan availed participants as compared to the non- loan availed. The study confirms that as an anti poverty tool, microfinance has its own limitations to reach the bottom of the poor. However, it is found effective in graduating the poor, not the poorest, and lower middle class to a higher standard of living. Though different studies at various places and points of time differ in their conclusion, the present study acknowledge that despite of bottlenecks, microfinance is capable of graduating struggling poor from their shackles and helps to upscale them to a better living and playing significantly positive role in upgrading women empowerment.

Keywords: Microfinance, Women empowerment, SHG bank linkage program (SBLP)

Introduction:

Micro finance programs are treated as a key strategy in addressing the development issues across nations since the last three decades. Microfinance has also gained huge prominence worldwide in the arena of economic development enhancement. The vision of micro financial systems worldwide is to serve the impoverished majority, help them to lift them out of poverty, and make them full participants in their country's social and economic development (Otero,2005).As an efficient socio-economic financial mechanism, micro-credit enables various agencies, both governmental and non-governmental, to realize their targets, among them in the Millennium Development Goals (Hossain and Knight ,2008). Microfinance is the provision of broad range of financial service such as deposits, loans, payments, money transfers and insurance to the low income households and their micro enterprises to break out of their impoverishment (Lazer 2008). In India microfinance has become an important tool of economic development. (Tiwari and Thakkur 2007). Women's empowerment became a critical pre requisite of the socio-economic development of any community. Fostering the female participation in the nation building became a major concern of many governments all over the world.

Objective of the study:**The objective of the present study is:**

- To study and analyze the relationship between (Self Help Group) SHG- bank linkage program participation and women empowerment.

Hypothesis:

H 1: There is no difference in income of respondents before and after joining the SHG.

H 2: There is no difference in savings of respondents before and after joining the SHG.

H 3: There is no difference in loan availability of respondents before and after joining SHG.

H 4: There is no difference in economic scores of loan availed and non-loan availed respondents

H 5: There is no difference in decision-making scores of loan availed and non- loan availed respondents

H 6: There is no difference in knowledge scores of loan availed and non-loan availed respondents

H 7: There is no difference in self worthiness scores of loan availed and non-loan availed respondents

H 8: There is no difference in women empowerment index scores of loan availed and non-loan availed respondents.

Methodology :**Sampling frame and Collection of Data:**

The study is heavily relied on literature as well as both primary and secondary data. Extensive literature survey is carried out to understand the theoretical underpinnings and experiences of different nations and regions on behalf of applying microfinance as effective tool for the development and up liftment of poor and empowering women. For this purpose a primary survey has been carried out to capture the realistic experiences and observation from the beneficiaries of Microsate branch of Hyderabad, a unique initiative of Indian Bank for microfinance operations for improving the status of women.

The 300 sample respondents are comprised of 150 female participants of self help group who availed microfinance loan and another 150 female participants of self help group who were not availed any microfinance loan. This splitting up of the sample will be helpful in capturing the extent of importance of microfinance loans and its influence on women empowerment.

Microfinance programs are viewed as a key strategy in addressing both poverty alleviation and women empowerment in particular. As women empowerment is of qualitative and multi dimensional in nature, measurement often pose challenge to the empirical research in this field. In the present study, to achieve the objective of enlightening the role of microfinance in women empowerment, conducted primary survey through structured and pre tested questionnaire.

Questionnaire was prepared based on inspiring and informative works of (Praveen and Leon Hauser (2004), Williams (2005), Sinha (2003), Schuler, Hashemi and Riley (1996), and Chen (1997). Questionnaire was consisted of 65 questions related to general particulars of the member, household details, decision making, knowledge and self worthiness of the respondents.

In the present study, the women empowerment index is calculated from economic score, knowledge score, decision making score and self worthiness score secured by each individual respondent.

A pilot study has been conducted and validated questionnaire, by inclusion and exclusion of variables in the view point of the present study. The reliability of the questionnaire is checked and Cronbach's alpha found to be 0.806. The primary data collected from 300 respondents were analyzed by using SPSS package.

After the collection of data, data is analyzed and coded for the ease and feasibility of quantitative analysis. Percentages were used to describe details of data in detail. The first 23 questions put together, a poverty score was assigned to each individual respondents. The score is assigned in between 0-20. The coding is given in the appendices. The coding procedure follows the coding system used in Sinha (2003), Praveen and Leon Hauser (2004), Williams (2005), and Mostofa et al. (2008).

The major items included are age, occupation, education qualification, marital status, nature of family, nature of family, head of the family, ownership of house, type of the house, electrification, sanitation, water availability, food consumption, cooking fuel, asset ownership, expenditure of the household per month etc. Like wise economic, knowledge, decision making and self worthiness score has been calculated. For example, economic score is prepared on the basis of change in income and change in savings, change in assets after joining the self help group and the availed loans. Among these economic, knowledge and self worthiness score is assigned a score of 0-5. As decision making is important cause and effect of women empowerment, 12 questions were included to measure it. Decision making is the important behavioral change expected for women empowerment, a score of 0-12 is assigned.

For the purpose of comparison and understanding impact of microfinance on participants, a woman empowerment index (WEI) is constructed as an average of standardized economic score, knowledge score, decision making score and self worthiness score indices ranging from 0-27 in score. The following formula from the work of Mostofa et al (2008) used to find woman empowerment index.

$$Z_i = \frac{(X_i) - \text{Min}(X_i)}{\text{Max}(X_i) - \text{Min}(X_i)}$$

Where, Z_i represents the indices like economic score knowledge score, decision making score and self worthiness score indices of each individual in 300 sample size. For example, the economic score index is calculated by dividing the difference between each individual score from its minimum with difference in the maximum and minimum of economic score of 300 samples. After calculating each individual index, Woman Empowerment Index (WEI) is calculated by average of these four standardized indices.

Factor analysis is used to draw the inferences and outline the factors that influence women empowerment. Factor analysis is a multivariate interdependency technique, whose primary purpose is to

define the underlying structure among the variables used in the analysis (Hair 2008). 19 variables were identified and used in the factor analysis to group out the important influential factors.

After outlining the factors influencing women empowerment multivariate regression is carried out to understand the extent of influence of each factor outlined. In which each individual Women Empowerment Index (WEI) score has been used as dependent variable and all the six factors outlined as independent variables.

Specification of the Model:

The model specification is as follows;

$$WEI = \alpha + \beta_1 F_1 + \beta_2 F_2 + \beta_3 F_3 + \beta_4 F_4 + \beta_5 F_5 + \beta_6 F_6$$

To understand the impact of microfinance loan on women empowerment, t-test has been used to confirm the differences between the impact on loan availed and non-loan availed. Paired t-test has been conducted to verify the difference between change in income, savings and loan availability, before and after joining the self help groups. Independent t-test to check the differences between non loan availed and loan availed on their economic, decision making, knowledge, self worthiness, and women empowerment score. Percentages and graphs are also used to support the data analysis.

Findings of the study:

The major findings of the study are the following:

- Economic independency strengthens and boost up women empowerment level. Study finds that self help group participation improved the income level of the respondents. More over it is also contributed in graduating respondents from the state of unemployed to employed. Among the sample, 40% opined that they experienced positive change in their income and out of 158 unemployed respondents; half of them were able to find a new source of income.
- According to RBI Hand book on statistics 2007-08, CSO estimates shows that a major chunk of gross domestic savings (68.39%) turn up from household sector, which is large and scattered in nature. The study finds that microfinance through self help group bank linkage model helped to mobilize, the savings of these large and scattered household sector. Cent percent of respondents opined that their savings habit is significantly improved and further data shows a 4.98% increase in average savings after joining the program. Thus microfinance found to be a more effective channel for savings mobilization.
- Asset positions of women have a significant impact on their empowerment level. Change in asset will en route for women empowerment in economic terms. It is worth noting that microfinance activities made little impact only on assets creation and its addition. Only 23.33% of respondents opined that self help group participation changed their asset holdings. This finding implies that the 'micro' sized loans from microfinance had little to contribute towards asset creation. Out of 150 loan availed respondents 21% got a loan amount in between the Rs .2500-5000. Besides the small quantum of loan size, duration between succeeding loans are also found to be lengthier. (Indian bank Microsate branch follows 8 months as gestation period for eligibility for loans and 13-15 months duration between each dosages of loan , as repayment of existing loans found to be pre requisite for succeeding dosages of loans) .
- Poor are excluded from formal financial loans because of default risk. But success of many microfinance programs bring to light the fact that poor also bankable and with low rate of non repayment. Out of 150 respondents who availed loan, 65(21.67%) were already repaid the loan and eligible for the next financial loans. As formal financial credit are unreachable for most of the respondents, majority (47.33%) depends on moneylenders for catering the immediate needs like

deaths, deceases, marriage , consumption etc.. But through microfinance interventions, non bankable poor are able to open group bank accounts which further add their eligibility for additional independent accounts. Survey results found to be proving the argument that microfinance activities help to boost financial inclusion process. This finding aligns with the experiences of Grameen bank model in Bangladesh and many studies in microfinance literature. One major reason behind it may be due to the fact women value their self honor to a great extent.

- Availing microfinance loans, does not automatically empower the women. Proper utilization of loan in productive purpose fetch the ways out of poverty. So the survey also included loan utilization procedure of 150 respondents who availed loans, and intended purpose of future loan from the rest of those who not availed loan. Among 150 respondents who availed loan, 60% utilized microfinance loan for income generating purposes. After examining the responses from non -availed (intended) and loan-availed (used) on purposes of loan , it is obvious that many people found to be spending (or compelled to spend) on non income generating ways (consumption , education, marriages, modification of the houses, medical treatment and for debt payments).
- Women are generally employed in low paid, unskilled and insecure jobs with minority exceptions. Income in the hands of women generally improves the welfare of the household. Data findings also support this notion. This findings call for the attention of authorities in extending the self employment programs with special focus for women, to realize two important millennium development goals: poverty reduction and empowerment of women.
- A major reason for the exclusion of poor and rural unemployed women in SHG program accounts to compulsory savings rules of the group. Most of the studies points out that poor people are not able to continue their membership as their income is not regular. Survey results show that, all respondents (100%) were able to save as per rules of their group. And all of them opined that they are satisfied with the group activities. Visibility to future and optimistic hope for the upcoming days make life on going. Poor people live in desperations and with low level of optimism about future life. It is worthy to note that, all respondents built up a positive hope and better inspiration towards future.
- Exclusion of poor and poorest section in the microfinance programs invited the debate on its basic objective of poverty alleviation. Poverty status classification of respondents reveals the fact that, participation from bottom poor is as not expected. Thus the present study findings fall in congruence with many studies which opines that microfinance failed to reach the poorest of the society. But it can not be neglected that, microfinance is successful as an effective tool for upgrading the standard of living of poor and lower middle income class households.
- It was found that 150 respondents who are not availed loan, have lower economic score compared to their counterpart which indicates the necessity of sanctioning of microfinance loans to more beneficiaries, to upgrade themselves economically. This shows that loan availed participants are having better economic wellbeing in terms of income, asset and savings changes. These results indicate that microfinance loan and its productive utilization improved the economic condition of the participants of self-help group -bank linkage program.
- Augmentation in the decision making power of women is one of the important and the intended behavioral change expected from the microfinance interventions. In the present study, emphasize is given to different major aspects of decision making including, on going to job, the use of own income, going to stay with parents and siblings, going to market, own health care, food and clothing, family budgeting, savings, borrowings and investment, education, career and marriage of children, recreation and entertainment, joining the self help group program and voting. Survey results found that women who availed microfinance loan and utilized for productive purposes, had

higher degree of decision -making power compared to those 150 respondents who are not availed loans yet. These findings enlighten the fact that microfinance loan and its productive utilization will improve the decision-making ability of participants.

- Women empowerment, not only includes the psychological and behavioral changes, but also the cognitive development like getting new ideas, sharing knowledge and opinion, transformation of knowledge into responsible roles like leadership etc.. Likewise economic score, the knowledge score of loan availed found to be high compared to non-loan availed respondents, as they are more responsible and exposed more to group practices and procedures of loan avaiement.
- The self-worthiness is often based on our outlook of own significance in terms of skills, achievements, status, financial possessions, or material attributes. Improvement in self-worthiness is one of the intended outcomes from microfinance interventions. A fine deal of disparity has been found in the self worthiness score of microfinance loan availed and non- availed respondents, as microfinance loans help participants to start or expand any self-employment activities, in turn plateful to perk up their self –worthiness.
- Women Empowerment is the process that allows one to gain the knowledge, skill-sets and attitude needed to cope with the changing world and the circumstances in which one lives (Wilkinson, A. 1998). Women empowerment index is calculated by averaging of four standardized indices; economic score, knowledge, decision making and self-worthiness of each 300 respondents. Among loan availed, majority 148 (98.6%) secured a score 15 and above and majority falls in to category of 15-25. Whereas 103 (68.7%) non-loan availed, participants have a score of 15 and above, and majority (85.7%) found to be falling in the category of below 20. Survey results shows that women empowerment level is significantly improved by avaiement proper utilization of micro finance loans.
- . Factor analysis using principal component extraction method, the 19 variables reduced to six factors: microfinance (change in occupation , income, savings, loan availability, economic score, decision making ,knowledge, and self worthiness), household (family income and poverty status) ,assets (asset holdings and change in assets), marital status(marital status and head of the family (male/female)), social (religion and caste) and personal(education, nature of the family and ownership of the house). After deriving factors, multivariate regression analysis is carried out to study the influence of microfinance on women empowerment. Among six factors derived, microfinance seems to be having significantly greater influence on women empowerment. Coefficients of all factors are found to be significant and positive, except for social factors (religion and caste). Thus, this sample does not show any influence of religious and caste background on the empowerment of women.

Conclusion:

Microfinance sector has been witnessing tremendous progress in the recent years. There has been phenomenal growth in the number and volumes of MFIs .The sector has witnessed many new elements like participation from private and multinational banks, private equity and venture capital funds ,wholesale fund providers, rating agencies ,international retail institutions. The concept of microfinance seems to have earned an almost mythical reputation as the panacea of problems of under development. Microfinance is believed to play vital role in development by helping the poor to meet basic needs improvement in economic welfare as well as women empowerment.

The foregoing analysis indicates that microfinance activities and self help group participation has a positive impact on the income ,assets, occupation, savings, access to loans , bank connectivity, knowledge, self worthiness, and decision making level of the participants. Microfinance loan avaiement and its productive utilization found to be having a profound role and impact on women

empowerment. Through factor analysis and regression, the study empirically supports the positive relationship between microfinance and women empowerment, in congruency with the microfinance literature. The study attempts to contribute the microfinance literature by comprehending the current experience of using microfinance as a financial mediator for building up and augmenting women empowerment. The empirical findings of the study suggests that microfinance has a profound influence on the economic status, decision making power, knowledge and self worthiness of women participants of self help group linkage program in Hyderabad. Whereas it fails to include the poorest section and in improving assets position of the participants, as loans are 'micro' in their magnitudes and duration between dosages of loans are large.

The microfinance related loan avaiement and its productive utilization found to be causing significant differences in women empowerment levels, measured through women empowerment index (WEI), of the loan availed participants as compared to the non- loan availed. Therefore, the study enlightens the role of continuous succeeding doses of microfinance loans and ensuring its yield oriented utilization, for achieving the targeted objectives of microfinance programs. Among the six factors identified (microfinance related factors, household factors, assets, marital status, personal factors and social factors) through factor analysis, microfinance related factors are found to be having more significant and positive influence on women empowerment.

Microfinance is accepted as a key mantra for attaining and maintaining the sustained and long-term economic growth in all over the world. Reaching poor people on massive scale with popular products on a continuous basis involves rethinking the basic assumptions and making the changes. Today microfinance is striving to match the convenience and flexibility of informal sector while adding flexibility and continuity. Thus academic literature shore up and buoyant on microfinance as a tool of development and assures of its potential strengths to make significant difference in lives of hopeless and struggling millions of poor in India as well as world. The finding of the study calls for an extension of the government support and redesigning micro finance programs suited for better and effective execution for achieving full benefits. The study confirms that as an anti poverty tool, microfinance has its own limitations to reach the bottom of the poor. However, it is found effective in graduating the poor, not the poorest, and lower middle class to a higher standard of living. Though different studies at various places and points of time differ in their conclusion, the present study acknowledge that despite of bottlenecks, microfinance is capable of graduating struggling poor from their shackles and helps to upscale them to a better living and playing a significantly positive role in upgrading women empowerment.

Limitations of the study:

The present study is a simple attempt to make an understanding of implications and experience of literature of microfinance on the grounds of reality. Since the study is a part of learning process, the area covered in the study is very small and based on limited sample size too, which forms major limitation of the study. Being subjective, to the area and samples drawn for the study, the study can be treated as simple empirical illustrative attempt in the field of vast and mounting literature on microfinance. So, further more comprehensive and similar empirical studies are essential for confirming the results. Present study excluded some important aspects related to self help groups like group savings and internal lending; as sample consists of individuals belong to groups with different maturity periods. The study can be extended by adopting more scientific sampling like stratified sampling and also by including a group of non participants of microfinance programs belong to similar socio-economic background, will further help to improve the effectiveness of the study. Best efforts had been made to get the most realistic picture on the role of microfinance in women empowerment, with in the constraints of time and resources.

Table 1. Change in income

After Joining	Respondents	%
No change in assets	230	76.67
Change in assets	70	23.33
Total	300	100.00

Source: Survey

Table.2. Microfinance and change in assets

After Joining	Respondents	%
No Income	79	26.33
No change in Income	100	33.33
Change in Income	121	40.33
Total	300	100.00

Source: Survey

Table 3 Microfinance and change in loan availability

Individual loans (Rs)	Loan availed before joining		Loan availed after joining	
	Respondents	%	Respondents	%
No Loan	281	93.67	150	50.00
Below 2500	3	1.00	0	0.00
2500-5000	1	0.33	64	21.33
5000-7500	9	3.00	48	16.00
7500-10000	2	0.67	13	4.33
10000 -25000	3	1.00	4	1.33
Total	300	100.00	300	100.00

Source: Survey

Table 4 Microfinance and repayment of loans

Repayment	Repayment Before Joining		Repayment After Joining	
	Respondents	%	Respondents	%
No loan	281	93.67	150	50.00
Repaying	13	4.33	85	28.33
Repaid	6	2.00	65	21.67
Total	300	100.00	300	100.00

Source: Survey

Table 5 Microfinance and bank accounts

No of Bank account	Respondents	%	Respondents	%
0	276	92.00	0	0.00
1	23	7.67	270	90.00
2	1	0.33	28	9.67
3 & more	0	0.00	2	0.67
Total	300	100.00	300	100.33

Source: Survey

Table 6 Microfinance and source of finance

Source of finance	Respondents	%
Friends and relatives	45	15.00
Neighbors	35	11.67
Moneylenders	142	47.33
Chit funds	78	26.00
Total	300	100.00

Source: Survey

Table 7 .Microfinance loan utilization or intended utilization

Purpose of Loan (Intended/ Used)	Loan not availed		Loan availed	
	Respondents	%	Respondents	%
Consumption	0	0.00	28	18.67
Education /Marriage	0	0.00	7	4.67
Modification of House	4	2.67	6	4.00
Health	0	0.00	9	6.00
Investment/ Savings	5	3.33	0	0.00
Debt repayment	2	1.33	15	10.00
Group business	42	28.00	23	15.33
Starting / Expansion of own business	59	39.33	25	16.67
Starting /Expansion of Family business	28	18.67	22	14.67
Equipment for job	10	6.67	15	10.00
Total	150	100.00	150	100.00

Source: Survey

Table 8 .Income usage pattern of microfinance

Income used for	Respondents	%
Self needs	16	5.33
Children	107	35.67
Consumption	42	14
Consumer durables	64	21.33

Loan repayment	41	13.67
Savings	30	10
Total	300	100

Source: Survey

Table 9 Microfinance and Self Help Group dynamics

	Yes	%	No	%
Selection of group leader	294	98.00	6	2.00
Regular attendance in group meeting	282	94.00	18	6.00
Freedom of expression in group	298	99.33	2	0.67
Savings rules of the group	300	100.00	0	0.00
Satisfied with group	300	100.00	0	0.00
Optimistic visibility towards future	300	100.00	0	0.00

Source: Survey

Table 10 Poverty level of the respondents

Category	Poverty Index Score	No of Respondents	%
Poorest	0-7	11	3.67
Poor	7-10	21	7.00
Lower middle class	10-13	159	53.00
Upper middle class	13-16	88	29.33
Well off class	16-20	21	7.00
Total		300	100.00

Source: Survey

Table 11. Economic score of the respondents

Economic score	Loans not availed		Loans availed	
	Frequency	%	Frequency	%
1	51	34.00	1	0.67
2	68	45.33	16	10.67
3	26	17.33	25	16.67
4	4	2.67	69	46.00
5	1	0.67	39	26.00
Total	150	100	150	100

Source: Survey

Table 12. Decision making

Decision (or permission from) by Decision/ permission taken on	Self	%	Jointly	%	Others	%	Total	%
	On going to job	114	38.0	59	19.7	127	42.3	300
On the use of income	171	57.0	36	12.0	93	31.0	300	100.0
On going to stay with your parents and siblings	86	28.7	35	11.7	179	59.7	300	100.0
On going to market	231	77.0	21	7.0	48	16.0	300	100.0
On your health care	103	34.3	85	28.3	112	37.3	300	100.0
On food and clothing	208	69.3	21	7.0	71	23.7	300	100.0
On family budgeting /Family planning	12	4.0	141	47.0	147	49.0	300	100.0
On savings ,borrowings and investment	12	4.0	25	8.3	263	87.7	300	100.0
On education career and marriages of children	62	20.7	162	54.0	76	25.3	300	100.0
On recreation and entertainment	8	2.7	128	42.7	164	54.7	300	100.0
On joining the self help group (SHG)	190	63.3	64	21.3	46	15.3	300	100.0
On voting	294	98.0	2	0.7	4	1.3	300	100.0

Source: Survey

Table 13 Microfinance and Decision-making

Decision Making	Loan availed		Loan not availed	
	Frequency	%	Frequency	%
5	1	0.67	2	1.33
6	0	0	8	5.33
7	3	2.00	20	13.33
8	4	2.67	22	14.67

9	33	22.00	37	24.67
10	55	36.67	46	30.67
11	38	25.33	12	8.00
12	17	11.33	3	2.00
Total	150	100.00	150	100.00

Source: Author’s own compilation

Table .14. Microfinance and knowledge level of respondents

Knowledge	Loan availed		Loan not availed	
	Frequency	%	Frequency	%
1	0	0.00	12	8.00
2	4	2.67	45	30.00
3	53	35.33	62	41.33
4	64	42.67	22	14.67
5	29	19.33	9	6.00
Total	150	100.00	150	100.00

Source: Survey

Table 15 Microfinance and knowledge level of respondents

Knowledge	YES	%	NO	%	Total	%
Do you know about procedures of banking activities of your group?	148	49.33	152	50.67	300	100.0
Are you attending meeting regularly and able to understand discussions? If not why	295	98.33	5	1.67	300	100.0
Do you know about group meeting procedures and record keeping?	129	43.00	171	57.00	300	100.0
Do /did you know that women have reservations in parliament and jobs?	35	11.67	265	88.33	300	100.0
Do/did you get involved/ interested in village level politics?	45	15.00	255	85.00	300	100.0

Source: Author’s own compilation

Table 16 Microfinance and self-worthiness of respondents

Self Worthiness	YES	%	NO	%	Total	%
After Joining do you feel....						
Your involvement in the decision making of your children’s education/ marriage/family affairs is increased	271	90.33	29	9.67	300	100.0
The treatment of your spouse/family members towards you have changed positively	234	78.00	66	22.00	300	100.0
The treatment of your relatives/ society towards you have changed positively	256	85.33	44	14.67	300	100.0

The self confidence in you have increased	291	97.00	9	3.00	300	100.0
You are able to arrange the credit and other inputs in time to meet needs of business	85	28.33	215	71.67	300	100.0

Source: Survey

Table 17 Microfinance and self-worthiness of respondents

Self worthiness	Loan availed		Loan not availed	
	Frequency	%	Frequency	%
1	1	0.67	10	6.67
2	8	5.33	62	41.33
3	45	30.00	62	41.33
4	72	48.00	15	10.00
5	24	16.00	1	0.67
Total	150	100.00	150	100.00

Source: Author's own compilation

Table 18 Microfinance and Women empowerment score

WEI Score	Loan availed	%	Loan not availed	%
Below 5	0	0.0	0	0.0
5-10	0	0.0	1	0.7
10-15	2	1.3	46	30.7
15-20	41	27.3	83	55.3
20-25	89	59.3	19	12.7
25 -27	18	12.0	1	0.7
Total	150	100.0	150	100.0

Source: Author's own compilation

Table 19 Microfinance and Women empowerment score

WEI	Loan availed	%	Loan not availed	%
0.25 & below	0	0.0	20	13.3
0.25-0.50	34	22.7	96	64.0
0.50-0.75	79	52.7	33	22.0
0.75-1.0	37	24.7	1	0.7
Total	150	100.0	150	100.0

Source: Author's own compilation

Table 21 ANOVA: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.	Durbin-Watson
1	.934a	0.872	0.869	0.06979	283.1	.000a	1.632

a. Predictors: (Constant), Factor score1, Factor score 2, Factor score3, Factor score4, Factor score5, Factor score6

b. Dependent Variable: WEI

Table 22. Microfinance and Women empowerment

Model	Coefficients	
	Unstandardized	Standardized
(Constant)	0.52	
Microfinance	.168*	0.872
Household	.046*	0.24
Assets	.030*	0.156
Marital status	.010*	0.054
Social	0.002	0.009
Personal	.022*	0.113

Source: Author’s own compilation

*significant at 1% level

Appendices:

Annexure: Poverty score indicators

Sr. No	Poverty Score indicators	Coding
1.	Occupation	Yes=1 : No=0
2.	Nature of occupation	Full time=1 : Part time=0
3.	Education	Literate =1 : Illiterate =0
4.	Marital status	Married =1 : Unmarried/separated/widow=0
5.	Caste	Upper Caste=1 : Backward caste=0
6.	Place of residence	Urban = 1 : Rural =0
7.	Nature of family	Single=1 : Joint=0
8.	Head of the family	Male=1 : Female=0
9.	Ownership of the house	Owned =1 : Rented = 0
10.	Type of the house	Rc=1 : Thatched/Tiled/sheet=0
11.	Electricity	Yes=1 : No=0
12.	Cooking Fuel	Gas=1 : Others=0
13.	Drinking water	Yes=1 : No=0
14.	Sanitation	Yes=1 : No=0
15.	Square meals per day	2& above=1 : Less than 2=0

16.	Asset ownership	Yes=1 : No=0
17.	Income	Yes=1 : No=0
18.	Savings	Yes=1 : No=0
19.	Debt	No=1 : Yes =0
20.	Possession of articles listed	Yes=1 (More than 4) : No=0 (less than 4)

Annexure: Decision making indicators

Decision (or permission from) taken by	Coding
Decision/ permission taken on	
On going to job	Self/joint=1: Others=0
On the use of income	Self/joint=1: Others=0
On going to stay with your parents and siblings	Self/joint=1: Others=0
On going to market	Self/joint=1: Others=0
On your health care	Self/joint=1: Others=0
On food and clothing	Self/joint=1: Others=0
On family budgeting /Family planning	Self/joint=1: Others=0
On savings ,borrowings and investment	Self/joint=1: Others=0
On education career and marriages of children	Self/joint=1: Others=0
On recreation and entertainment	Self/joint=1: Others=0
On joining the self help group (SHG)	Self/joint=1: Others=0
On voting	Self =1: Others=0

Annexure: Rotated Component Matrix

Rotated Component Matrix						
	Component					
	1	2	3	4	5	6
Education	.293	.200	-.047	.022	.405	.594
occupation	.462	-.365	.375	-.012	.064	.146
Marital status	-.045	.060	-.037	.906	.144	.077
Religion	-.127	.021	-.017	-.068	.829	.019

caste	.224	-.227	-.152	.014	.587	-.159
nature	-.012	-.194	-.055	-.005	-.180	.759
remarks	-.026	-.149	.045	-.864	.243	.079
Ownership of house	.077	.401	.225	.003	-.110	-.406
Asset	.109	.216	.782	-.090	-.054	.010
family income	.015	.753	.063	.132	-.138	-.127
change in income	.765	-.239	.333	.047	-.082	-.055
chang savings	-.685	-.039	-.125	-.053	.083	-.070
change in assets	.110	.115	.835	-.009	-.037	-.162
loans	.852	-.061	-.056	.010	-.069	-.129
Eco score	.831	-.110	.445	.033	-.054	-.130
DM	.577	.078	.118	-.108	-.022	.113
Knowledge	.696	.282	-.096	.047	.109	.267
Self confidence	.809	.222	-.006	-.061	.081	.111
poverty index	.039	.803	.164	.073	.141	.021
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.						

Annexure:

Model Summary										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Durbin-Watson	
					R Square Change	F Change	df1	df2		Sig. F Change
1	.934 ^a	.872	.869	.0697932691468	.872	283.139	7	292	.000	1.632
. Dependent Variable: WEI										

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.654	7	1.379	283.139	.000 ^a
	Residual	1.422	292	.005		
	Total	11.077	299			
. Dependent Variable: WEI						

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.520	.004		129.009	.000	.512	.528
	REGR factor score 1	.168	.004	.872	41.564	.000	.160	.176
	REGR factor score 2	.046	.004	.240	11.442	.000	.038	.054
	REGR factor score 3	.030	.004	.156	7.425	.000	.022	.038
	REGR factor score 4	.010	.004	.054	2.596	.010	.003	.018
	REGR factor score 5	.002	.004	.009	.422	.673	-.006	.010
	REGR factor score 6	.022	.004	.113	5.376	.000	.014	.030
Dependent Variable: WEI								

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