

**MICROCREDIT AND WOMEN'S EMPOWERMENT: A
STUDY IN A TRIBAL DISTRICT OF ODISHA**

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IN A TRIBAL DISTRICT OF ODISHA**

*Dissertation submitted in partial fulfillment of the requirements for the
degree of Master of Philosophy in Applied Economics of the
Jawaharlal Nehru University*

Sushma Kindo

MPhil Programme in Applied Economics

2009-2011

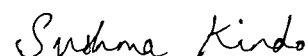
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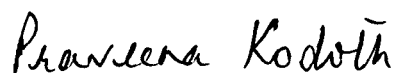
I hereby affirm that the work for this dissertation, *Microcredit and Women's Empowerment: A Study in a tribal district of Odisha* being submitted as part of the requirements of the MPhil Programme in Applied Economics of the Jawaharlal Nehru University, was carried out entirely by myself. I also affirm that it was not part of any other programme of study and has not been submitted to any other University for award of any Degree.

December 2010



Sushma Kindo

Certified that this study is the bona fide work of Sushma Kindo, carried out under our supervision at the Centre for Development Studies:



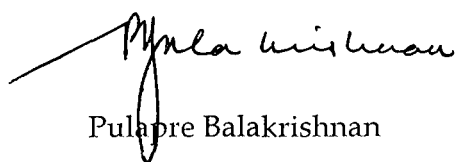
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To

*My beloved parents, my brothers, sisters-in-law and
little Annalisa*

ACKNOWLEDGEMENTS

I express my heartfelt gratitude to CDS as an institution where I rediscovered my interest and love for knowledge and inquiry, and without which this dissertation would never have materialized. My sincere thanks to the poor women of Sundargarh district who were the subjects of my study, who opened their doors to me, spared their time and made this exercise possible.

I would like to express my sincere gratitude to my supervisors Dr Praveena Kodoth and Dr Vijayamohanan Pillai, for their able and patient guidance without which I would not have been able to complete my dissertation on time. I am grateful to them for taking time out of their winter vacation to help me with my work(Madam, Sir, please accept my apologies for ruining your winter vacation!). I would like to thank the director, prof. Pulapre Balakrishnan and programme co-coordinator Dr.Udayashankar Mishra, for allowing me and enabling me to complete my work early. I would also like to thank them for their helpful insights and comments on my work.

I am grateful to each and every CDS faculty who taught me during the coursework- Prof. Navneetham for making Statistics look a lot less scary, Dr. Devika for helping me to think like a researcher, Prof. D Narayana for his excellent sessions on policy and Indian Economy and Dr. Santhakumar for his extremely interesting delivery of Public economics and Law, Prof. Balakrishnan, for his engaging sessions on macroeconomics and all the others whom I would love to mention, but for the constraint of time and space.

I would like to specially thank my friends and batch mates, Namrata, Asha and Gurpreet for their loving companionship and support throughout my stay in CDS. I express my gratitude and to my other batch mates for their concern and support. I also thank my seniors, especially Sanjay for tirelessly and selflessly helping me with my work. I also thank my juniors for their care and support. I am grateful to the CDS library staff and the non-teaching staff for always being so kind and supportive. My special thanks to Phil Roy sir for all his help.

I would like to thank Mr James Raj, Chief Operations Officer, Sambandh Finserve Pvt.Ltd. and his staff for making my study possible. I would also like to thank my uncle Dr. B K Kindo, CDMO Sundargarh, who facilitated my meetings with the district level goverment officials for inputs needed for my study.

I would thank my family members, daddy Livinus for constantly inspiring me, mummy Mary without whose constant prayers, unconditional love and support I would not have been able to do my work, dadas Sonu and Deepu for having more faith in me than I ever had in myself, my sisters-in-law, Dolly and Amrita and little niece Annalisa, who supported me throughout and kept me going. My Uncle James and Aunt Martina, cousins, Anjeline, Roseline, Celine, Anand and Deepika for their constant prayers and support. Above all I would thank the Almighty- for making all things possible!

Sushma

ABSTRACT OF THE DISSERTATION

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2009-2011

Along with being associated with poverty alleviation by making credit accessible to the poor, microfinance is also widely linked with women's empowerment. The issue has been much debated, with many studies claiming that microfinance has indeed empowered women by increasing their access to credit, inculcating banking habits and raising family incomes. At the same time, some studies have questioned this by showing that control over loan use largely remained with men. Other issues raised by such studies is that that participation in microcredit programmes has resulted in increasing the workload on women and pushed them further into debt.

In this context this study was conducted to explore whether microcredit had empowered women and if so to what extent and how i.e., what was the process involved. The objectives of the study were first, to examine whether membership in microcredit-group lending programmes imparted financial capabilities to women, which they previously lacked. Second, to measure women's empowerment through participation in micro finance, defining empowerment as 'enhanced agency' where 'agency' represents people's ability to act on behalf of goals that matter to them (Sen, 1985) and is measured with the help the Relative Autonomy Index (Ryan, Chirkov et.al 2000). Third, to examine whether enhanced agency, where it is in evidence is also 'transformative' in nature i.e., whether it enabled the participants in group lending programmes to question prevailing gender norms.

Data was generated through a field study in Odisha's north-western tribal dominated district of Sundargarh. Both quantitative and qualitative techniques were used for analysis. The study found that members in microcredit group lending programmes had better financial capabilities in terms of skills like book keeping and better financial discipline, and had enhanced decision-making. On measuring empowerment using the Relative Autonomy Index, the study found that membership in microcredit group lending programmes had resulted in enhanced agency in the domains of education, health and mobility. In the domain of household duties, however, the study found lower agency for members indicating an increase in workload for members. With respect to transformative agency, the study found that though members chose largely to go by existing gender norms, rural tribal members seemed to use the microcredit collective to question traditional gender norms.

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Size/quantum of loan?

CHAPTER 1

INTRODUCTION

1.1. Context of the Study

The link between finance and development has always been important, having strong theoretical base and wide support from international development organisations. Schumpeter (1911) had argued that the services provided by financial intermediaries-mobilizing savings, evaluating projects, managing risk, monitoring managers, and facilitating transactions -are essential for technological innovation and economic development. Subsequent empirical investigations (Levine, 2005; Claessens, 2006) have proved that financial services stimulate economic growth by increasing the rate of capital accumulation and by improving the efficiency with which economies use that capital. Studies have also found that financial development helps reduce income inequality, and also helps in alleviating poverty (Clarke et. al, 2003). In this backdrop, microcredit has been endorsed as the new tool for achieving development goals, since the 1990s.

The problem of women's access to credit was given particular emphasis at the first international Women's conference in Mexico in 1975 as a part of the emerging awareness of the importance of women's productive role for national economies and for women's rights. In India, organisations like Self employed Women's Association (SEWA) among others with origins and affiliations in the Indian labour and women's movements identified credit as a major constraint for informal sector women workers (Mayoux, 2005). In the 1980s and 1990s large poverty-targeted microfinance institutions like Grameen bank, ACCION and Finca came up. Higher repayment rates for female clientele in these organisations led to increasing emphasis on targeting women as an efficiency strategy to increase credit recovery.

While definitions differ, microfinance is generally taken to refer to the provision of financial services, primarily savings and credit but also other financial services, to poor and low income households that do not have access to formal financial

institutions. Thus, ADB's microfinance development strategy (2000) states that: Microfinance is the provision of a broad range of financial services such as deposits, loans, payment services, money transfers, and insurance to poor and low-income households and their micro-enterprises.

In India, the proposed Microfinance Services Regulation Bill defines microfinance services as "providing financial assistance to an individual or an eligible client, either directly or through a group mechanism for:

- i. an amount, not exceeding rupees fifty thousand in aggregate per individual, for small and tiny enterprise, agriculture, allied activities (including for consumption purposes of such individual) or
- ii. an amount not exceeding rupees one lakh fifty thousand in aggregate per individual for housing purposes, or
- iii. such other amounts, for any of the purposes mentioned at items (i) and (ii) above or other purposes, as may be prescribed."(NABARD.org).

Although the terms microcredit and microfinance are often used interchangeably, it is important to recognize the distinction between the two. Microcredit refers to the act of providing the loan. Thus, microfinance encompasses the field of microcredit (Sengupta and Aubuchon, 2008).

1.2. Why Microfinance?

Microfinance is perceived to be a solution to failure of the market mechanism to facilitate the flow of capital from rich countries to poor countries and from rich individuals to the poor. These market failures stem from poor information, high transaction costs and difficulty in enforcing contracts (Armendariz and Murdoch, 2005). Information asymmetries such as adverse selection- where banks cannot screen riskier customers and moral hazard- where banks cannot monitor the behaviour of borrowers, are accentuated in the case of poor borrowers (Ross and Savanti, 2005). It becomes too expensive for banks to screen and monitor numerous small borrowers, as opposed to a few large ones. Given these problems traditionally commercial banks have considered lending to the poor as unprofitable.

Microfinance Institutions (MFIs) find their importance on account of their capacity to meet the financial needs of the poor who are excluded from institutional finance on account of lack of collateral (Murdoch, 2000; Khawari, 2004). MFIs are uniquely positioned to reach out to the urban and rural poor as they operate in a limited geographical area, have a greater understanding of the issues specific to the rural and urban poor, enjoy greater acceptability amongst the poor and have flexibility in operations providing a level of comfort to their clientele (NABARD, 2008).

1.3. Models of Microfinance

Of the several models of microfinance, MFIs in India mostly follow the Self-Help Groups (SHGs) and Grameen Bank Models as group based lending approaches and Individual Banking. In the SHG system, members shoulder their responsibilities, make decisions and manage credit on their own with minimal external intervention, and they are often registered with banks. The group formation process may be facilitated by an NGO, MFI, government agency or bank. The SHG members decide on making regular savings contributions, borrow individually from the SHG, for purposes, on terms and interest rates decided by the group members themselves. Every SHG has a savings account in the group's name with a bank or MFI (Harper, 2006).

In the Grameen model, potential clients are asked by the MFI to organise themselves into groups of five to ten members which are in turn organised into 'centres' of around five to seven of such groups. The members make regular savings with the MFI according to affixed schedule and take regular loans. However, in some versions of the Grameen model, MFI do not require members to save with them. The process of financial intermediation is brought about through tasks like holding regular, usually weekly meetings which are supervised by an MFI worker who maintains the records, where savings and repayments are collected and handed over to the MFI worker. The MFI also guarantee loans to their individual members by accepting joint and several liability and by accepting that no members of a group will be able to take a new loan if any members are in arrears.

Though the SHG carries out the same functions as those required by the Grameen Bank system, they do so on their own behalf, since the SHG is effectively a micro-bank, carrying out all the familiar intermediation tasks of savings mobilisation and lending. The SHG is an autonomous financial institution in its own right. The members have their accounts with the SHG, not with the bank or MFI which had initiated its formation (Harper, 2006).

The group- based lending approaches are based on joint liability lending which help in mitigating adverse selection (Ghatak and Guinane, 1999), thereby reducing the risk of default. Joint liability lending transfers agency costs from the bank (i.e. the costs due to moral hazard and costly state verification/auditing) onto the community of borrowers, who can provide the same services more efficiently (Sengupta and Aubuchon, 2008).

With Microcredit programmes in place in India and the world over, for about two decades, there have been numerous studies on assessing the impact of microcredit on the lives of the poor, especially the women. The issues concerned can be broadly divided into two- those concerned with the welfare aspect of the programmes and those pertaining to the organisational component. The issues relating to the welfare aspect of microcredit programmes deal with the impact of the programmes on the well-being and empowerment of the poor. The organisational component, on the other hand is concerned with issues regarding financial sustainability of the programmes themselves. The link with women's empowerment has been particularly contentious with views ranging from an emphasis on the positive evidence to those that see microfinance as a waste of resources (Mayoux, 2005). For instance, many have argued that access to resources alone does not automatically lead to empowerment (Mayoux, 1999; Kabeer, 1999; Cheston and Kuhn, 2002).

The study re-examines the question of empowerment of women through microfinance using two concepts of agency i.e. enhanced agency and transformative agency, in the empirical context of the diverse intervention strategies resorted to by MFIs, NGOs and government in a district of Orissa. This

chapter reviews the theoretical/conceptual and empirical literature on microfinance and empowerment.

1.4. Microfinance and Women

Though theoretically microcredit programmes could empower both men and women, these programmes are mostly associated with women's empowerment as an overwhelmingly large proportion of clientele are women (State of the Microcredit Summit Campaign Report, 2009). The focus on women is driven by higher repayment rates among female clientele. Thus the increasing emphasis on targeting women is an efficiency strategy to increase credit recovery (Mayoux, 1999). As a consequence, microfinance has become a central component of many donor agencies' and national governments' gender, poverty alleviation, and community development strategies (Cheston and Kuhn, 2002). Micro-finance for women has recently been projected as a key strategy in meeting not only Millennium Goal 3 on gender equality, but also Poverty Reduction, Health, HIV/AIDS and other goals.

1.5. Why target women?

Many different rationales can be offered for placing a priority on increasing women's access to microfinance services. To begin with, there is increasing empirical evidence supporting the viewpoint offered by the World Bank, UNDP and UNIFEM that gender equality is a critical component of any development strategy. Secondly, data (World Bank, 2001; UNDP 2009) suggests that women are relatively more disadvantaged than men as they have higher unemployment rates than men in virtually every country and constitute a major proportion of the world's poor. A study by the World Economic Forum (2005), found that in all the 58 countries in its study, women lacked behind men in five critical areas of economic participation, economic opportunity and political empowerment, educational attainment, and health and well being. Secondly, in general women make up the majority of the lower paid, unorganized informal sector of most economies (Kabeer, 2001, UNDP 2009).

Thirdly, women are known to spend more of their incomes on families. Using cross-section data from Bangladesh for 1991-92, Pitt and Khandker (1998) in their study on the impact of microfinance found that when a loan of 100 taka was extended to men it translated to 11 taka going into household expenditures (for food/nutrition/working tools), while the same amount lent to women household heads led to 18 taka being spent on household expenditures.

Finally, there are arguments that cite sustainability as a reason for targeting women. Women are seen to have higher repayment rates than men and are more cooperative (Cheston and Kuhn, 2002). Khandker et al. (1995) in their study on estimation of repayment rates in Bangladesh had found a higher proportion of men 'struggling to repay' than women. According to a study by Armendariz and Roome (2008), a field officer would generally see women as better customers for loans than men as repayment rates of loans by women are higher, because women are more risk averse than men and therefore more conservative in their investment strategy. Another factor that ensures higher repayment rates by women clientele is that women are more susceptible to pressure from their peers and more sensitive to the threat of public humiliation with regards to failure in the repayments on their loans, women have fewer opportunities than men to access alternative sources of credit, which in turn reduces the scope for moral hazard.

Moreover, field practitioners in microfinance argue that women are less argumentative, which reduces the transaction costs of the loan, both for their peers and the bank. Women also lower the agency costs of bank officers because women's groups are more punctual at repayment meetings, which avoids the bank officer having to devote time looking for them at their homes/businesses. Last but not least, women loan officers cost less than men, and in many instances women are more efficient at granting and collecting repayments (Armendariz and Murdoch, 2005).

(When did men ever function as a group to warrant this comparison?)

1.6. Microfinance and women's empowerment: Substantive Issues

Empirical investigations conducted across various countries and in India show mixed results on the impact of microcredit on women empowerment. Here we consider the substantive issues with respect to which the argument has been made.

The process of empowerment set off by microfinance has been envisaged as a series of 'virtuous spirals.' Increasing women's access to microfinance is assumed to initiate a series of 'virtuous spirals' of economic empowerment, increased wellbeing for women and their families and wider social and political empowerment.

According to Mayoux (2005), it is possible to identify three contrasting paradigms that link Microcredit and women's empowerment. The first, is the feminist empowerment paradigm. Here the underlying concerns are gender equality and human rights. Women's empowerment is seen as an integral and inseparable part of a wider process of social transformation. The main target group is poor women and women capable of providing alternative female role models for change. Increasing attention has also been paid to men's role in challenging gender inequality. Micro-finance is promoted as an entry point in the context of a wider strategy for women's economic and socio-political empowerment which focuses on gender awareness and feminist organization. It is visualised as a part of a sectoral strategy which is participatory in nature, for change regarding women's economic empowerment through skill development and participation in industries (Chen, 1996).

The second paradigm is the poverty alleviation paradigm. Poverty alleviation here is defined in broader terms than market incomes to encompass increasing capacities and choices and decreasing the vulnerability of poor people. Here, women are targeted because of higher levels of female poverty and women's responsibility for household wellbeing. However although gender inequality is recognised as an issue, the focus is on assistance to households and there is a tendency to see gender issues as cultural and hence not subject to outside

intervention. The assumption is that increasing women's access to micro-finance will enable women to make a greater contribution to household income and this, together with other interventions to increase household well-being, will translate into improved well-being for women and enable women to bring about wider changes in gender inequality.

In the Financial sustainability paradigm the ultimate aim is large programmes which are profitable and fully self-supporting in competition with other private sector banking institutions and able to raise funds from international financial markets rather than relying on funds from development agencies. Here, the reasons for targeting women pertain to high repayment rates. It is assumed that increasing women's access to micro-finance services will in itself lead to individual economic empowerment through enabling women's decisions about savings and credit use, enabling women to set up microenterprise, increasing incomes under their control. It is then assumed that this increased economic empowerment will lead to increased well-being of women and also to social and political empowerment.

In latter two paradigms, women's increased access to credit is assumed to enhance women's agency through increased incomes and the attainment of skills concerning banking and income generating activities. This enhanced agency is assumed to translate into the household's well being, as evidenced from the literature, women are known to spend more of their incomes on families (Kabeer, 1999). This is expected to automatically translate to increased well-being of women. Also, participation in group-lending programmes is expected to bring about increased awareness/knowledge regarding income generating activities (Chen 1996), which in turn is expected to bring about wider social and political empowerment of women (Mayoux, 2005).

The underlying assumption is that these mutually reinforcing spirals of empowerment can occur following women's access to micro-finance without explicit support for women to increase their incomes, to defend their interests within the household or for wider social and political changes in gender or class relations (Mayoux, 1999).

Micro-lending through groups is expected to empower women firstly by imparting skills to participants like book keeping, Manual accounting, money management, savings mobilisation etc. (Harper, 2006). Secondly it is expected to lead to an enhancement of women's decision making in various domains, (Mayoux, 1999) and finally women are expected to benefit from group participation in various ways, both at the individual level (awareness, self esteem, ability to face health related problems and health crisis), and at a societal level (participation in public sphere, negotiating with women-related social problems) (NCAER, 2008).

Though studies show that microfinance programmes have indeed increased women's access to credit (Kabeer, 1998; Mayoux, 2005) the issue of empowerment have been contested on conceptual, methodological and analytical grounds (Mayoux, 2005).

Some studies have reported a positive impact of microcredit on women's empowerment in terms of increased decision-making ability, increased self confidence and improved status and gender relations at home, reduced domestic violence (Cheston and Kuhn 2002; Kabeer, 1999; Hashemi, Schuler and Riley, 1996; NCAER, 2008). Others like Mayoux (1999), Rahman (2001) and have pointed out the exclusion of men from the microcredit programmes is resulting in disempowerment of women as it is adversely affecting household gender relations as men feel increasingly threatened in their role as primary bread winners within the household. Armendariz and Roome (2008) have argued that higher household incomes in the hands of women might increase health and education for women and their household members but the exclusion of men from access to subsidised finance might create frictions. This may in turn diminish the supportive role of women in providing health and education for other members of the household, disempowering them. Scholars like Goetz and Sen Gupta (1996), Mayoux (1998), Kabeer (1999, 2005) and Neera Burra (2004) have questioned the success of microfinance programs in effecting lasting change in women's economic welfare or empowerment.

Goetze and Sen Gupta (1996) express scepticism over high repayment rates reflecting effective loan investment strategies by women, on account of a number of possibilities. These include the impact of a high degree of male control of loan (Chowdhury, 2009), in dampening the benefits expected from increased control of resources by women, or worse still, improper use of loans by men with the entire burden of repayment falling on the women, resulting in their disempowerment. Even if women do manage to gain control over the small amounts of income they earn, men may withdraw or decrease contributions to the household income pool and women's workload may significantly increase (Mayoux, 1998).

Another issue pointed out in the studies is the increase in the workload of women. Access to microcredit through participation in groups and involvement in entrepreneurial activities along with domestic responsibilities increases women's workload. This compels many women to seek the assistance of their children to manage their work. This has resulted in the withdrawal of children (especially girls) from school to help in their mothers at home (Kabeer 1998; Hunt, 2001; Burra, 2004, Mayoux 2005).

Fernando (2006) cites two case studies in Bangladesh where microfinance has increased women's responsibility over domestic economy and their interactions with the wider society. Increased responsibility, however, has not resulted in conditions favourable for their empowerment. The necessity of maintaining regular repayment has forced women to make numerous sacrifices in terms of time available for leisure, education, personal consumption etc. The negative impact of women bearing the sole responsibility of loan repayments and the necessity of participating in micro credit program-related activities are manifested in the reduction of time available for leisure, education, consumption, and welfare. Their increased responsibility for economic activities and their forced participation in micro-credit related activities have not translated into an overall improvement of their social position. Instead, these activities have resulted in less freedom and autonomy, particularly for poor women.

In India, a sizeable amount of empirical literature covering the workings of the SHG-bank-linkage and the Grameen models indicate positive impact of microcredit on economic empowerment of women. However, they also bring to the light the issues of lack of knowledge of productive utilisation of loans and increased indebtedness (Bali Swain and Wallentin 2008; Deininger and Liu 2009; Kar, 2008).

Some scholars, such as Linda Mayoux (1998) argue that microfinance institutions cannot have more than a limited impact on women's empowerment unless there are changes in wider gender inequalities in the broader social and economic contexts in which they operate. In light of these limitations, Mayoux recommends that MFIs intentionally address women's empowerment as part of their goals, objectives, operations, and product design.

1.7. Social capital

Microcredit mostly employs group meetings and group lending techniques, building human capital and strengthening social capital of the community (Anderson et. al. 2002). Since, group-based microcredit programmes rely on existing social capital of clients i.e. their superior knowledge of each other to screen members, monitor repayment, and exert peer pressure, they could also be venues through which members can make gains from group cohesion, exchange of information and increased social participation. Empirical studies have shown that participation in groups have contributed to increasing members awareness of social issues and government programmes (Sharma 2007, Panda 2009), increased political participation of members and participation in community development programmes (APMAS 2005, Sharma, 2007).

1.8. Microfinance and women's empowerment in the Indian Context

The origins of micro finance in India can be traced to the establishment of SEWA Bank (Shri Mahila SEWA Sahakari Bank) by 4000 members of the Self-employed Women's Association, a women's organisation that first started organizing self-employed women in the slum of Ahmedabad in 1974. However the momentum

of the growth of micro finance programmes was picked up when the NABARD sponsored SHG-Bank Linkage Programme was introduced in 1992.

Since then they have grown rapidly and at present the Microfinance sector is being given importance for its potential for bringing about financial inclusion of the poor (Srinivasan, 2009). The two main microfinance models followed in India are the Grameen models and the SHG- model, of which the latter is more prevalent. The larger of the two main models, the Self-Help Group Bank Linkage Programme covered about 70 million poor households (5.99 million SHGs) in March 2009 through savings services, while MFI model served 22 million making 76 million households accessible to microfinance (Srinivasan, 2009).

The SHG- Bank Linkage Programme in India at present works via the following three models viz.

Model 1: In this form of SHG- Bank Linkage Model, self-help groups are initiated by the banks and banks directly deal with them on the matter of promotion and provision of credit. This model is popular in those areas where NGOs have no existence or less active. (Bansal, 2003)

Model 2: In this model, self-help groups are promoted by the NGOs but the banks directly provide credit to them (Bansal, 2003).

Model 3: In this model, self help groups are initiated by the NGOs but the banks do not deal with the credit requirements of the groups directly. Here the banks first provide the credit to the NGOs and the NGOs later allocate this loan among the groups. Thus in Model 3, NGOs act as intermediaries between bank and SHGs. This model of linkage programme is dominant and popular in those areas where the banks are not so well developed (Bansal, 2003).

The institutions offering micro finance services in India can be broadly divided into two categories viz. formal financial institutions and semi formal financial institutions. The formal institutions include apex development financial institutions, commercial banks, regional rural banks and co-operative banks that provide micro finance services in addition to their general banking activities and are referred as micro finance service providers. On the other hand, semi formal

institutions that undertake micro finance services as their main activity are generally termed as Micro Finance Institutions (MFIs). While both public and private partnerships are found in the case of formal financial institutions offering micro finance services, the MFIs are mainly found in the private sector (Muralidhara Rao, 2008).

According to NABARD's report on status of Microfinance in India 2008-09, the southern region was found to have the highest number of SHGs (28,27,244) followed by the eastern region (12,33,635). The western region came next (7,96,262) followed by the central region (3,10,998) and the north eastern region (2,40,093).

Various studies have been undertaken regarding the impact of microfinance on women's empowerment in India. Most studies have tried to assess the impact of participation in group-lending programmes on women's empowerment, taking women's increased participation in decision making in various domains, control over loan use, increased self confidence, adoption of family planning measures, reduction in domestic violence, increase in awareness, greater problem solving skills and political participation as indicator of empowerment.

At the aggregate level, a study on SHGs undertaken by NCAER (2008), covering six states of Andhra Pradesh, Karnataka, Maharashtra, Orissa, Uttar Pradesh and Assam showed that the Self Help Group bank Linkage Programme (SBLP) had significantly improved the access to financial services of the rural poor and had considerable positive impact on the socio-economic conditions and the reduction of poverty of SHG members and their households. It has also reportedly empowered women members substantially and contributed to increased self-confidence and positive behavioural changes in the post-SHG period as compared to the pre-SHG period. Bali swain (2007), in a study encompassing 1000 households in five states, also found that SHG members reported increase in levels confidence and greater political participation. However, she found no change in key decision-making areas of family planning, children's marriage, sending their daughters to school and buying and selling of land. She also found an increase in domestic violence for SHG members.

At the regional level too, studies show a mixed picture, with most showing a perceptible increase in women's self confidence and awareness while the results are varied in other domains. In a study on the poor state of Jharkhand, Kabeer and Nojima (2005) found that members of microfinance programmes had greater levels of awareness on issues which had implications for women's capacity to act on their own behalf and on behalf of their family like government policies, health and family planning. In the matters decision making, women reported taking decisions on taking loans, assets purchase and children's education on their own. Decisions regarding the number of children were taken by husbands. Leach and Sitaram (2002) in their study on SC women involved in a silk reeling project in Karnataka, found the adverse impact of men's exclusion from the project, reporting hostile behaviour of males towards the project.

In a study on microfinance and women's empowerment in West Bengal, Basu (2006) found that women hardly had control over their loan use while most of the women reported sharing control over loan with their husbands. Also women reported to play a limited role in decision making implying limited impact of microfinance in the empowerment of women.

A study on women's empowerment on SC women in the state of Uttar Pradesh (Planning commission of India) found that membership in SHGs had helped women to take an active role in decision making in domestic issues and market related issues. Deininger and Liu (2009) conducted a study in Andhra Pradesh on the social impact of participation in microcredit programmes and found membership to have a positive impact on women's empowerment.

Devika and Thampi (2002) in their study on the impact of Kerala's Kudumabashree programme on empowering women, argue that participation in such programmes cannot automatically empower women as they do not address broader issues of gender inequality.

A number of studies have been conducted in Odisha on the impact of micro finance on women's empowerment. These studies have been mostly undertaken in the developed coastal districts (Sahu and Das, 2007; Ray Bennet, 2009, Access 2009, Panda 2008) and the poverty-ridden Kalahandi-Bolangir-Koraput districts

and Mayurbhanj (Kar, 2008; Kar and Dash, 2009). The studies found that microfinance has a positive impact on increasing women's increased exposure to institutions and govt. machinery, training, personal income, habits of saving, attendance to health and sanitation camps, economic independence, asset ownership (Panda, 2008, 2009; Sahu and Das 2007; Ray-Bennet, 2010). Ray Bennet (2009) on her study on the impact of micro finance in the coastal district of Odisha found that it played a significant role in reducing women's vulnerability to disasters in the area. However, studies have also pointed out that borrowers have not been able to utilise fund to come out of poverty. Kar (2008) in a study conducted in Mayurbhanj district found that borrowers used the loans to repay other loans and lacked the knowledge of productive utilisation of loans. Studies on SHGs (ACCESS 2009, Kumar 2005) have pointed out high interest rates, procedural delays and lack of training to be problems affecting SHGs. Kumar (2005) in a study in the district of Angul in eastern Odisha found that participation in SHGs has resulted in increased awareness in matters of health and family planning. However, their understanding of banking was found to be inadequate. As regards to decision making power, membership resulted in enhanced decision making on household matters.

1.9. Need for the Present Study

Thus we have seen that the literature offers numerous studies which examine the issues of the impact of microfinance on poverty alleviation and women empowerment, role of microfinance in providing financial access to the poor, etc. However, the issue of whether and how microcredit empowers women could be still explored further with newer techniques and different conceptualisations. This study seeks to measure empowerment using the concept of enhanced agency tested recently by Alkire et al. (2007) in the context of the working of Kudumbashree in Kerala and examines what enhanced agency could mean in terms of a concept of transformative agency proposed by Kabeer (1999).

As Cheston and Kuhn (2002) put it, women often value the non-economic benefits of a group-lending program as much as or more than the credit. Some of the most valued benefits include expanded business and social networks,

improved self-esteem, increased household decision-making power, and increased respect and prestige from both male and female relatives and community members. The proposed study is to be conducted in the state of Odisha which, at present is the poorest state of the country, and has seen rapid proliferation of MFIs in the past five years. The state has also seen the growth of SHGs in the past 10 years or so and at present has the second highest number of SHGs in the eastern region (NABARD 2009). Though there have been a few studies that mention the positive impact of microcredit on women empowerment (Panda, 2008, 2009; Kar 2008; Ray Bennet, 2009), in various districts of the state, none have been carried out in the northern tribal district of Sundargarh. The study conceptualises empowerment as enhancement of agency, with being empowered meaning able to act on behalf of what matters to the person or what the person values and second as transformative agency, where women are able to question gender norms, that restrict their ability to ability to function in ways that are not socially approved. ?

1.10. Research Questions

To probe whether micro finance leads to women's empowerment, the study asks the following questions:

- i) Do group-based micro finance programmes enable women to gain financial skills and capabilities with respect to management of savings and credit and exposure to institutional credit?
- ii) Does participation of microcredit programmes enhance women's ability to act in the domains of household duties, education of children, health of family, mobility and group behaviour?
- iii) Is the participation in group based micro finance programmes able to foster, discussion and questioning of existing power-relations or in other ways able to alter women's attitudes towards gender/ social norms?

In what way are the above questions different from what existing critical literature on the subject has attempted to do?

1.11. Research Techniques and Data

The study was based on primary data as secondary data was not available. We conducted a sample survey of 200 women, 100 participants of group based microcredit programmes and 100 non-members. The individual was taken to be the unit of analysis. The method of stratified random sampling was used where the state, district, and urban and rural areas were chosen purposively and the members of MFI and SHG were selected randomly. Quantitative data was collected with the help of a structured questionnaire while qualitative inputs were collected through Focus Group discussions and interviews.

The study is organised into seven chapters. The first chapter, sets the context of the study and reviews existing literature on microfinance, the issue of women and microfinance and women's empowerment through microfinance. It reviews empirical evidence on the issue in the Indian context and in the context of Odisha. The chapter also presents the need for the study, the problem to be studied, the objectives and provides a brief description of the Methodology. The second chapter contains the on conceptualisation and measurement of empowerment. It discusses the methodological issues in the measurement of empowerment, conceptualisation of agency and measurement of agency. The third chapter gives a detail account of the methodology and describes the sample characteristics. The fourth chapter contains the analysis of access to credit and decision making of women in Sundargarh district of Odisha. The fifth chapter contains the computation and the analysis of Relative Autonomy Index. The sixth chapter is on transformative agency where the inputs from the focus group discussions are analysed. Finally the seventh chapter contains the summary of findings and conclusion.

Figure 1.1: Schematic representation of theoretical framework (Source: Author)

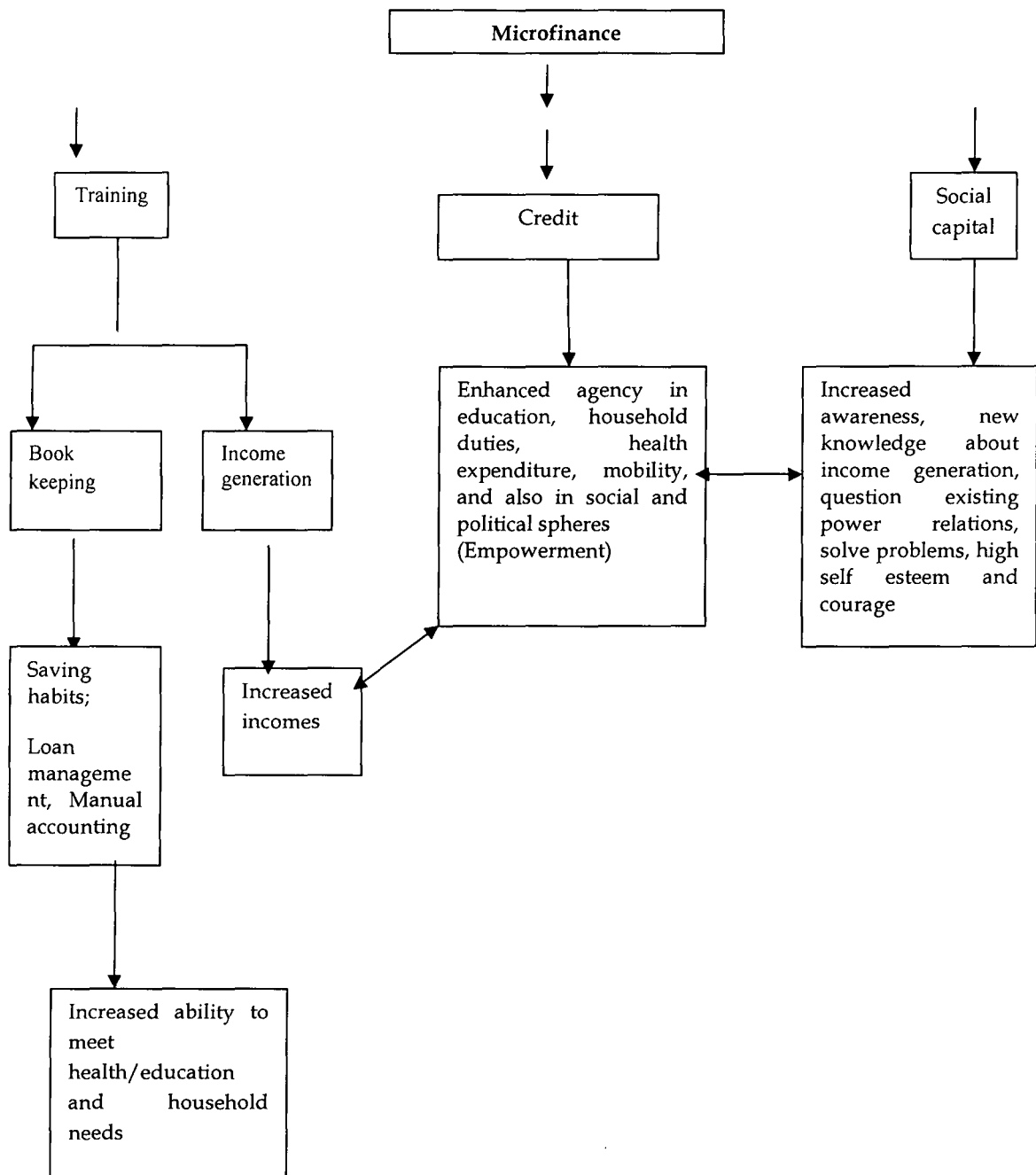
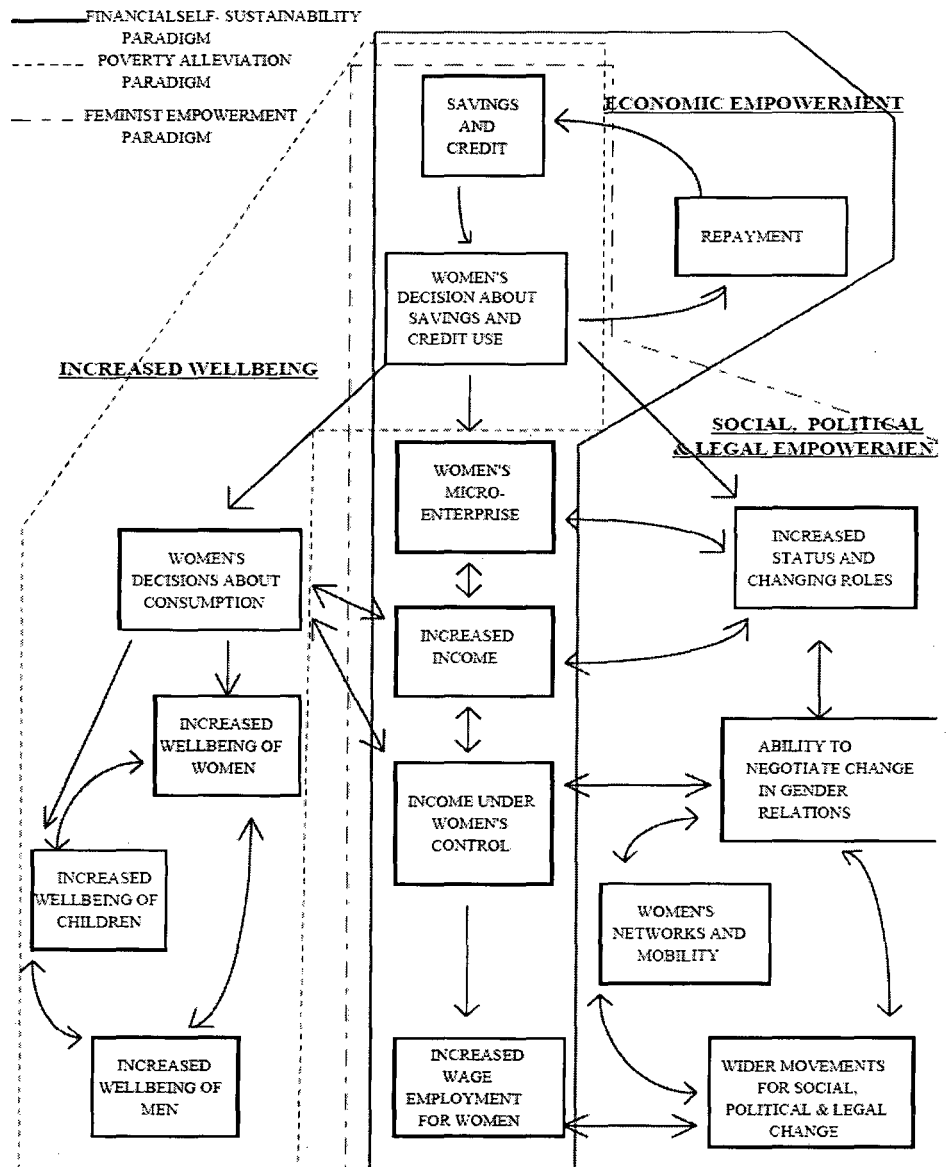


Fig 1.2: Virtuous Spirals: Paradigms Compared (Source: Mayoux, 2005)



CHAPTER 2

CONCEPTUALISATION AND MEASUREMENT OF EMPOWERMENT

2.1. Introduction

The primary objective of microfinance is poverty alleviation but as major clients of micro finance are women, it is said to have an impact on the empowerment of women. Empowerment is said to be set off by women's participation in microfinance and is believed to contribute to poverty alleviation (Cheston and Kuhn, 2002; Khawari, 2004; Mayoux, 2005). Except in the feminist approach, empowerment is seen as occurring in the process of participation in microfinance through expanded access to resources and its effect on the ability to act to achieve goals. The feminist approach suggests that microfinance need not necessarily contribute to changes in social or political relations unless explicit interventions are made to promote gender equality. In this chapter we turn to how empowerment is conceptualised, as the basis of measurement, in the human development literature and feminist literature.

2.2. Conceptualisation of Empowerment

The idea of empowerment is related to terms like agency, autonomy, self-direction, self-determination, liberation, participation, mobilisation and self-confidence (Narayan, 2005). It is also a widely debated one, being ascribed a wide variety of definitions and meanings in various socio-economic contexts. Though the word 'empowerment,' means 'to give power or authority to,' (Concise Oxford English Dictionary), it represents a complex phenomenon which manifests itself in multiple dimensions and levels (Narayan, 2005).

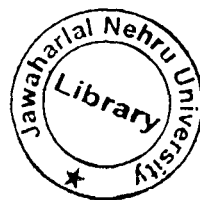
Narayan (2005) takes up an institutional definition of empowerment as she considers powerlessness to be embedded in a culture of unequal institutional relations. She defines empowerment as the expansion of assets and capabilities of the poor people to participate in, negotiate with, influence, control, and hold

accountable institutions that affect their lives. Alsop (2006), defines empowerment as the capacity to make *effective* choices; that is, to translate their choices into desired actions and outcomes. Kabeer (2001) and Mayoux (2000) also conceptualise empowerment in terms of expansion of people's ability to make strategic life choices. While Mayoux defines empowerment as individuals acquiring, the power to think freely, exercise choice, and to fulfil their potential has fallen equally to members of the society, Kabeer defines empowerment as the expansion in people's ability to make strategic life choices in a context in which this ability was earlier denied to them.

Not clear

Kabeer (1999), offers a three dimensional conceptual framework for thinking about empowerment (especially in the context of women): "resources" as a part of pre conditions, 'agency,' as an aspect of process, and 'achievements,' as a measure of outcomes. According to Kabeer, one way of thinking about power is in terms of ability to make choices: to be disempowered, therefore, implies to be denied choice. Thus, the notion of empowerment is bound up with .disempowerment and refers to the processes by which those who have been denied the ability to make choices acquire such ability.

Resources include material resources in the more conventional economic sense, but have to be defined much more widely to encompass the various human and social resources that enhance the ability to exercise choice. The resources acquired within these various relationships take the form of not only actual allocations, but also of future claims and expectations, where access to both will reflect the rules and norms by which distribution and exchange occur within different institutional contexts (opportunity structure of the World Bank's analysis). Kabeer defines agency as the ability to define one's goals and act upon them. It is more than observable action, it includes the meaning, motivation and purpose, which individuals bring to their activity, their sense of 'power within,' Though it can be operationalised in decision making, agency could take the form of bargaining and negotiating, deception and manipulation, subversion and resistance etc. Here resources and agency together constitute what Sen refers to as 'capabilities,' (Sen, 1985).



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Alkire (2005) draws on Amartya Sen's concept of 'human agency,' to define empowerment as an increase in human agency. 'Human agency' represents people's ability to act on behalf of goals that matter to them, and this aspect, Sen argues, is the key ingredient of social change (Dreze and Sen, 1989). Empowerment thus can be said to make use of and involve agency (Drydck, 2008). Koggel (2006), however points out that there is a distinction between the two concepts, in that, unlike agency empowerment is a *process* of change -- from conditions of disempowerment to ones of empowerment.

In the feminist approach, empowerment goes beyond economic betterment and well-being, to strategic gender interests. As Mayoux (1998) suggests, empowerment is a process of internal change, or power within, augmentation of capabilities, or power to, and collective mobilization of women, and when possible men, or power with, to the purpose of questioning and changing the subordination connected with gender, or power over. Empowerment can range from personal empowerment that can exist within the existing social order to bringing about a broader change in society. Personal empowerment would correspond to the right to make one's own choices, to increased autonomy and to control over economic resources. But self confidence and self-esteem also play an essential role in change. Empowerment signifies increased participation in decision-making and it is this process through which people feel themselves to be capable of making decisions and exercise the right to do so (Kabeer, 2001).

Malhotra *et al.* (2002) suggest: "women's empowerment needs to occur along the following dimensions: economic, socio-cultural, familial/interpersonal, legal, political, and psychological. However, these dimensions are very broad in scope, and within each dimension, there is a range of sub-domains within which women may be empowered." Even though an advance in agency in one dimension may enhance agency in others, this is not always the case; for example a woman may be very empowered as a mother but excluded from the labour force by social conventions (Alkire, 2008).

Another way of conceptualising empowerment by the feminist approach is by suggesting not only enhancement of agency but also in terms of challenging existing power relations. According to Kabeer (2001), one way of thinking about power is in terms of the ability *to make choices*. To be disempowered means to be denied choice, while empowerment refers to the processes by which those who have been denied the ability to make choices acquire such ability. In other words empowerment entails change, from a state of less power to more power. Two preconditions are considered necessary for the existence of a real choice- presence of other alternatives (i.e. ability to have chosen differently) and also that these alternatives must be seen to exist. Not all choices are equally relevant to the definition of power. Some have greater significance than others in terms of their consequences for people's lives. Strategic life choices include where to live, whether and whom to marry, whether to have children, how many children to have, who has custody over children, freedom of movement and association, and so on. These help to frame other choices that may be important for the quality of one's day-to-day life, but do not constitute its defining parameters.

Kabeer (2001) conceptualises empowerment to consist of three closely interrelated dimensions: agency, resources and achievements. Agency represents the processes by which choices are made and put into effect. Hence it is central to the concept of empowerment. Resources are the medium through which agency is exercised; and achievements refer to the outcomes of agency.

According to Kabeer's conceptualisation of agency, it can have both positive and negative connotations. In positive sense- the 'power to' refers to people's ability to make and act on their own life choices, even in the face of other's opposition. In the negative sense - the 'power over'- refers to the capacity of some actors to override the agency of others.

However, power also operates in the absence of agency. Institutional bias can constrain people's ability to make strategic choices. Thus agency in relation with empowerment implies not only actively exercising choice but, but also doing this in ways to challenge power relations.

Kabeer draws a distinction between 'passive' forms of agency (action taken when there is little choice), and 'active' agency (purposeful behaviour). There is also a further important distinction between greater 'effectiveness' of agency, and agency that is 'transformative'. The former relates to women's greater efficiency in carrying out their given roles and responsibilities, the latter to their ability to act on the restrictive aspects of these roles and responsibilities in order to challenge them.

2.3. Measurement of Empowerment

Since empowerment can be defined in various ways, its measurement would differ according to definition used. However, viewed as a process, empowerment allows for measurement and as the world bank puts it, "if empowerment cannot be measured, it will not be taken seriously in development policy and programming," (Narayan, 2005). Crucially, this process and the measuring of it involves treating people as agents of change on the road to giving them greater over and a say about resources and decisions that affect their life prospects. Narayan (2005), has outlined the methodological issues involved in selecting indicators of empowerment as whether to measure aspects that are intrinsic or instrumental i.e. empowerment as an end itself or as a means of achieving specific development outcomes; universal or context-specific i.e. though empowerment as a value is clearly universal cultural context is important as culture consists of relational systems of norms, values and beliefs that are preamble and subject to change; individual or collective. The level of application i.e. individual household, community level or national level, and the issue of neglect of the psychological aspect. Origins and change i.e. whether empowerment entails a change in from a previous state to a new state of greater freedom and choice. Establishing causality; what is measured: clarity of concepts, linked measures; who measures: self or others and finally, how to measure: quantitative or qualitative.

A conceptual framework that has been used by several scholars for measuring empowerment suggests that empowerment comprises of two inter-related sub-

components- agency and opportunity structure (Narayan 2005, Alsop and Heinsohn 2005). Agency is defined as an actor's or group's ability to make purposeful choices – that is, the actor is able to envisage and purposively choose options, while opportunity structure is defined as those aspects of the institutional context within which actors operate that influence their ability to transform agency into action. Working together, these factors give rise to different degrees of empowerment and are assumed to have mutually reinforcing effects on development outcomes. Here, Alsop and Heinsohn caution against the synonymous use of agency and empowerment as people may not be able to use their agency effectively even when they have the capacity to choose options.

So finally how do we measure empowerment?

2.4. Conceptualising Agency

One of the two ways in which we seek to define empowerment in this study is following Alkire (2005) as a subset of agency. According to this definition, increases in empowerment would be reflected in increased agency (but not necessarily vice-versa). Alkire (2005) draws on Amartya Sen's concept of 'human agency,' to define empowerment as an increase in human agency. 'Human Agency' represents people's ability to act on behalf of goals that matter to them (Sen,1984) and this aspect is the key ingredient of social change (Dreze and Sen, 1989). Sen's well-known Dewey Lectures, "Well-being, Agency, and Freedom," express "a moral approach that sees persons from two different perspectives: well-being and agency. Both the "well-being aspect" and the "agency aspect" of persons have their own relevance in the assessments of states and actions. Each also yields a corresponding notion of freedom.

Sen defines agency freedom as "what a person is free to do and achieve in pursuit of whatever goals or values he or she regards as important." The agency aspect is important "in assessing what a person can do in line with his or her conception of the good." Unlike well-being, which refers to the person's own state, agency is general; it is "not tied to any one type of aim. Agency freedom is freedom to achieve whatever the person, as a responsible agent, decides he or she should achieve." Sen argues that "Persons should enter the moral accounting by others

not only as people whose well-being demands concern, but also as people whose responsible agency must be recognised." Agency may be exercised at the individual level, or in groups, or through democratic participation. For example Dreze and Sen (1995) directly identify participation as an expression of agency, and argue that it can have intrinsic value: *Participation also has intrinsic value for the quality of life. Indeed being able to do something not only for oneself but also for other members of the society is one of the elementary freedoms which people have reason to value. The popular appeal of many social movements in India confirms that this basic capability is highly valued even among people who lead very deprived lives in material terms.*

The term 'empowerment' is not one that Sen's capability approach often employs. But it is related to, although not synonymous with, an increase in human agency (Alkire, 2005). The measures surveyed here may pertain to empowerment, a term that is currently used in poverty reduction efforts. The World Development Report 2000/1 draws attention to the "sense of voicelessness and powerlessness" poor persons highlighted when they discussed social and public institutions. "Those materially deprived feel acutely their lack of voice, power, and independence." The words 'sense of' and 'feel' suggest that empowerment refers to person's own judgments and recurrent emotional states. Furthermore, the Voices of the Poor study (Narayan, 2000) and participatory poverty assessments like it rely on people's own definitions of powerlessness and being voiceless. Hence one aim of poverty reduction, these argue, might be to improve these subjective self-evaluations or perceptions so that in a later round of meetings persons report an increase in empowerment. Such an increase would have an intrinsic value and would also enable communities to advance their own concerns effectively. This aspect of empowerment could similarly be analysed using subjective indicators of human agency (Alkire, 2005).

Given the diverse conceptions of empowerment, no attempt was made to choose one. However in many definitions, empowerment is an increase in certain kinds of agency that are deemed particularly instrumental to the situation at hand. The

World Development Report (2001) offers an operational definition of empowerment, as follows

Empowerment means enhancing the capacity of poor people to influence the state institutions that affect their lives, by strengthening their participation in political processes and local decision-making. And it means removing the barriers - political, legal, and social - that work against particular groups and building the assets of poor people to enable them to engage effectively in markets.

This definition suggests that a considerable part of empowerment measurement and evaluation will be associated with the discrete elements of political processes, awareness raising, decentralisation, legal structures, democracy, and so forth that are instrumentally effective in a particular situation (Narayan, 2005; Alsop and Heinsohn, 2005). Thus measures of empowerment could reflect the instrumental strength of agency in the relevant spheres.

Sen argues that well-being and agency are distinctive, and both of intrinsic value. Authors like Alkire (2002), Finniss (1987), Nussbaum (2000), and others, have argued that insofar as agency is of intrinsic value, it can be considered to be one dimension of human well-being. Yet active agents are able to affect their ability to enjoy other dimensions of well-being more fully, so agency may also be a cause of well being. But person A's agency is not limited to person A's well being but may advance other aspects of his or her conception of the good (saving the seals or changing a government policy to be more equitable). Further, Sen points out that agency can also conflict with aspects of well-being. Thus the relationship between well-being and agency is complex and they are best studied independently.

Agency measures may be broadly divided into two types: those that view agency as one dimension among others of human well-being, and those that consider agency with respect to different dimensions of well-being.

Broadly speaking, with respect to Table 2.1, the first measures look at the 'well-being' column; the second measures look at the 'agency' column Aspects of

human agency are often, although by no means always, included in multidimensional accounts of well-being, whether these be philosophical or empirical. So John Finnis refers to practical reason or authentic self-direction; Martha Nussbaum refers to practical reason and control over one's environment; Doyal and Gough to autonomy; Max-Neef to participation; Ryan and Deci to autonomy; Narayan et al to freedom of choice and action; Schwartz to self-direction; Galtung to being an active subject; Allardt to self-determination; Andrews and Withey to independence; Lasswell to power; Qizilbash to autonomy or self-determination. While the definition of terms differ, it is still interesting to note that different disciplinary approaches recognise the validity of an agency related dimension of well-being (Alkire, 2005).

Well Being	Agency	Empowerment
Aspects of people's lives that they value	People's ability to act on behalf of what matters to them	A subset of agency, that focuses on the instrumental value of agency
Some dimensions of well being	Characteristics of agency	Methods to increase empowerment
Life/health/security Understanding Excellence in work and play Self direction and practical reason (agency) Friendship and affiliation Inner peace/self integration Creative expression Spirituality Harmony with the natural world	<ul style="list-style-type: none"> - Is a part of one's own well-being (intrinsic value) - Can cause positive change in one dimension of one's well being (instrumental value) - Can create further changes one values (instrumental value) - May conflict with other dimensions of one's well being 	Access to information, Participation/inclusion, accountability, Local government capacity

Source: Alkire (2005)

Sen rejects the view (held by some basic needs theorists) that agency (or, for that matter, opportunity freedom) can adequately be represented only as a dimension of well-being (Alkire, 2002). He acknowledges that agency can have intrinsic value, and insofar as it does, that it can take its place alongside other incommensurable actions and states that have intrinsic value, such as friendship, meaningful work, or being healthy.

The second way in which we seek to define empowerment is in relation to transformative agency which implies not only actively exercising choice, but also doing this in ways that challenge power relations (Kabeer, 2001). Because of the significance of beliefs and values in legitimating inequality, a process of empowerment often begins from within. It encompasses not only 'decision making' and other forms of observable action but also the meaning, motivation, and purpose that individuals bring to their actions; that is, their sense of agency. Empowerment is rooted in how people see themselves - their sense of self-worth. This in turn is critically bound up with how they are seen by those around them and by their society.

2.5. Measurement of Agency

In defining empowerment to be a manifestation of increased agency, Alkire (2005) considers various attempts to measure agency. The first being the theory of self-direction by Schwartz (2001), which states that self direction is one of the ten universal values that motivate human action. Self-direction is independent thought and action and pertains to choosing, creating and exploring. The methodology involves rating the values of freedom, creativity, independence, choice of one's goals and curiosity on scale of 0 to 7. The drawbacks of the measure include lack of comparability across cultures, lack of policy responsiveness and the possibility of conflating agency with independence/individualism.

The next is the Self-Efficacy approach given by Bandura (1995), which is based on the theory that empowerment has internal as well as external determinants, and that people can learn to increase their own agency. Self efficacy is concerned with people's belief in their capabilities to mobilise the motivation, cognitive resources, and courses of action needed to exercise control over given events. The methodology involves measuring people's belief in their capabilities to exercise control over specific events the given domain. Scales are constructed having 5-20 items with each item ranked from 0 to 10. The items vary depending on the domain with respect to which self efficacy is measured. Though the measure

cannot discern if agents value the goals they can advance efficaciously, it can be used for various domains and may be a good predictor across cultures.

Finally, we have the Self Determination Theory (SDT) given by Ryan, Deci et al. According to the theory humans have three basic psychological needs- autonomy, competence and relatedness. SDT views the issue of autonomy as a key to understanding the quality of behavioural regulation (Ryan Deci, 2000). According to the SDT formulation, a person is autonomous when his or her behaviour is experienced as willingly enacted and when he or she fully endorses the actions in which he or she is engaged and/or the values expressed by them. People are therefore most autonomous when they act in accord with their authentic interests or integrated values and desires (Deci & Ryan 1985, 2000; Ryan 1995).

Ibrahim and Alkire (2007) have proposed four indicators for four possible exercises of agency which could lead to the process of empowerment: choice, control, change and communal belonging.

1. Empowerment as control (power over): Control over personal decisions.
2. Empowerment as choice (power to): Domain-specific autonomy and household decision making.
3. Empowerment in the community (power with): Changing Aspects in one's life (Individual level)
4. Empowerment as change (power from within): Changing aspects in one's life (Community level).

These indicators focus on empowerment as an expansion of 'agency.' Agency has ~~been~~ mostly been measured indirectly - through proxies or observed behaviours - though a growing body of research argues that it should be measured directly. Narayan (2005) argues that empowerment is a latent phenomenon; *its presence can only be deduced through its action or its results. Most observed behaviours are proxies for the underlying phenomenon.* Indeed, very frequently, agency has been measured with proxies such as land ownership, literacy, frequency of radio/TV listening, employment history, etc. This approach has been strongly criticized

(Govindasamy and Malhotra 1996, Malhotra and Mather 1997, Mason 1998, Malhotra et al. 2002) for conflating indicators which reflect preconditions for the exercise of agency with agency itself.

Alkire (2008) identifies four main problems of using proxy measures. In the first place, assets may not translate into agency in the same way for different individuals (usually referred as differential conversion factors). Secondly, by equating assets with agency, the pathways through which assets may increase agency are ignored. For example, Malhotra and Schuler (2005) argue that it is not the same whether a woman gets a cow because she saved money and bought it, than because she inherited it. The agency level associated with each situation is likely to be different, as the first case implied a learning process in bringing about change. Thirdly, if we only look at asset holdings, an increase in agency will not be noticed if with the same asset holdings, the person became much more proactive for another reason (contact with a neighbour, something she/he read, etc). Finally, many of these proxies are identical to measures used in traditional poverty analysis (the difference is only in its interpretation). This precludes the possibility of exploring the interconnections between agency and poverty. For all these reasons, direct measures of agency - as difficult as they may be to develop - seem the appropriate tool for evaluating and studying empowerment. In her review of the literature, Jejeebhoy (2000) finds the following common direct measures of autonomy: economic decision-making; child-related decision-making; marriage related decision-making; freedom of movement; power relations with husband; access to resources; and control over resources.

According to Alkire (2005), the SDT theory defines autonomy in a way that can be considered closest to the definition of agency as defined by Sen (1984) and hence the justification for drawing on the SDT to develop an indicator of agency.

The SDT contrasts autonomy with *heteronomy*, 'in which one's actions are experienced as controlled by forces that are phenomenally alien to the self, or that compels one to behave in specific ways regardless of one's values or interests' (Chirkov, Ryan et al. 2003, page 98). An agent is "someone who acts and brings

about change.” The opposite of a person with agency is someone who is forced, oppressed, or passive. The conceptual and operational definitions of the four levels of actions regulation on the continuum from heteronomy to autonomy are presented in Table 2. 2.

Type of behavior regulation	External Regulation	Introjected Regulation	Identified Regulation	Integrated Regulation
Conceptual definition (Ryan & Deci, 2001; Ryan & Deci, 2003)	Intentional behavior is controlled by external rewards and punishments or the expectation of them	Behavior is controlled by ego involvement; it focuses on approval from others and is driven by guilt/ anxiety avoidance	Behavior is relatively autonomous and regulated by the endorsement and conscious valuing of self-selected goals and activities	Behavior is autonomously regulated based on the integrated sense of self and a congruent system of values, goals and identities
Operational definition - answer to the question: “Why do you or would do this behavior?” (Chirkov et al., 2003)	Because of external pressures: to get rewards or avoid punishments. I would engage in this behavior because someone insists on my doing this or I expect to get some kind of reward or avoid some punishment for behaving this way.	To get approval or avoid guilt. I would engage in this behavior because people around me would approve of me for doing so, or because I think I should do it. If I didn't do this I might feel guilty, ashamed, or anxious	Because it is important. I would engage in this behavior because I personally believe that it is important and worthwhile to behave this way	Because I have thoughtfully considered and fully chosen this. I have thought about this behavior and fully considered alternatives. It makes good sense to me to act this way. I feel free in choosing and doing it, and feel responsible for the outcomes
Continuum of autonomy	Complete lack of autonomy	Partial lack of autonomy	Mostly autonomous	High level of autonomy

Source: Pillai and Alkire 2007

This measure was chosen, following a survey of potential measures, for two reasons. First, it studies agency not as a global uniform capacity of a person, but with respect to different domains of well-being or poverty. This is important because a person might be disempowered in the work force, unable to vote, yet

able to decide on her children's level of education, able to make health decisions on behalf of herself and other family members, and able to move around in the community as she wishes. The domains in which individuals can and cannot exert agency are important to grasp. Second, this measure approaches agency as cross-culturally important ability of persons' to advance states or activities they value.

In Sen's account of agency a person's values guide and shape the goals she advances - this is important to stress because some approaches to agency look at a person's power to effect change, without any regards for their values. Furthermore, in this measure agency is a kind of freedom that is valued in individualistic and collectivist cultures alike - which is important as most indicators of agency are correlated with individualism (Alkire and Chirkov, 2007).

To determine autonomy, a survey asks respondents whether they engage in certain practices related to children's education, to respondent's employment, house hold duties, to health-related decision making, mobility opportunities, and the perception of group empowerment. Respondents are then asked to rate each of four possible reasons why they felt or believed or engaged in the practice, from a low number *not at all because of this reason*; to a high number *completely because of this reason*. In simple terms, Reason 1, called External regulation, establishes to what extent the person felt coerced or forced to act (by another person, or by force of circumstances); Reason 2 called Introjected regulation, the extent to which others' opinions and expectations accompanied by the avoidance of feeling guilt or shame influenced her choice. Reason 3 called Identified regulation establishes whether she herself valued it as an important practice, and Reason 4, called Integrated regulation, whether her thoughts on the matter were integrated with her wider thinking about her own life.

In many activities, several or even all possible reasons are present in varying degrees. For example, in considering why academics do research, one might detect all four of these reasons to be present in varying extents. To some extent a

researcher could be required to undertake research for considerations of income or grant or tenure – if these could not be obtained by other means – and would be punished for not doing so (External)); to some extent researchers also moderate the quality and topics of their research such that they will receive approbation and respect of their peers and to avoid scorn (Introjection). Many also value the research as an important endeavour which, for example, may be useful for their community– (Identification). Finally, the research may be developed in order to contribute to a large project – the reduction of poverty for example – which researchers’ have deliberately chosen as a long-term commitment that coheres with their wider social and moral values (Integration) .

Ryan and Deci, Chirkov et. al. aggregate the four responses into a weighted index that represents the ‘Relative Autonomy Index’, which was used in this study as a person’s agency measure corresponding to the focal domain or practice.

$2 \times \text{Integrated} + \text{Identified} - \text{Introjected} - 2 \times \text{External} = \text{Relative Autonomy Index (RAI)}$

It is called a “relative” autonomy index because it incorporates all possible levels of autonomy and weights autonomous regulations relative to heteronomous ones. It is sensitive to context. That is, the index incorporates, and is sensitive to, women’s own values and self-understandings. In this way, the index will be expected to reflect to some extent the “adaptive” preferences. While this might seem to compromise the index, it conveys important information (Alkire and Chirkov, 2007). For in a situation in which the agency might seem low viewed from one perspective, in fact, given the culture and the women’s self-understanding it might be ‘as good as possible.’ It realises all the potential of a situation. In theory, one could, in addition, employ a “fixed scale” method to measure autonomy or agency. In this case enumerators would rank a women’s agency in comparison with a fixed definition and scale of agency in that domain (according to a transparent definition that can be scrutinized, criticised, and changed). For example, “high” agency with respect to mobility would be defined as “a woman who feels that she can go anywhere she wishes”. Other

questions in the survey (such as the question on mobility, educational attainment) capture this to some extent; however it might be possible to focus the ranking on agency itself rather than on a functioning related to agency. Such a subjective ranking would be relatively easy for enumerators to judge if they were familiar with the wide variety of Indian contexts and developed a transparent scale together; it might or might not be difficult for respondents to do because their experiences, and thus their understandings of each level, could differ.

Both kinds of information are valuable, but the Relative Autonomy Index provides critical information about the agency *that women value*. Furthermore, as Chirkov et al demonstrated, comparisons with Relative Autonomy Indices can be accomplished across countries and contexts by using a covariance structure analysis test. Thus we focus only on relative autonomy – or what Sen might call “positionally objective autonomy” in this study.

2.6. Summary of the Chapter

In this chapter we have dealt with conceptualisation and measurement of empowerment. We will be using two conceptualisations of empowerment in our study- empowerment as ‘enhanced agency’ and empowerment as ‘transformative agency.’ The first conceptualisation will enable us to measure empowerment on account of participation in microcredit programmes while the second conceptualisation of empowerment would enable to see whether membership in micro finance programmes are helping address broader long term goals of addressing gender inequality.

CHAPTER 3

METHODOLOGY AND SAMPLE CHARACTERISTICS

3.1. Introduction

This chapter discusses the methodology of the study and sample characteristics. The questionnaire was developed to gather information to fulfil the first and the second objective. As mentioned earlier, the first objective was regarding the financial capabilities which respondents obtained through participation in microfinance. The second objective was regarding the measurement of agency. Inputs regarding the third and the fourth objectives were obtained through Focus Group Discussions and detailed interviews with respondents. The chapter is divided into three main sections - description of the study area, sampling methods and finally the sample characteristics. The first section deals with the description of the area of study (state, district and rural/urban areas), both in terms of demography as well as the overview of group based microfinance programmes in place. The second section deals with the sampling methods used, i.e. the questionnaire and focused group discussions. In the third section, the characteristics of the sample are discussed in detail.

3.2. Description of the study area

Since it is well known from other studies that empowerment is highly context-specific, an attempt was made to explore this issue in a particular region. The purpose of the study was to explore whether universal claims to microfinance having an empowering impact on women held in a particular region. The method of sampling chosen was stratified random sampling, wherein the state, district and areas were chosen purposively while the member respondents belonging to Microfinance institutions and Self Help Groups were chosen randomly.

The state chosen for the survey was Odisha which is the poorest state of the country (GOI, 2007).

3.2.1. Odisha: Overview of Demography and Microfinance Programmes

The state of Odisha is located in the eastern part of the country and is bounded by the Bay of Bengal in the east; Bihar, Jharkhand and West Bengal in the north; Madhya Pradesh, Chhatisgarh in the west and Andhra Pradesh in the south. In terms of geographical expanse, it is one of the major states of the country, with a total area of 1, 55,707 sq.kms, which is about 4.74 per cent of the country's land mass. As per the 2001 census, the state has a total population of 36.81million, which accounts for 3.57 per cent of the total population of India. The state has 30 districts, three Revenue Divisions, 57 sub-divisions, 114 Tahsils, 314 Community Development Blocks comprising of 3830 Gram Panchayats, 51,057 villages and 123 urban centres. The Scheduled Tribes (ST) and the Scheduled Castes (SC) constitute 22.13 per cent and 16.53 per cent of the total population respectively (Government of Odisha 2007). The male to female ratio (number of females per 1000 males) was 972 in 2001 as compared to an all-India average of 933. The overall demographic feature of the state are summarised in the following Table 3.

1.

Table 3.1: Demographic characteristics of Odisha

Characteristics	Odisha	India
No. of households	7,738,065	193,579,954
Total population	36,804,660	1,028,610,328
Total males	18,660,570	532,156,772
Total females	18,144,090	496,453,556
Total Scheduled castes	6,082,063	166,635,700
Male Scheduled castes	3,073,278	86,088,760
Female Scheduled Castes	3,008,785	80,546,940
Total Scheduled Tribes	8,145,081	84,326,240
Male Scheduled Tribes	4,066,783	42,640,829
Female Scheduled Tribes	4,078,298	41,685,411
Literate Population (%)	63.1	64.8
Male Literates (%)	75.3	75.3
Female Literates (%)	50.5	53.7

Source: Census 2001

As per the 2001 Census estimates, the proportion of workers to total population was about 28.9 per cent. Main workers accounted for 67.07 per cent of the total number of workers while marginal workers made up for 32.9 per cent of the total working population. The proportion of workers in rural areas was 88 per cent, while in urban areas it was 12 per cent. The proportion of male workers to male

population and female workers to female population is 53 per cent and 25 per cent respectively. A majority of the workforce in Odisha depended on agriculture for livelihood as cultivators and agricultural labourers together made up for 67.45 per cent of the total workforce. About 26.2 per cent were engaged in 'other services.' The rest were engaged in household industry, mining and industry other than household.

Regarding microfinance, both government-promoted SHGs and private Micro Finance Institutions (MFI) are present in the state. Odisha has the second highest number of Self help Groups (4,41,960) in Eastern India, which is next to only the South Indian states in terms of number and performance of SHGs (NABARD, 2009). Though the SHG based micro finance programme in Odisha started in the early 1990s with the initiative of Non Governmental Organisations and refinance facility provided by NABARD, the growth of SHGs in terms of number had been marginal. In the year 2001, the cumulative number of SHGs stood at merely 9000 (NABARD.org). However, the SHG movement in the state picked up after the state government launched a programme called 'Mission Shakti,' in 2001, with the principle objective of promoting women's empowerment through SHGs. The Table 3. 2 shows the growth of SHGs in Odisha after 2001.

Table 3.2: Cumulative progress of SHG-Bank Linkage programme in Odisha

Year	Number of SHGs (in'000)	Bank Finance (Rs million)
Up to 2001	9	80
2001-02	21	206
2002-03	42	510
2003-04	78	1,274
2004-05	123	2,517
2005-06	180	4,754
2006-07	234	6,844
2007-08	275	8,913

Source: NABARD Organisation

The state is also considered to have substantial attraction for private Microfinance Institutions, having the fourth highest client outreach of MFIs in the country (Srinivasan, 2008). There are more than 32 MFIs operating in the state, covering all the 30 districts of the state. Along with major private MFIs like SKS Microfinance, Asmitha Microfin Ltd., Spandana Spoorty Ltd., there are 22 MFIs

which have their headquarters in the state (www.sa-dhan.net) indicating strong presence of local players in the private MFI scenario.

Given the significance of microfinance in the state, there have been a number of studies investigating various issues regarding the impact of microfinance on poverty alleviation, women's empowerment, sustainability and various other issues (refer literature review). These studies have been mostly undertaken in the developed coastal districts (Sahu and Das, 2008; Ray Bennet, 2009, Access 2009, Panda 2008) and the poverty-ridden Kalahandi-Bolangir-Koraput districts and Mayurbhanj (Kar, 2007; Kar and Dash, 2009). There has been no study on the northwestern tribal-dominated district of Sundargarh (51 per cent tribal). The district is located in northwestern Odisha, bounded by Jharkhand in the north and Chhatisgarh in the northwest and is considered to be relatively more developed than the other tribal dominated districts of Southern Odisha. However, it is considered less developed than the coastal districts (Odisha State Human Development report, 2004).

As per the State Human Development report 2004, the district was ranked fourth in the state in terms of HDI (0.683) and second in terms of GDI (0.659). Among the three regions of Coastal, Northern and Southern Odisha, the district came under the northern region. In 1999-2000, the poverty ratio of northern Odisha (49.80) was higher than the state's poverty ratio of (48.01) and the coastal region (31.8). While it was lower than the poorer southern region which had poverty ratio of 87.2 (Odisha State Human Development Report, 2004). The district also had the third lowest poverty ratio (36.5) in the state. Though the poverty ratio is low, a majority of the population (54.7 per cent) of the district live on subsistence agriculture which is mostly rain-fed. Industry has a significant presence in the district, with a major Public Sector Iron and Steel plant situated at Rourkela (Government of Odisha, 2010). Industrial workers comprise about 10 per cent of the work force of the district. The district also has a large number of mini steel plants, cement plants and sponge iron plants.

The district is divided into three Sub-Divisions, i.e. Sundargarh, Bonaigarh and Panposh. The present administrative set-up of this district comprises of 3 Sub-divisions, 9 Tahsils, 17 Blocks, 4 Municipalities, 262 Gram panchayats and 1744 villages, out of which 56 villages are uninhabited (Government of Odisha, 2010).

Table 3.3: Demographic features of the district of Sundargarh.

Sl No.	Indicator	Unit	Sundargarh	Odisha	India
1.	Total Population	Number	18,30,673	3,67,07,000	102,86,10,320
2.	Birth Rate	CBR	24.1	23.1	25
3	Death Rate	CDR	10.6	9.8	8.1
4	Infant Mortality Rate	per 1000	51	87	66
5	Population density	Per square km	188	236	324
6	Rural Population	Number	12,01,479	31287422	742000000
7	Urban Population	Number	6,29,194	551728	285000000
8	ST population (%)	%	50.21	22.21	8.08
9	SC population (%)	%	8.62	16.2	16.48
10	Sex Ratio	Per 1000 male	957	972	933
11	Total Literacy	%	65.22	63.61	64.8
12	Male Literacy	%	75.69	75.3	75.3
13	Female Literacy	%	54.25	50.5	53.7

Source: District Plan Report, Government of Odisha-2010

The demographic features of the state have been summarised in the Table 3.3

Table 3. 4: Demographic characteristics of selected villages of Sundargarh District: Rural *unit of measurement*

Characteristics	Laing	Jhagarpur	Malidih	Gomardih	Total
No. of households	1035	436	284	151	394060
Total population	5406	2348	1419	791	1830673
Total males	2716	1164	736	402	935601
Total females	2690	1184	683	389	895072
Total Scheduled castes	393	28	73	126	157745
Male Scheduled castes	208	14	37	70	79681
Female Scheduled Castes	185	14	36	56	78064
Total Scheduled Tribes	3949	2135	1295	552	918903
Male Scheduled Tribes	1933	1055	673	271	458815
Female Scheduled Tribes	2016	1080	622	281	460088
Total Literate Population	2764	1274	499	265	1015485
Male Literates	1632	717	332	181	603510
Female Literates	1132	557	167	84	411975
Total workforce	1879	886	582	419	738803
Total male workforce	1356	551	322	221	480285
Total female workforce	523	335	260	198	258518

Source: Census 2001

Table 3. 5: Demographic characteristics of selected urban areas of Sundargarh

Level	District	Town	Ward	Ward	Town	Ward	Ward	Ward	Police Station
Name	SND	RGP	RGP- Ward No.12	RGP- Ward No.15	Jalda	Jalda (CT) - Ward No.1	RKL - Ward No.21	RKL (ITS) - Ward No.21	RKL (ITS)
Area	Total	Urban	Urban	Urban	Urban	Urban	Urban	Urban	Total
No of households	394060	8497	362	404	2453	2453	710	1320	44684
Total Popn.	1830673	43594	1720	1969	11961	11961	4911	6026	206693
Total males	935601	22464	884	994	6134	6134	2652	3147	109394
Total females	895072	21130	836	975	5827	5827	2259	2879	97299
Total SC population	157745	3803	43	547	1334	1334	16	267	25429
Male SC population	79681	1958	21	277	675	675	6	137	13206
Female SC population	78064	1845	22	270	659	659	10	130	12223
Total ST population	918903	9836	240	1019	7361	7361	10	654	34723
Male ST population	458815	4634	111	512	3754	3754	5	329	17728
Female ST population	460088	5202	129	507	3607	3607	5	325	16995
Literate Population	1015485	29533	1257	1063	7495	7495	3631	3870	152145
Male Literates	603510	16560	696	647	4453	4453	2074	2148	86924
Female Literates	411975	12973	561	416	3042	3042	1557	1722	65221
Total work force	738803	11825	461	435	2989	2989	1281	1538	58539
Total male workforce	480285	10282	392	361	2551	2551	1197	1407	51147
Total female workforce	258518	1543	69	74	438	438	84	131	7392

Note: 1. SND is Sundargarh

2. RGP is Rajgangpur

3. RKL is Rourkela and RKL ITS is Rourkela Industrial Township

Source: Census 2001

With regard to the SHG movement and the presence of MFIs, the district had 15,752 SHGs (as compared to the state's total of 4, 41, 960 SHGs) and the presence of more than 10 MFIs (www.sa-dhan.net). The MFIs mostly operated in the urban areas, though some of them also operated in rural areas which were situated close to urban areas.

After choosing the district, two urban areas and four rural areas were selected. This was done keeping in mind the proportion of tribal population of the district. The two urban areas chosen were Rourkela and Rajgangpur. In Rourkela, the survey was carried out in five wards, while in Rajgangpur, the survey was carried out in three wards. For the rural sample, the survey was undertaken in four villages in Rajgangpur and Kutra blocks. The demographic data of the rural and urban areas of the district have been given in the Tables 3. 4 and Table 3. 5.

The villages of Laing, Gomardih and Jhagarpur were located within five kilometres of the State Highway 10 which is the main highway connecting major urban centres of Rourkela, Rajgangpur and the district head quarter of Sundargarh. The rural area of Malidihi, however was a remote area, located in a hilly forested terrain, situated at a distance of 13 km from the urban centre of Rajgangpur.

The urban area of Rourkela comprised of the industrial township area (Steel Township), the main city area and suburban areas. The survey was conducted in wards situated in all the three types of areas. In Rajgangpur, all the wards chosen were situated in the main urban area.

3.2.2. MFIs and SHGs in the area

Both private MFIs and government promoted SHGs were found to operate in the survey area. The SHGs in the area were mostly promoted through the ICDS and the Block (SGSY Programme). Members reported to belong to a total of 22 different SHGs. Of these SHGs, only two reported to have been constituted in the year 2001, while majority of the remaining SHGs reported to being constituted after 2005. There were four major MFIs operating in this area, namely SKS MicrofinanceLtd, Spandana Spoorthy Ltd, Asmitha Microfin Ltd and Sambandh Finservice Ltd. These MFIs followed the Grameen model of functioning. They provided microcredit and other financial services like life and health insurance, scholarships etc. to groups known as Joint Liability Groups (JLGs). While SKS, Spandana and Asmitha largely operated in urban areas of Rourkela and

Rajgangpur, Sambandh Finserve operated in both urban areas and rural areas which were situated within 10 kms of urban areas. Sambandh Finserve and SKS were relatively new to the area, having begun their operations only after 2006. Asmitha and Spandana have been operating in the area since 2004-'05.

Of the 100 members surveyed, 46 had membership in Joint Liability Groups (JLGs), 20 in Self Help Groups (SHGs), 34 in both JLGs and SHGs. In the urban sample there were 46 JLG members and 4 belonging to both SHGs and JLG. In the rural sample 20 respondents had membership in only SHGs and 30 had membership in both JLGs and SHGs.

3.3. Methodology: Sampling

As mentioned earlier, the method of sampling chosen was stratified random sampling. After choosing the state, district and areas, lists of MFI clients and SHG members were obtained from the MFIs and Block office, and the individuals were randomly selected. The sample size was 200, with 100 individuals as members in microcredit programmes and 100 non-members. Rural respondents comprised half of the sample. Non-members were chosen, with care taken to ensure comparable socio-economic characteristics with members.

Quantitative inputs were taken with the help of a structured questionnaire which is discussed in detail in the following subsection. For qualitative inputs, detailed interviews were taken with the respondents as far as possible. Focus Group Discussions (FGDs) were held with groups of members for the purpose of fulfilling the fourth objective. The size of the groups ranged from a minimum of eight members to a maximum of 20 members. The time taken for conducting FGDs varied from a minimum of one hour to a maximum of two hours. In order to get an overview of working of Micro finance programmes in the area, interviews were also held with the MFI officials, officials of the Women and Child Development, Sundargarh, Government of Odisha and regional Branch Manager, NABARD. The following sub-section discusses the survey instrument in detail.

3.3.1. The Questionnaire

The survey instrument was designed such that it could be canvassed on both members of group lending programmes and non-members. The survey was undertaken over a period of two months (September and October 2010) with initial pilot rounds to incorporate revisions to make the instrument better suited for the task. Questions regarding the first objective were added after discussions with field staff of Microfinance organisations and member-respondents. Issues like control over loan use and expenditure pattern of loans were also dealt with. With regard to the second objective, the agency question was formulated for each of the five domains of education, household duties, health, mobility and group participation. These domains were chosen after an extensive survey of literature on similar studies of empowerment and microcredit. For each domain, questions designed to capture the well-being of the respondent in that domain were taken from the report on 'Measuring individual agency or empowerment: A study in Kerala,' (Pillai and Alkire, 2007). *Not in Reference*

The pilot and survey were administered in languages known to the respondents in the area (mostly Oriya and Hindi). In addition to filling out the questionnaire itself, following each interview, detailed comments were taken down regarding the respondent's apparent agency with respect to each of the five domains. Along with this, the surveyor also noted her own subjective cardinal ranking of the degree of agency evinced in each domain.

The adaptations made to the SDT autonomy measures were similar to the work on Kudumbashree by Pillai and Alkire (2007). First, the applicability of each of the four reasons was rated on a four point rather than five point scale to avoid giving a middle value that people would tend to select. Second, the way in which the questions were asked in some domain were two in stages: participants first identified whether a motivation was more accurate or more inaccurate; then they would clarify if it was 'completely true,' or 'partly true' etc. Third, simple explanations were used to animate respondents and encourage a clear understanding of the measure. X

In the next sub-section we describe the characteristics of the sample in detail. Statistical tests have also been undertaken to check whether the control group was comparable with respect to socio-economic characteristics.

3.3.2. Sample Characteristics

In order to proceed with the analysis, it is important to understand the profile of sample, which plays an important role in the functioning of micro credit programmes. The sample has been characterised according to the area of residence, age, household characteristics (size of household, number of children, number of earning members), housing characteristic and assets like land holdings and income levels. Important socio-economic characteristics like educational levels, religion, caste and occupation have also been profiled.

Area

Of the sample of 200 individuals surveyed, 100 respondents took microcredit from Self Help Groups and Microfinance Institutions while the rest did not take microcredit. Table 3. 6 shows the distribution of respondents across areas.

Table 3. 6: Respondent groups Vs area

Type of Area	Membership in SHG/JLG		
	Non members	Members	Total
Urban	50	50	100
Rural	50	50	100
Total	100	100	200

Of those that took microcredit, 50 respondents resided in rural areas and the rest in urban areas. The non-members also followed the same composition. All respondents were married females.

Age

As shown in Table 3. 7, a majority of the individuals (57 per cent) surveyed belonged to the age group 31 to 40 years, with those taking microcredit comprising about 54 per cent and those who did not take microcredit comprising 52 per cent.

Table 3. 7: Age of the respondents vs membership in SHG/JLGs

Age of individual (yrs)	Membership in SHG/JLG		
	Non members	Members	Total
21-30	22 (58%)	16 (42%)	38 (19%)
31-40	53 (46.4%)	61 (53.5%)	114 (57%)
41-50	23(52.2%)	21(53.5%)	44 (22%)
51-60	2 (50%)	2 (50%)	4 (2%)
Total	100	100	100
Chi square values			
Statistic	Value	df.	Asymp. Sig (2-sided)
Pearson Chi square	1.600	3	0.659
Likelihood Ratio	1.604	3	0.658

Note: df: degrees of freedom.

Of the 200 respondents, 38 individuals (19 per cent) were between 21 to 30 years old. About 58 per cent of these did not take microcredit, while 42 per cent borrowed from MFIs and SHGs. Women belonging to the age group 41 to 50 years made up for 22 per cent of the population with the proportion of those who took microcredit (53.5 per cent) similar to those who did not take microcredit (52.2 per cent). Women who were aged between 51 to 60 years comprised a small proportion of the sample (2 per cent).

Table 3.7 also shows the values of the chi-square test which measures the discrepancy between the observed cell counts and what would be expected if the rows and columns were unrelated. The two sided asymptotic significance of the chi-square statistic is much greater than 0.05, implying that the age distribution of women who take microcredit is similar to those who do not take microcredit and hence comparable.

As Table 3. 8 shows, the mean age of all the respondents is 35.7 years, which is only marginally higher than the median value of 35.5 years. On applying the test for skewness, the distribution was found to be normal, as the ratios of the values of skewness and kurtosis to their respective standard errors were found to be between -2and +2. Here the ratio for skewness was found to be 0.80 and for kurtosis was - 0.283, and hence the null hypothesis that the distribution was normal was not rejected.

Table 3. 8: Descriptive measures

Statistic	All respondents	Standard error	Members	Standard error	Non-members	Standard error
Mean	35.74	6.97	36.33	6.601	35.15	7.315
Median	35.5		36		35	
Mode	32		32		32	
Kurtosis	-0.097	0.342	0.496	0.241	-0.48	0.241
Skewness	0.139	0.172	0.167	0.478	0.67	0.478
Range	34		34		29	
Minimum	21		21		21	
Maximum	55		55		50	

Table 3. 8 also shows the descriptive statistics of the age of members and non members. The mean age of respondents who were members in SHGs and JLGs was 36.3 while the mean age of non-members was 35.2. The means of both members and non members were only marginally higher than the medians. The ratios of skewness to standard error for both members and non members were found to be less than 2 and greater than -2 so the age distributions could be said to be normal.

Household Details

Household Size

The average household size was 5, found in 64 households. Of the sample, every household had at least 2 members, with 7 households comprising 2 members. Households with 4 members made up for 24.5 per cent of the sample while larger households with 6 members comprised 17 per cent of the sample. The maximum household size of 9 members was found in 2 households.

Table 3. 9: Number of household members.

Household Size	Frequency	Percent
2	7	3.5
3	18	9.0
4	49	24.5
5	64	32.0
6	34	17.0
7	18	9.0
8	8	4.0
9	2	1.0
Total	200	100.0

The mean was marginally lower than the median. The distribution appeared to be slightly negatively skewed with the ratio of the value of skewness to its standard error (2.67) being greater than 2.

Table 3. 10: Descriptive statistics of household size

Statistic	Household size	Standard error	Members	Standard error .	Non members	Standard error
Mean	4.98	1.40695	5.08	1.33091	4.88	1.479011
Median	5		5		5	
Mode	5		5		5	
Kurtosis	0.124	0.342	0.80041	0.478	-0.3809	0.478
Skewness	0.462	0.172	0.5328	0.24138	0.17246	0.24138
Range	7		7		6	
Minimum	2		2		2	
Maximum	9		9		8	

Children

The average number of children belonging to sample households was 2. Of the total 200 households, there were 11 households which had no children, 67 had two children while there were 2 households which had maximum number of 7 children. Of these households that had children, 27 households did not have their children in school (implying that either the children had not yet begun to go to school or had finished school). Of the sample, a majority (40 per cent) of households had two children in school.

Table 3. 11: Descriptive statistics of number of children, students and earning members

Statistics	No. of children	No. of students	No. of earning members
Mean	2.44	1.7200	2.0850
Median	2.0000	2.0000	2.0000
Mode	2.00	2.00	2.00
Std. Deviation	1.22634	1.12156	.91760
Skewness	.462	.010	1.210
Std. Error of Skewness	.172	.172	.172
Kurtosis	1.294	-.512	1.974
Std. Error of Kurtosis	.342	.342	.342
Range	7.00	5.00	5.00
Minimum	.00	.00	1.00
Maximum	7.00	5.00	6.00

Of the households in the sample, on an average there were 2 earning members (found in 113 out of 200 households). About 24 per cent of the households had one earning member while 10 per cent of the households had 3 earning members.

Housing Characteristics

Most of the respondents lived ~~on~~ their own houses, with about 97 percent of the women in the sample reporting ~~of~~ living in their own house and only 3 per cent living in rented houses. Ownership of houses also followed a similar pattern among respondents who took microcredit (members) and those who did not take microcredit (non-members), with 99 per cent and 94 per cent of members and non members living in their own houses respectively. However, of the respondents who reported to have their own houses, more than half (51.2 per cent) were members of SHGs/JLGs, while of those who lived in rented houses, about 85 per cent were non-members (Table 3.12).

Housing condition or house type was also taken to be an approximate ~~h~~ indicator of the household's economic status, and hence information on the condition of the house was also recorded. The houses were categorised as 'Pucca', 'Semipucca' and 'Kaccha.' 'Pucca' connoted a concrete house with concrete walls and roof, while 'semipucca' was taken to represent concrete/brick walls with asbestos roof. 'Kaccha,' houses were those which had mud/thatched walls and tiled/thatched roofs.

Table 3. 12: Ownership Vs. membership in SHG/JLG

Ownership	Membership in SHG/JLG		
	Non-member	Member	Total
Own	94 (49%)	99 (51.2%)	193 (97%)
Rented	6 (85%)	1 (14%)	7 (3%)
Total	100	100	200
Chi square tests			
Statistic	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	3.701 ^a	1	0.054
Likelihood Ratio	4.092	1	0.043
No of Valid Cases	200		
Symmetric measures			
Phi	-0.136		0.054
Cramer's V	0.136		0.054
Contingency Coefficient	0.135		0.054

As shown in Table 3. 13, of the total respondents, 67 per cent lived in 'kaccha' houses, about 30 per cent lived in 'semi pucca' houses and a very small

proportion (3.5%) lived in 'pucca' houses. The trend was similar among members and non-members.

Table 3. 13: House Type versus Membership

House Type	Membership in SHG/JLG		
	Non member	Member	Total
Pucca	3 (42.9%)	4 (57.1%)	7 (3.5%)
Semipucca	29 (49.2%)	30 (50.8%)	59 (29.5%)
Kaccha	68 (50.7%)	66 (49.3%)	134 (67%)
Total	100	100	200
Chi Square values			
Statistic	Value	df	Asymp. Sig. (2 sided)
Pearson Chi-Square	0.190 ^a	2	0.910
Likelihood Ratio	0.190	2	0.909

Of the members, 66 per cent lived in 'kaccha' houses, 30 per cent lived in 'semi pucca' houses while only 4 per cent lived in 'pucca' houses. Among non members, 68 per cent lived in 'kaccha' houses, 29 per cent lived in 'semi pucca' houses and 3 per cent lived in 'pucca' houses. Among those who lived in 'kaccha' houses, the proportion of respondents who did not take microcredit (non-members) was marginally higher (50.7per cent) than those who took microcredit (49.3 per cent). In the 'semi pucca' category, the proportion of members (50.8 per cent) was marginally higher than that of non-members (49.2 per cent). However, in the 'pucca' category, the proportion of members (57.1 per cent) was much higher than that of non members (42.9 per cent). The Chi-square test was also conducted to check the comparability of members and non members in housing conditions. As shown in Table 3. 14, the two-sided asymptotic significance of the chi-square statistic was much greater than 0.05, indicating that the two groups are comparable with respect to housing conditions.

It was also considered worthwhile to see the ownership pattern of houses with regard to their conditions (whether 'pucca, semi pucca or kaccha). As shown in Table 3. 14, of the pucca houses, a majority (71.5 per cent) were owned by respondents and of these, 60 per cent were members. In the semi-pucca category, 98.3 per cent were owned by respondents, of which 57.1 per cent were members. There was only one semi-pucca house on rent, and it was inhabited by a non-

member. Of the 'kaccha,' houses 97 per cent were owned by respondents, out of whom 50.8 per cent were individuals who took microcredit.

Table 3. 14: Housing type vs. Ownership vs membership

House Type	Ownership	Membership in SHG /JLG		
		Non members	Members	Total
Pucca	Own	2 (40%)	3 (60%)	5 (71.5%)
	Rented	1 (50%)	1 (50%)	2 (28.5%)
	Total	3 (42.9%)	4 (57.1%)	7
Semi-pucca	Own	28 (48%)	30 (51.7%)	58 (98.3%)
	Rented	1	0	1 (1.7%)
	Total	29 (49.2%)	30 (50.8%)	59
Kaccha	Own	64 (49.2%)	66 (50.8%)	130 (97%)
	Rented	4	0	4 (3%)
	Total	68 (50.7%)	66 (49.3%)	134
Chi- Square values				
House Type	Statistic	Value	df	Asymp. sig.(2sided)
Pucca	Pearson Chi-Square	1.120	2	0.571
	Likelihood Ratio	1.646	2	0.439
Semi-pucca	Pearson Chi-Square	.447 ^b	12	1.000
	Likelihood Ratio	.735	12	1.000
Kaccha	Pearson Chi-Square	1.402 ^c	14	1.000
	Likelihood Ratio	2.383	14	1.000
Symmetric measures				
Pucca	Cramer's V	0.400		0.571
	Contingency Coefficient	0.371		0.571
Semi-pucca	Cramer's V	0.087		1.000
	Contingency Coefficient	0.087		1.000
Kaccha	Cramer's V	0.102		1.000
	Contingency Coefficient	0.102		1.000

Other Assets

The household's/individual's economic conditions could also be gauged by looking at land-holding owned by the household/individual. Here, land holdings indicate the total land area owned by the household, which includes the garden land (surrounding the house) and agricultural land (in case of rural households).

Table 3. 15 shows the distribution of ownership of land holdings among individuals who take microcredit (members) and those who do not take microcredit (non-members). The sample contained 6 respondents, who did not

own any land, and of these five were non members and there was one member. These respondents lived in rented houses. A majority (62 per cent) of the respondents owned land up to 2.5 acres, of whom, 50.8 per cent were members and 49.2 per cent were non members. About 13 per cent of the respondents owned landholdings of size 2.6 to 5 acres. Of these individuals, the proportion of non members at 53.8 percent was higher than members (46.2 per cent). However, the proportion of members was higher than non members for larger land holdings. About 55 percent of those who owned land-holdings of size 5.1 acres to 9 acres and 10 acres and above (respectively) were members.

Table 3. 15: Land Holdings

Land Holdings in acres	Membership in SHG/JLG		
	Non members	Members	Total
landless	5 (83.3%)	1 (16.7 %)	6 (3%)
0.1 to 2.5 acres	61 (49.2 %)	63 (50.8 %)	124 (62 %)
2.6 to 5 acres	14 (53.8%)	12 (46.2%)	26 (13%)
5.1to 9 acres	15 (45.5%)	18 (54.5%)	33 (16.5%)
10 acres and above	5 (45.5%)	6 (54.5 %)	11 (5.5 %)
Total	100	100	200
Chi square values			
Statistic	Value	df	Asymp. Sig. (2 sided)
Pearson Chi-Square	3.216 ^a	4	0.522
Likelihood Ratio	3.461	4	0.484
Cramer's V	0.127		0.522
Contingency Coefficient	0.126		0.522

As mentioned before, the sample consisted of 100 individuals residing in urban areas and 100 in rural areas. It would be worthwhile to note that in urban areas, the respondents ranged from having no land to owning a maximum of 2.5 acres (Table 3. 16). In the rural areas, a majority (33 per cent) owned land holdings with size 5.1 to 9 acres, about 30 percent owned land-holdings sized between 0.1 to 2.5 acres, 26 per cent owned 2.5 to 5 acres and 11 per cent owned 10 acres or more.

The class intervals have been setup so as to facilitate the categorisation of farmers as marginal (with cultivated land holding of 2.5 acres or less), small (with cultivated land-holding of 5 acres or less) and medium farmers (5.1 acres to 9 acres) and large farmers(10 acres or more) as per the classification provided by the Government of Odisha. It would also be useful to mention that according to

the Land Ceiling Act, the maximum size of cultivable land that can be owned is 10 standard acres of double irrigated land and 15 standard acres of single irrigated land. The rural areas in which the survey was undertaken were mostly rain-fed.

Table 3. 16: Land holdings versus Area

Area	Land holding	Non members	Members	Total
Urban	landless	5 (83.3 %)	1 (16.7%)	6 (6%)
	0.1 to 2.5 acres	45 (47.9%)	49 (52.1%)	94 (94.0%)
Total		50	50	100
Rural	0.1 to 2.5 acres	16 (53.3%)	14 (46.7%)	30 (30.0%)
	2.6 to 5 acres	14 (53.8 %)	12 (46.2 %)	26 (26.0 %)
	5.1 to 9 acres	15 (45.5%)	18 (54.5%)	33 (33.0%)
	10 acres and above	5(45.5%)	6 (54.5%)	11(11.0 %)
Total		50	50	100
Chi square values				
Area	Statistic	value	df	Asymp. Sig. (2 sided)
Urban	Pearson Chi-Square	2.837 ^a	1	0.092
	Likelihood Ratio	3.081	1	0.079
	Cramer's V	0.168		0.092
	Contingency Coefficient	0.166		0.092
Rural	Pearson Chi-Square	0.651	3	0.885
	Likelihood Ratio	0.652	3	0.885
	Cramer's V	0.081		0.885
	Contingency Coefficient	0.080		0.885

The Chi-square tests were also conducted in order to check for the comparability of members and non-members. As the two-sided asymptotic significance of the Chi-square statistic is greater than 0.05, we can say that the two groups are comparable with respect area and land-holding size.

Annual Household Income

The information on the respondents' annual income was considered to be important to ensure that the members and non members belonged to a similar and hence comparable economic profile. As shown in the Table 4.8, the figures have been organised into class intervals for facilitating representation. The first class interval has been kept as less than Rs 40,000 a year, as the minimum annual income level as a criterion for lending by Microfinance Institutions taken in the survey is Rs 24,000.

Table 3. 17: Annual Income Vs membership

Annual Income Class	Membership in SHG /JLG		
	Non members	Members	Total
less than Rs 40,000	4	5	9
Rs 40,000-Rs 79,000	54	57	111
Rs 80,000-Rs 1,20,000	34	29	63
more than Rs 1,20,000	8	9	17
	100	100	200
Chi Square tests			
Statistic	Value	df	Asymp. Sig.(2-sided)
Pearson Chi-Square	.648 ^a	3	0.885
Likelihood Ratio	.649	3	0.885
Symmetric Measures			
Phi	0.057		0.885
Cramer's V	0.057		0.885
Contingency Coefficient	0.057		0.885

A majority of respondents (55 per cent) have annual household income ranging between Rs 40,000 to Rs 79,000. Of these individuals, 51.3 per cent are members while 48.7 per cent are non-members. There were 9 individuals who had annual household income of less than Rs 40,000 and 17 persons with annual household income greater than Rs1, 20,000. The value of the chi-square statistic as reported in Table 3. 17 showed the two groups to be comparable with respect to household annual income.

Table 3. 18: Descriptive statistics of Annual Household Income

Statistics	All respondents	Members	Non Members
Mean	74049.5	74721	73378
Median	72000	72000	70000
Mode	60000	72000	60000
Std. Deviation	26116.25	27449.58	26355.42
Skewness	0.4356	0.353505	0.52381
Std. Error of Skewness	0.171925	0.24138	0.24138
Kurtosis	-0.77594	-0.73686	-0.7747
Std. Error of Kurtosis	0.342202	0.478	0.478
Minimum	30000	30000	30000
Maximum	128000	128000	128000

As shown in Table 3.18, the mean annual household income was found to be Rs 74049.5 which higher than the median annual household income of Rs 72,000. The distribution was found to be highly positively skewed. Since the variance is very high, the annual household income distribution can be said to be widely dispersed.

The mean household incomes of the members and non members were found Rs 74721 and Rs73378 respectively. Since the difference between the two is small, we can say that the member respondents and non member respondents are comparable with respect to their annual household incomes.

The distribution of annual household income among members and non members over rural and urban areas is given in Table 3. 19. In the urban areas, the highest proportion of respondents (43 per cent) had annual household income of Rs 40,000 to Rs 79,000. Of these, about 57 per cent were individuals who took microcredit while the rest did not take microcredit. There were two individuals in the urban sample whose households earned less than Rs 40,000 a year and both of them were non members. On the upper end of the income bracket, out of 15 individuals who had annual household income of more than Rs 1, 20,000, nine were members of SHGs/JLGs, while 6 were non members.

In the rural areas, however, 7 individuals had annual household income of less than Rs 40,000 as compared to 2 of urban areas. Similar to urban areas, a major proportion (69 per cent) of rural respondents had annual household income between Rs 40,000 and Rs 79,000. Of these individuals, ~~7~~ more than 52 percent did not take microcredit. However, unlike the urban areas, there were only two rural respondents whose annual household income exceeded Rs1, 20,000, who were non-members.

The Chi-square test was performed to see if members and non members were comparable in urban and rural areas respectively with regard to their annual household incomes. The two-sided asymptotic significance of the chi-square statistic was found to be much greater than 0.05, implying that the groups are comparable.

Table 3.19: Distribution of Annual Household Income of members and non-members over urban and rural areas

Area	Annual Income Class	Membership in SHG /JLG		
		Non members	Members	Total
Urban	less than Rs 40,000	2	0	2
	Rs 40,000-Rs 79,000	19	24	43
	Rs 80,000-Rs 1,20,000	23	17	40
	more than Rs 1,20,000	6	9	15
	Total	50	50	100
Rural	less than Rs 40,000	2	5	7
	Rs 40,000-Rs 79,000	35	33	68
	Rs 80,000-Rs 1,20,000	11	12	23
	more than Rs 1,20,000	2	0	2
	Total	50	50	100
Chi-square tests				
Area	Statistic	value	df	Asymp. sig. (2sided)
Urban	Pearson Chi-Square	4.081 ^a	3	.253
	Likelihood Ratio	4.863	3	.182
Rural	Pearson Chi-Square	3.388 ^b	3	.336
	Likelihood Ratio	4.203	3	.240
Symmetric measures				
Urban	Phi	0.202		0.253
	Cramer's V	0.202		0.253
	Contingency Coefficient	0.198		0.253
Rural	Phi	0.184		0.336
	Cramer's V	0.184		0.336
	Contingency Coefficient	0.181		0.336

Social Characteristics-Caste, Religion and Educational Level

The respondents belonged to four main social categories of Scheduled Caste (SC), Scheduled Tribe (ST), Other Backward Classes (OBCs) and General. The Table 3.2.15 shows the distribution of members and non members across these social categories. Scheduled Tribes comprised the highest proportion (44 per cent) of the respondents, followed by those belonging to the General category (39.5 percent).

Other backward Classes (OBCs) comprised 12 per cent of the sample, while Scheduled Castes (SCs) made up for only 4.5 per cent of the sample. The distribution of non members and members among the social groups was almost similar. This was also seen from the Chi-square tests.

Table 3. 20: Social Groups of respondents versus membership in SHG/JLG

Social Group (Caste)	Membership in SHG/JLG		
	non members	members	Total
SC	4 (44.4%)	5 (55.6 %)	9 (4.5%)
ST	48 (54.5%)	40 (45.5%)	88 (44.0 %)
OBC	12 (50.0%)	12 (50.0 %)	24 (12.0%)
GEN	36 (45.6%)	43 (54.4%)	79 (39.5 %)
Total	100	100	200
Chi Square values			
Statistic	value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.459 ^a	3	0.692
Likelihood Ratio	1.461	3	0.691
Cramer's V	.085		0.692
Contingency Coefficient	.085		0.692

Table 3. 21: Social group versus membership versus area

Area	Caste	Membership In SHG /JLG		
		Non Members	Members	Total
Urban	SC	2 (33.3%)	4 (66.7%)	6
	ST	3 (75%)	1 (25%)	4
	OBC	10 (66.7%)	5 (33.3%)	15
	GEN	35 (46.7%)	40 (53.3%)	75
Total		50	50	100
Rural	SC	2(66.7%)	1 (33.3%)	3
	ST	45 (53.6%)	39 (46.4%)	84
	OBC	2 (22.2%)	7 (77.8%)	9
	GEN	1 (25 %)	3 (75%)	4
Total		50	50	100
Chi square values				
Area	Statistic	value	df	Asymp. Sig. (2-sided)
Urban	Pearson Chi-Square	3.667 ^a	3	0.300
	Likelihood Ratio	3.759	3	0.289
	Cramer's V	0.191		0.300
	Contingency Coefficient	0.188		0.300
Rural	Pearson Chi-Square	4.540 ^b	3	0.209
	Likelihood Ratio	4.757	3	0.190
	Cramer's V	.213		0.209
	Contingency Coefficient	.208		0.209

The distribution of respondents belonging to various social groups over urban and rural areas is reported in Table 3.2.16. In the urban areas, respondents mainly belonged to the General category, comprising 75 per cent of the urban sample. Of these, more than 53 per cent were members while the rest were non members.

Other Backward Classes comprised 15 percent of the urban sample, followed by SCs (6 per cent) and STs (4 per cent). Among the OBCs, the proportion of non-members (66.7 per cent) was higher than the proportion of members (33.3 per cent). Out of the 6 respondents who belonged to the SC category, 4 were members and out of the 4 urban ST respondents, only one took microcredit.

In the rural areas, the highest proportion of respondents belonged to the Scheduled Tribe (ST) with 84 per cent of the respondents belonging to the Scheduled Tribes. The OBC, General and the SC category formed a minority with only 9 respondents belonging to the OBC category, four belonging to the General category and three to the SC category. Chi-square test was performed and the distribution of members and non members in various social groups was found to be comparable in urban and rural areas.

Religion

The respondents mainly followed Hinduism, Islam and Christianity. During the survey, some respondents, especially those belonging to tribes reported to be following tribal religion, this has been categorised as 'others'. As shown in the Table 3.2.17, most of the respondents were Hindus (47.5 per cent), followed by Christians (32.5 per cent). Muslims and 'others' each comprised 10 per cent of the sample.

Table 3. 22: Religion versus membership

Religion	Membership In SHG /JLG		
	Non Members	Members	Total
Hindu	46 (48.42%)	49 (51.6%)	95 (47.5%)
Muslim	9 (45%)	11 (55.00%)	20 (10%)
Christian	34 (52.31%)	31 (47.7%)	65 (32.5%)
Others	11 (55%)	9 (55%)	20 (10%)
Total	100	100	200
Chi square values			
Statistic	value	df	Asymp Sig. (2-sided)
Pearson Chi-Square	0.633 ^a	3	0.889
Likelihood Ratio	0.634	3	0.889
Cramer's V	0.056		0.889
Contingency Coefficient	0.056		0.889

The distribution of respondents according to their religions in urban and rural areas is given in Table 3. 22. In the urban areas, most of the respondents were

Hindus (77 per cent), 20 per cent were Muslims, 2 per cent were Christians while only one percent followed 'others'.

In the rural areas, a major proportion of respondents were Christians (63percent), followed by 'others' who made up for 19 per cent of the sample. Hindus comprised 18 per cent of the rural sample, while there were no Muslims. On performing the Chi-square tests, members and non members were found to be comparable with respect to religion in urban and rural areas.

Table 3. 23: Religion vs membership vs area

Area	Religion	Membership In SHG /JLG		
		Non Members	Members	Total
Urban	Hindu	39 (50.6%)	38 (49.4%)	77 (%)
	Muslim	9 (45%)	11 (55%)	20 (%)
	Christian	2 (100%)	0	2 (%)
	Others	0	1 (100%)	1(%)
Total		50	50	100
Rural	Hindu	7 (38.9%)	11 (61.1%)	18 (%)
	Christian	32 (50.8%)	31 (49.2%)	63 (%)
	Others	11 (57.9%)	8 (42.1%)	19 (%)
Total		50	50	100
Chi square values				
Area	Statistic	value	df	Asymp. Sig. (2-sided)
Urban	Pearson Chi-Square	3.213 ^a	3	0.360
	Likelihood Ratio	4.372	3	0.224
	Cramer's V	0.179		0.360
	Contingency Coefficient	0.176		0.360
Rural	Pearson Chi-Square	1.378 ^b	2	0.502
	Likelihood Ratio	1.388	2	0.500
	Cramer's V	0.117		0.502
	Contingency Coefficient	0.117		0.502

The distribution of the respondent's religion with respect to caste is given in Table 3. 24. All respondents belonging to the Scheduled Caste category were Hindus. Of those who belonged to the Scheduled Tribes, about 74 per cent were Christians, 23 per cent followed 'other' religions and only 3.4 per cent were Hindus. Among OBCs 75 per cent were Hindus while 25 per cent were Muslims. In the General category, there were no respondents who followed Christianity or

'other' religions. Hindus comprised 82.3 per cent of the general category, while the proportion of Muslims was about 18 per cent.

Table 3. 24: Caste vs religion vs membership in SHG /JLG

Caste	Religion	Membership In SHG /JLH		
		Non Members	Members	Total
SC	Hindu	4(44.4%)	5(55.6%)	9(%)
Total		4	5	9
ST	Hindu	3	0	3 (3.4 %)
	Christian	34(52.3%)	31(47.7%)	65(73.9%)
	Others	11(55.0%)	9(45.0%)	20 (22.7%)
Total		48	40	88
OBC	Hindu	9(50.0%)	9(50.0%)	18(75.0%)
	Muslim	3(50.0%)	3(50.0%)	6(25.0%)
Total		12	12	24
GEN	Hindu	30(46.2%)	35(53.8%)	65(82.3%)
	Muslim	6(42.9%)	8(57.1%)	14(17.7%)
Total		36	43	79
Chi square test results				
Group	Statistic	value	df	Asymp. Sig.(2-ided)
ST	Pearson Chi-Square	2.633	2	0.268
	Likelihood Ratio	3.769	2	0.152
	Cramer's V	0.173		0.268
	Contingency Coefficient	0.170		0.268
OBC	Pearson Chi-Square	0.000	1	1.000
	Likelihood Ratio	0.000	1	1.000
	Cramer's V	0.000		1.000
	Contingency Coefficient	0.000		1.000
GEN	Pearson Chi-Square	0.050	1	0.822
	Likelihood Ratio	0.051	1	0.822
	Cramer's V	0.025		0.822
	Contingency Coefficient	0.025		0.822

Educational level

The educational levels of the respondents are tabulated in Table 3. 25. The 'primary' level indicates schooling up to class 5, 'secondary' represents schooling up to class 10 and 'higher secondary,' connotes education up to class12.A majority of the respondents in the sample (38 per cent) reported themselves to be 'illiterate.' Of these, a higher proportion (51.3 per cent) did not take microcredit, while 48.7 per cent were members of SHGs and JLGs.

About 33 per cent of the respondents reported to have attended school up to class 5. Among these, members constituted a majority (62.2 per cent) while non members comprised 37.8 per cent.

Respondents, who attended school up to class 10, comprised about 7 per cent of the sample. From 13 respondents who attended school up to secondary level, 8 were non members and 5 were members. There were no graduates or technically educated respondents in the sample. The Chi-square tests were performed and as shown in Table 5.9, the results indicated that the members and non members were comparable with regard to educational levels.

Table 3. 25: Educational levels versus membership

Educational Status	Membership In SHG /JLG		
	Non Members	Members	Total
Primary	36 (54.5%)	30(45.5%)	66(33%)
Secondary	17(37.8%)	28(62.2%)	45(22.5%)
Higher Secondary	8(61.5%)	5(38.5%)	13(6.5%)
Illiterate	39(51.3%)	37(48.7%)	76(38%)
Total	100	100	200
Chi square results			
Statistic	Value	df	Significance
Pearson Chi-Square	3.979283	3	0.264
Likelihood Ratio	4.013762	3	0.260
Cramer's V	0.141055		0.264
Contingency Coefficient	0.139672		0.264

The Table 3. 26 shows the distribution of respondents having different levels of education over urban and rural areas. There were more illiterate respondents in the urban (45 per cent) than in the rural areas (31 per cent). The proportion of respondents who had primary levels of education was also found to be higher in rural (35 per cent) than in urban areas (31 per cent).The similar trend was seen for respondents having secondary levels of education (26 per cent rural respondents as compared to 19 per cent urban) and higher secondary levels of education (8 rural respondents as compared to 5 urban respondents).

Looking at membership across areas we find that the proportion of illiterates is higher among non members than members in both urban and rural areas. Across levels of education, however, the distribution of members and non members is different in urban and rural areas. In the urban areas, the proportion of members having primary education (34 per cent) is higher than that of non-members (28 per cent), whereas in the rural areas, the opposite trend is seen.

Table 3. 26: Educational status vs membership in SHG/JLG vs Area

Area	Educational Status	Membership In SHG /JLG		
		Non Members	Members	Total
Urban	Primary	14 (45.2%)	17 (54.8%)	31
	Secondary	9 (47.4%)	10 (52.6%)	19
	Higher Secondary	4 (80%)	1 (20%)	5
	Illiterate	23 (51.1%)	22 (48.9%)	45
			50	50
Rural	Primary	22 (51.1%)	13 (48.9%)	35
	Secondary	8 (62.9%)	18 (37.1%)	26
	Higher Secondary	4 (50%)	4 (50%)	8
	Illiterate	16 (51.6%)	15 (48.4%)	31
			50	50
Chi square results				
area	Statistic	Value	df	Asymp. Sig. (2-sided)
urban	Pearson Chi-Square	2.165176	3	0.53884
	Likelihood Ratio	2.293105	3	0.513843
	Cramer's V	0.147		0.539
	Contingency Coefficient	0.146		0.539
rural	Pearson Chi-Square	6.192698	3	0.102602
	Likelihood Ratio	6.319835	3	0.097045
	Cramer's V	0.249		0.103
	Contingency Coefficient	0.241		0.103

In case of secondary education levels, there are more members than non members in both urban areas and rural areas. For educational levels beyond class 10, there is just one member as compared to four non-members in the urban areas. In the rural sample, an equal number of members and non-members reported to have studied up to higher secondary levels. As shown in the Table 3. 26, the chi-square test results indicated that the two groups of members and non members were statistically comparable across educational levels and areas.

Occupation

The main occupations of the respondents in the sample were 'household duties,' 'agriculture,' 'Small Business,' 'Household industry,' 'domestic worker,' 'daily wage worker,' 'agriculture and daily wage worker,' and 'employed.' In the context of the study, the occupation 'household duties,' implied that the respondent was a housewife. The occupation 'agriculture,' connoted cultivation and selling of agricultural produce. 'Small Business,' included small tea shops, small tailoring units, vending of fruits, fish, stationary, snacks etc. 'Household industry,' referred to producing marketable goods like candles, incense sticks,

handicrafts etc. from home. 'Domestic work,' referred to performing household duties for a payment (at other people's homes). A 'Daily wage worker,' implied that the respondent worked for a daily wage. The 'Agriculture and daily wage,' occupational category connoted that along with working in their own farms, the respondents also worked in others farms in the village for a village-determined wage and also participated in MNREGs programmes. The 'employed,' category included respondents who worked for a regular monthly salary.

Table 3. 27: Occupation vs membership

Occupation	Membership In SHG /JLG		
	Non Member	Member	Total
Household Duties	38 (58.5%)	27 (41.5%)	65 (32.5%)
Agriculture	26 (55.3%)	21 (44.7%)	47 (23.5%)
Small Business	6 (14%)	37 (86%)	43 (21.5%)
Household Industry	2	2	4 (2%)
Domestic Worker	2	0	2 (1%)
Daily Wage Worker	5	0	5 (2.5%)
Agriculture and Daily Wage	21 (65.6%)	11 (34.4%)	32 (16%)
Employed	0	2	2 (1%)
Total	100	100	200
Chi square values			
Statistic	Value	df	Significance
Pearson Chi-Square	36.867 ^a	7	0.000
Likelihood Ratio	42.915	7	0.000
Cramer's V	0.429		0.000
Contingency Coefficient	0.395		0.000

The Table 3. 27 shows the distribution of members and non members across various occupational groups. A majority (33%) of the respondents were housewives. Among these, the proportion of non-members (59 per cent) was higher than the proportion of members (42 per cent). Agriculture was found to be the next major occupation, engaging about 24 percent of the respondents in the sample, followed by Small Business which was the occupation of about 22 per cent of the respondents. About 16 percent of the respondents were engaged in agriculture along with daily wage employment. There were two respondents who were domestic workers, 4 engaged in household industry and 5 were engaged in daily wage work. Only two respondents in the sample were found to be 'employed.'

A greater proportion of the members (37 per cent) were engaged in 'small businesses,' than non members (6 per cent). However, in the other occupational

categories, non members comprised a higher proportion than members. There were no daily-wage workers and domestic workers as members in the sample. Also, there were no 'employed' non-members in the sample. The Chi-square test results show that the two groups are not similar as there was a difference in the occupational pattern of members and non-members and between urban and rural areas. The MFIs prefer lending to women who engage in small business (self or family run).

The distribution of respondents involved in different occupations over urban and rural areas is shown in Table 3. 28. In the urban sample, most of the respondents (63 per cent) of the respondents were housewives. Of these, about 60 percent did not take microcredit while approximately 40 per cent were members of SHGs/JLGs.

Table 3. 28: Occupation of Respondents versus Membership in SHG/JLG versus Area

Area	Occupation	Membership in SHG /JLG		
		Non Members	Members	Total
Urban	Household Duties	38 (60.3%)	25 (39.7%)	63
	Small Business	6 (20.7%)	23 (79.3%)	29
	Household Industry	2 (50%)	2 (50%)	4
	Domestic Worker	2	0	2
	Daily Wage Worker	2	0	2
total		50	50	100
Rural	Household Duties	0	2	2
	Agriculture	26 (55.3%)	21 (44.7%)	47
	Small Business	0	14	14
	Daily Wage Worker	3	0	3
	Agriculture And Daily Wage	21 (65.6%)	11(34.4%)	32
	Employed	0	2	2
total		50	50	100
Chi square test results				
area	Statistic	Value	df	Asymp. Sig.(2-sided)
urban	Pearson Chi-Square	16.648 ^a	4	0.002
	Likelihood Ratio	18.880	4	0.001
	Cramer's V	.408	.002	
	Contingency Coefficient	.378	.002	
Rural	Pearson Chi-Square	24.657 ^b	5	0.000
	Likelihood Ratio	32.823	5	0.000
	Cramer's V	0.497	0.000	
	Contingency Coefficient	0.445	0.000	

About 29 percent were engaged in small businesses, of which 80 per cent were members and 20 percent were non-members. Domestic workers were found only in the urban sample. There were only two daily wage workers in the urban sample and both were non members. In the rural sample, since agriculture is the main occupation (engaging 47 per cent of the rural respondents), there were only two women who were housewives, both of whom were members in SHG/JLGs. About 32 per cent of the rural respondents earned their livelihood from agriculture and daily wage work. Non members constituted a higher proportion than members in both the occupations. However, among respondents who were engaged in small businesses, all were members. Two rural respondents had regular employment as their occupation and both were members in SHGs. Both respondents were employed by the government. One respondent worked in the village health centre while the other was employed at the Block office.

Table 3. 29: Occupation versus membership vs educational status

Educational Level	Occupation	Non-Members	Members	Total
Primary	Household Duties	12 (54.5%)	10(45.5%)	22(33.3%)
	Agriculture	11(73.3%)	4(26.7%)	15(22.7%)
	Small Business	1(8.3%)	11(91.7%)	12(18.2%)
	Household Industry	0	1	1(1.5%)
	Domestic Worker	1	0	1(1.5%)
	Daily Wage Worker	3	0	3 (4.5%)
	Agriculture And Daily Wage	8(66.7%)	4(33.3%)	12(18.2%)
Total		36(54.5%)	30(45.5%)	66
Secondary	Household Duties	6(50.0%)	6(50.0%)	12(26.7%)
	Agriculture	6(35.3%)	11(64.7%)	17(37.8%)
	Small Business	2(25.0%)	6(75.0%)	8(17.8%)
	Household Industry	1	0	1(2.2%)
	Agriculture And Daily Wage	2(28.6%)	5(71.4%)	7(15.6%)
Total		17(37.8%)	28(62.2%)	45
Higher Secondary	Household Duties	4	0	4(30.8%)
	Agriculture	2(66.7%)	1(33.3%)	3(11.1%)
	Small Business	0	1	1(7.7%)
	Household Industry	0	1	1(7.7%)
	Agriculture And Daily Wage	2	0	2(15.4%)
	Employed	0	2	2(15.4%)
Total		8(61.5%)	5(38.5%)	13
Illiterate	Household Duties	16(59.3%)	11(40.7%)	27(35.5%)
	Agriculture	7(58.3%)	5(41.7%)	12(15.8%)
	Small Business	3(13.6%)	19(86.4%)	22(28.9%)

	Household Industry	1	0	1(1.3%)
	Domestic Worker	1	0	1(1.3%)
	Daily Wage Worker	2	0	2 (2.6%)
	Agriculture And Daily Wage	9(81.8%)	2(18.2%)	11(14.5%)
Total		39	37	76
Chi Square Test Results				
Educational Status	Statistic	Value	df	Asymp. Sig. (2-sided)
Primary	Pearson Chi-Square	17.716 ^a	6	0.007
	Likelihood Ratio	21.075	6	0.002
	Cramer's V	.518	0.007	
	Contingency Coefficient	0.460	0.007	
Secondary	Pearson Chi-Square	3.262 ^b	4	0.515
	Likelihood Ratio	3.584	4	0.465
	Cramer's V	0.269	0.515	
	Contingency Coefficient	0.260	0.515	
Higher Secondary	Pearson Chi-Square	10.183 ^c	5	0.070
	Likelihood Ratio	13.504	5	0.019
	Cramer's V	0.885	0.070	
	Contingency Coefficient	0.663	0.070	
Illiterate	Pearson Chi-Square	21.312 ^d	6	0.002
	Likelihood Ratio	24.550	6	0.000
	Cramer's V	0.530	0.002	
	Contingency Coefficient	0.468	0.002	

As shown in Table 3. 29, Household duties were the main occupation for respondents of all levels of education except the secondary level. A majority of respondents educated up to the secondary were engaged in agriculture. There were more illiterate respondents engaged in small businesses than those having education. As expected, the only two respondents who were employed had education up to higher secondary level.

Table 3. 30 shows the distribution of respondents engaged in different occupations over social groups. Scheduled Caste respondents who took microcredit were mostly engaged in small business (3 out of 5) and household duties (2 out of 5). Only one SC respondent was engaged in agriculture. Among the Scheduled Tribe respondents about 50 per cent were engaged in agriculture and about 37 per cent were engaged in agriculture and daily wage work. Only 5 reported to earn their livelihood from small business and just four respondents were housewives. Two ST respondents were employed.

Among respondents who belonged to Other Backward Classes, 50 per cent were engaged in small businesses and most of these women (92 per cent) were members.

Table 3. 30: Occupation versus membership versus caste

Caste	Occupation	Membership in SHG/JLG		
		Non Members	Members	Total
SC	household duties	1(33.3%)	2(66.7%)	3(33.3%)
	Agriculture	1	0	1(11.1%)
	Small business	0	3	3(33.3%)
	household industry	1	0	1(11.1%)
	Daily wage worker	1	0	1(11.1%)
total		4(44.4%)	5(55.6%)	9
ST	household duties	2(50.0%)	2(50.0%)	4(4.5%)
	Agriculture	24(54.5%)	20(45.5%)	44(50.0%)
	Small business	0	5	5(5.7%)
	Domestic Worker	1	0	1(1.1%)
	agriculture and daily wage	21(65.6%)	11(34.4%)	32(36.4%)
	Employed	0	2	2(2.3%)
total		48(54.5%)	40(45.5%)	88
OBC	household duties	6(%)	0	6(25.0%)
	Agriculture	0	1	1(4.2%)
	Small business	1(8.3%)	11(91.7%)	12(50.0%)
	Domestic Worker	1	0	1(4.2%)
	Daily wage worker	4	0	4(16.7%)
total		12(50.0%)	12(50.0%)	24
GEN	household duties	29(55.8%)	23(44.2%)	52(65.8%)
	Agriculture	1	0	1(1.3%)
	Small business	5(21.7%)	18(78.3%)	23(29.1%)
	household industry	1(33.3%)	2(66.7%)	3(3.8%)
total		36(45.6%)	43(54.4%)	79
Chi square test results				
caste	Statistic	Value	df	Asymp. Sig. (2-sided)
SC	Pearson Chi-Square	6.300	4	0.178
	Likelihood Ratio	8.546	4	0.073
	Cramer's V	0.837	0.178	
	Contingency Coefficient	0.642	0.178	
ST	Pearson Chi-Square	10.851	5	0.054
	Likelihood Ratio	13.904	5	0.016
	Cramer's V	0.351	0.054	
	Contingency Coefficient	0.331	0.054	
OBC	Pearson Chi-Square	20.333	4	0.000
	Likelihood Ratio	26.387	4	0.000
	Cramer's V	0.920	0.000	
	Contingency Coefficient	0.677	0.000	
GEN	Pearson Chi-Square	8.822	3	0.032
	Likelihood Ratio	9.599	3	0.022
	Cramer's V	0.334	0.032	
	Contingency Coefficient	0.317	0.032	

There was just one OBC respondent who earned her livelihood from agriculture. Respondents, who belonged to the General category, were mostly housewives (66 per cent). About 30 per cent were engaged in small businesses while there was just one who was engaged in agriculture.

Below Poverty Line Status

Table 3. 31 shows the distribution of respondents who reported to be below or above poverty line over urban and rural areas. Most urban respondents (84 per cent) reported that they had BPL cards. Of these women, about 53 per cent were non members and the rest were members. In the rural sample, a similar proportion (84 per cent) reported to have BPL status. Among these, there were more non members than members. In both the urban and rural samples, for those who reported to be Above Poverty Line, the proportion of women who took microcredit was higher than those who did not.

Table 3. 31: BPL status versus membership

Area	Whether Below Poverty Line	Membership In SHG /JLG		
		Non Members	Members	Total
Urban	APL	6 (37.5%)	10 (62.5%)	16
	BPL	44 (52.4%)	40 (47.6%)	84
	total	50	50	100
Rural	APL	7 (46.7%)	8 (53.3%)	15
	BPL	43 (50.6%)	42 (49.4%)	85
	total	50	50	100
Chi square test results				
area	Statistic	Value	df	Asymp. Sig. (2-sided)
urban	Pearson Chi-Square	1.190 ^a	1	0.275
	Likelihood Ratio	1.201	1	0.273
	Cramer's V	0.109		0.275
	Contingency Coefficient	0.108		0.275
rural	Pearson Chi-Square	0.078 ^c	1	0.779
	Likelihood Ratio	0.078	1	0.779
	Cramer's V	0.028		0.779
	Contingency Coefficient	0.028		0.779

The Chi-square tests were performed to see if the members and non members were comparable with respect to their BPL status in the urban and rural areas.

The two sided asymptotic significance of the chi square statistic of both urban and rural sample was greater than 0.05, implying that members and non members were comparable in this aspect.

3.4. Summary of The Chapter

By the performing a thorough characterisation of the sample surveyed, we have tried to show that those respondents who took microcredit (members of SHGs/JLGs) and those who did not take microcredit (non-members) belonged to similar economic and social conditions. We have shown that the members and non-members have similar age distributions, family sizes, annual household incomes, land-holdings, housing conditions, educational levels, composition of social groups and religion. Though we do find that members and non-members differed in their occupations, we find the two groups comparable as they have the aforementioned similar characteristics.

CHAPTER 4

CREDIT AND DECISION MAKING

4.1. Introduction

As microcredit programmes seek to expand poor people's access to formal resources of credit, it would be useful to know whether participants in these programmes (or their households) have greater access to formal sources of credit than non members of similar socio-economic characteristics. In order to do so, we explore whether the respondents have household/personal savings bank accounts.

As mentioned earlier, there are broadly two types of group-lending mechanisms followed in India- the Self Help Group model and the Grameen model. Though both models work on peer pressure for mitigation of risk of default and aim at promoting thrift, financial discipline etc, the modes of functioning are different. Hence group members by virtue of their affiliation to the nature of microfinance organisations, differ in terms of financial skills. Self Help group members are effectively owners and managers of a small bank (Harper, 2006). They have to manage their own bank, financed by their own savings, by accumulated interest earnings and by institutional finance, and with a range of loans of different maturities and often at different interest rates. Thus for SHGs the skills of book keeping and record maintenance are very important. Grameen clients, on the other hand, are bound and protected by a rigid and highly disciplined system. They have regular weekly contact with bank staff, and they have little discretion as to the amounts or terms of loans, or even as to who receives them. In effect, they have merely to do what they are told. We seek to explore this issue in the context of our area of study as we found both models of group-lending to be in place.

We then explore the respondent's dependence on other sources of finance. We also examine the purpose and control of loan use. Finally we look at the expenditure pattern of loan. By 'purpose' of loan use we mean the purpose stated

or declared by the loanee while borrowing from institution/other sources. The loan however, might not be utilised solely on the purpose declared by the loanee. So we look at the utilisation pattern of loans as reported by respondents. In the last part we probe the ability of participants in micro finance programmes to engage in decision making in select domains of activity in comparison with that of non members.

4.1.1. Profile of Microfinance Organisations and members in the study area

Before getting into the analysis a brief overview of the Microfinance organisations in the study area would be helpful. As mentioned earlier (chapter 3), group-based microfinance in the area was provided both by private agencies (two Microfinance Institutions of Asmitha Microfin Ltd. and Spandana Spoority Financial Ltd; and two Non Banking Finance Companies, of SKS Microfinance and Sambandh Finserve Pvt. Ltd.) and government agencies (ICDS and Block). All the private agencies followed the Grameen model and provided microfinance to Joint Liability Groups (JLGs). The Self-Help Groups surveyed in the area were mostly government sponsored, with the ICDS and the Block as promoting agencies. Members reported to belong to 22 different SHGs and 18 JLGs. Of the 100 members surveyed, 46 women had membership solely in JLGs, 20 were members of only SHGs, while 34 reported to have membership in both SHGs and JLGs.

Of those who had membership in JLGs, 39 respondents reported to have taken loans from more than one MFI. The reason for multiple borrowing was mainly found to be repayment of other loans. According to MFI officials, though the clients were known to borrow from multiple sources for fulfilling their credit needs to some extent they mostly spent their loans to repay other loans. "This is one of the major reasons behind client defaults. Clients do not utilise the loan in their business. They are borrowing from multiple MFIs to repay loans and are in the process becoming more indebted," said an official from Sambandh Finserve Ltd. Another reason for defaults by JLG group members was client indiscipline and non repayment. Since competition among private MFIs in urban areas has

increased, and there is a rush for larger clientele, many MFIs that follow the Grameen bank model are overlooking training of clients and disciplining during group formation that comes with the Grameen model. As a result, there were many instances reported by MFI officials where clients in a particular locality jointly refused to repay. Also many of the clients reported being treated badly by officials. All of this made up for factors contributing to rising default rates in the area. *(since it is a field based study, is it not possible to quantify 'many'?)*

Though all the JLG members surveyed reported to have never defaulted a loan, interviews with non-members revealed that a few had been members of JLGs previously. On the occasion of default they were expelled from the groups and reported finding it extremely difficult to join any groups in the neighbourhood after expulsion.

Regarding thrift, most JLGs reported that they did not save within the group, while all SHG members in the survey reported to contribute a minimum of Rs 20 every month. Now we proceed to give a brief profile of members in the study area. The Table 4.1 shows the distribution of JLG and SHG members in urban and rural areas.

Table 4.1: Distribution of JLG and SHG members in areas.

Area	Membership in SHG/JLG		
	JLG	SHG	Total
Urban	34	16	50
Rural	12	38	50
Total	46	54	100

The SHG were predominantly a rural in occurrence as 76 per cent of the rural members belonged to SHGs. Of these, 20 members who had membership solely SHGs were located in a remote rural tribal area. JLGs, on the other hand were mostly present in urban areas making up for 68 per cent of the urban members.

Next we give a description of the educational status, the caste profile and the occupational status of JLG and SHG members. We have already done a profiling of members and non members with respect to these characteristics in chapter 3, so we did not bring in non members here.

Table 4.2: Distribution of JLG and SHG members according to their education

Educational status	Membership in SHG/JLG		
	JLG	SHG	Total
Primary	14	16	30
Secondary	10	18	28
Higher Secondary	2	3	5
Illiterate	20	17	37
Total	46	54	100

While a majority of the members were illiterate, a higher proportion (54 per cent) of them belonged to JLGs. Though a high proportion of SHG members also were illiterate, more SHG members had attended school up to the primary and secondary level than JLG members.

Table 4.3: Distribution of JLG and SHG members according to their caste

Caste	Membership in SHG/JLG		Total
	JLG	SHG	
SC	3	2	5
ST	7	33	40
OBC	7	5	12
General	29	14	43
Total	46	54	100

As shown in Table 4.3, most of the members belonged to the general category (43 per cent), followed by the Scheduled Tribes (40 per cent), their proportions in JLGs and SHGs differed. While JLG members mostly belonged to the general category while SHG members were predominantly tribal. The distribution of Scheduled Castes and the Other Backward Castes were similar.

Table 4.4: Distribution of SHG and JLG members according to their occupation

Occupation	Membership in SHG/JLG		
	JLG	SHG	Total
Household Duties	20	7	27
Agriculture	3	18	21
Small Business	20	17	37
Household Industry	1	1	2
Agriculture and Daily wage	2	9	11
Employed	0	2	2
Total	46	54	100

As shown in the Table 4.4, most of the members were engaged in small business (37 per cent), followed by household duties (27 per cent). In both these occupations, the proportion of JLG members was higher than SHG members.

What is it that you are trying to convey through education, caste & occupational profiles?

Are you seeing a connection between these & credit? 73

There were only seven SHG members who reported to be housewives, most of them were engaged in agriculture and small business.

In the following section we explore the access to formal sources of credit of respondents. Participants in group-based micro finance programmes are expected to have greater exposure and access to institutional finance.

4.2. Exposure to institutional finance

Information was collected about the accounts maintained by a group and savings bank accounts operated by them or by other members of their household. The 'others' category was included on pilot testing as women reported to have 'an LIC account,' which they thought to be some form of institutional finance. Having a group savings account (passbook) or a savings bank account belonging to members of the household would imply that the respondent had some exposure to institutional finance.

Table 4. 5: Exposure to institutional finance of members and non members

SHG/Bank Passbook	Membership In SHG /JLG				
	Non members	JLG members	SHG members	Members	Total
No savings bank account	43 (64.2%)	22	2	24 (35.8%)	67 (33.5%)
Group Savings bank Account	0	2	44	46	46 (23%)
Household Savings Bank Account	57 (74.0%)	18	2	20 (26.0%)	77 (38.5%)
Both	0	0	5	5	5 (2.5%)
Others	0	4	1	5	5 (2.5%)
Total	100	46	54		200

As Table 4.5 shows about 34 per cent of the respondents had no exposure to institutional finance. In other words, these women had neither group nor individual savings account. Of these women, a higher proportion of women were non members (64.2 per cent) while members in group based micro-lending programmes constituted 35.8 per cent.

A majority of respondents (38.5 per cent) reported that other members of their households had bank accounts. As expected, only 20 individuals of 77 were members in group-based microcredit programmes and an overwhelming

proportion of these individuals (74 per cent) were non members. Very few (5 members) respondents reported to have their own as well as household bank accounts. Looking separately at JLG members and SHG members, we found that a higher proportion of JLG members reported to have no savings bank account. Most SHG members, on the other had reported having a group savings bank account. Two SHG members however reported that they did not have any savings bank account as their group was newly constituted. Also two SHG members reported that they were yet to get a group savings bank account, but other members of their household had savings bank account. It may be worthwhile to mention here as per norms, SHGs are supposed to maintain savings accounts. JLG members on the other hand are not required to save with the MFI as most MFIs in the survey area do not accept deposits.

As shown in Table 4.6 exposure to institutional finance in rural areas is more than urban areas, with 72 percent of the rural respondents having group savings bank account/household bank account or both, compared to 61 per cent of urban respondents. Of the rural respondents 34 percent reported to have group savings bank accounts. This may be due to the fact that in rural areas there were more Self-Help Groups than in urban areas.

Area	SHG/Bank Passbook	Non members	JLG members	SHG members	Members	Total
Urban	No savings bank account	21 (53.8%)	16	2	18 (46.2%)	39
	Group Savings bank Account	0	1	11	12	12
	Household Savings Bank Account*	29 (67.4%)	13	1	14 (32.6%)	43
	Both	0	0	1	1	1
	Others	0	4	1	5	5
	Total		50	34	16	50
Rural	No savings bank account	22 (78.6%)	6	0	6 (21.4%)	28
	Group Savings bank Account	0	1	33	34(%)	34
	Household Savings Bank Account	28(82.4%)	5	1	6(17.6%)	34
	Both	0	0	4	4	4
	Total		50	12	38	50

Note: * a member of the household has a saving bank account.

In the urban areas, a higher proportion of non members (54per cent) reported to have no savings bank account than members of SHGs/JLGs. Among members, a higher proportion of urban JLG members than their rural counterparts, did not have group saving accounts or household savings bank accounts.

Table 4. 7: Exposure to institutional finance according to age of the respondents.

Age of individual(yrs)	SHG/ bank Passbook	Membership in SHG/JLG				
		Non members	JLG	SHG	Members	Total
21-30	No savings bank account	13 (61.9%)	7	1	8 (38.1%)	21 (55.2%)
	Group Savings bank Account	0	0	8	8	8 (21.1%)
	Household Savings Bank Account	9	0	0	0	9 (23.7%)
	Total	22 (57.9%)	7	9	16 (42.1%)	38 (19.5%)
31-40	No savings bank account	20 (66.7%)	9	1	10 (33.3%)	30 (20.8%)
	Group Savings bank Account	0	1	27	28	28 (19.4%)
	Household Savings Bank Account	33 (68.8%)	14	1	15 (31.3%)	48 (33.3%)
	Both	0	0	4	4	4 (2.8%)
	Others	0	3	1	4	4 (2.8%)
	Total	53 (46.5%)	27	34	61 (53.5%)	114 (57.5%)
41-50	No savings bank account	10 (66.7%)	5	0	5 (33.3%)	15 (34.1%)
	Group Savings bank Account	0	1	8	9	9 (20.5%)
	Household Savings Bank Account	13 (72.2%)	4	1	5 (27.8%)	18 (40.9%)
	Both	0	0	1	1	1 (2.8%)
	Others	0	1	0	1	1 (2.8%)
	Total	23 (52.3%)	11	10	21 (47.7%)	44 (22%)
51-60	No savings bank account	0	1	0	1	1 (25.0%)
	Group Savings bank Account	0	0	1	1	1 (25.0%)
	Household Savings Bank Account	2	0	0	0	2 (25.0%)
	Total	2	1	1	2	4 (2%)

As Table 4.7 shows, middle-aged (between 31-40 years) respondents had the highest number of women without savings bank accounts (30 out of the total

sample). Of these, non members constituted a higher proportion than members. Since a majority of the respondents are concentrated around this age-group, it also had the highest number of women with household bank accounts and Group savings bank accounts. As expected, a higher proportion of non members had bank accounts than members while none of the non members had Group savings bank accounts.

Exposure to institutional finance in younger women (age group 21 to 30 years) was less than those in respondents aged between 41 to 50 years. There were 21 women aged between 21 to 30 years who reported having no savings bank accounts as compared to 15 women in the age group 41 to 50 years. Also, 17 respondents in the age-group 21 to 30 reported to having Group savings bank accounts or household bank accounts as compared to 27 of the older age group. In both these age groups, a higher proportion of non members had household bank accounts than members.

Exposure of respondents to institutional finance according to their educational levels is given in Table 4. 8. Illiterate women and those with primary levels of education had least exposure to institutional finance as the highest number of women with no savings bank accounts in the sample had never been to school or had attained education up to class five (35 out of 200 being illiterate and 24 out of 200 with primary education).

Of these women the proportion of non members was higher than that of members. Since illiterate and primary school educated respondents constituted a major proportion the sample, they also constituted a large proportion (about 64 per cent) of those who had some exposure to institutional finance. Respondents with secondary level of schooling constituted about 30 per cent of those with SHG/bank passbooks

Table 4.8 Exposure to institutional finance by educational status of respondents

Educational Status	SHG/ Bank Passbook	Membership In SHG /JLG				
		Non Members	JLG	SHG	Members	Total
Primary	No savings bank account	18(75%)	5	1	6 (25%)	24(36.4%)
	Group Savings bank Account	0	0	14	14	14(21.2%)
	Household Savings Bank Account	18(75%)	6	0	6 (25%)	24(36.4%)
	Both	0	0	1	1	1(1.5%)
	Others	0	3	0	3	3(4.5%)
	Total	36(54.5%)	14	16	30 (45.5%)	66
Secondary	No savings bank account	4(80%)	1	0	1 (20.0%)	5(11.1%)
	Group Savings bank Account	0	0	12	12	12(26.7%)
	Household Savings Bank Account	13(54.2%)	9	2	11 (45.8%)	24(53.3%)
	Both	0	0	4	4	4(8.9%)
	Total	17(37.8%)	10	18	28 (62.2%)	45
Higher Secondary	No savings bank account	1(33.3%)	2	0	2 (66.7%)	3(23.1%)
	Group Savings bank Account	0	0	3	3	3(8.6%)
	Household Savings Bank Account	7	0	0	0	7(41.2%)
	Total	8(61.5%)	2	3	5(38.5%)	13
Illiterate	No savings bank account	20(57.1%)	14	1	15(42.9%)	35(46.1%)
	Group Savings bank Account	0	2	15	17	17(22.4%)
	Household Savings Bank Account	19(86.4%)	3	0	3(13.6%)	22(28.9%)
	Both	0	1	1	2	2(2.6%)
	Total	39(51.3%)	20	17	37(48.7%)	76

Across all levels of education, the proportion of members having household bank accounts was less than those of non members. The members mostly had group savings bank accounts.

Looking at exposure to institutional finance of respondents according to their income levels we found that the highest number of respondents who do not have savings bank accounts earned annual incomes between Rs 40,000 to 79, 000. It is as expected as this is the median income class. However, the proportion of those who had some exposure to institutional finance was greater than those who did

not have any. Here too, the proportion of non members having household bank accounts was higher than members.

Among respondents who had low levels of annual income (less than Rs 40,000) also, the proportion of those with some amount of exposure to institutional finance was higher (55.6 per cent) than those with no exposure.

Among those with annual incomes exceeding Rs 1, 20,000, a major proportion (88.2 per cent) had savings bank accounts. However, there were two respondents Rs1, 20, 000 in this income group who reported having no exposure to institutional finance. These respondents were illiterate urban Muslim women who were involved in petty trade.

Table 4. 9: Exposure to institutional finance according to income class

Annual income Class	SHG/bank passbook	Membership in SHG /JLG				
		Non members	JLG	SHG	Members	Total
Less than Rs 40,000	No savings bank account	3	1	0	1	4
	Group Savings bank Account	0	0	2	2	2
	Household Savings Bank Account	1	2	0	2	3
	Total	4	3	2	5	9
Rs 40,000-Rs 79,000	No savings bank account	24	11	1	12	36
	Group Savings bank Account	0	2	29	31	31
	Household Savings Bank Account	30	7	0	7	37
	Both	0	0	4	4	4
	Others	0	3	0	3	3
	Total	54	23	34	57	111
Rs 80,000-Rs 1,20,000	No savings bank account	14	10	1	11	25
	Group Savings bank Account	0	0	11	11	11
	Household Savings Bank Account	20	4	1	5	25
	Both	0	1	1	2	2
	Total	34	15	14	29	63
More than Rs 1,20,000	No savings bank account	2	0	0	0	2
	Group Savings bank Account	0	0	2	2	2
	Household Savings Bank Account	6	5	1	6	12
	Both	0	0	1	1	1
	Total	8	5	4	9	17

The proportion of members who have exposure to institutional finance in the form of group savings accounts, household bank accounts, LIC policy is higher than that of non members across area, age, and educational status and income levels. This implies that respondents who participated in group lending programmes had greater prevalence of banking habits (saving and borrowing) than non members. We have also seen that among members, the proportion of JLG members having exposure to institutional finance is less than that for SHG members. In the field, JLG members expressed reluctance to go to banks as MFIs made credit available to them at their doorsteps and it did not require much paperwork. Also, the repayment amounts were smaller and repayment schedule was convenient and hence the respondents felt it was easy for them to repay (even if interest rates were actually quite high).

4.3. Financial Skills

Along with making credit more accessible to the poor, group lending mechanisms, especially the SHG-Bank-Linkage mechanism is expected to inculcate basic formal banking habits among the poor. These include book keeping, management of thrift, inculcation of financial discipline loan management etc (NABARD, ACCESS, 2009). However, group lending mechanisms that follow the Grameen Bank model do not necessarily train members on book keeping, management of thrift and internal credit or in group decision making regarding external loans. In the study area, the nature of financial skills imparted by the lending organisation differed from one organisation to another, but most of them did instruct their clients on how to use the loans. This has been coded as 'loan management,' in the study. Respondents, who were members in Joint liability groups, reported that field officials of MFIs instruct them on ways of investing the loaned amount in their businesses and to avoid wasteful expenditure. The MFI field officials also checked on the members' businesses to see whether the loan money is being utilised properly. However, most of the MFIs in the area do not accept deposits, so though they might encourage their clients to save, they do not necessarily ensure that they do. Thus, financial skills attained from group lending mechanisms in this study taken as

'manual accounting,' 'Book Keeping' and 'loan management.' Here 'manual accounting' is taken to mean 'counting' which all respondents, irrespective of their educational levels knew. By book keeping we refer to maintenance of four different records such as savings ledger, loan ledger, meeting book and receipt payment that are usually maintained by most of the SHGs in place (ACCESS, 2009).

As shown in Table 4. 10, respondents who were members in Self Help Groups or Joint Liability groups had all the three skills. Among, non members, an overwhelming proportion (97 per cent) knew only of manual accounting (which they understood as being able to count and mentally or physically note transactions). Very few non-members reported of knowing about book keeping or loan management. Only one reported to have knowledge of all the three and she reported having membership in an SHG previously.

Table 4.10: Financial skills of respondents

Financial Skills	Membership In SHG /JLG				
	Non Members	JLG	SHG	Members	Total
Manual accounting	97	0	0	0	97
Book Keeping, Loan Management	1	6	27	33	34
Manual accounting And Loan Management	2	40	27	67	69
Total	100	46	54	100	200

Among members, book keeping was known to mostly women who belonged to Self Help Groups. However, not all SHG members know how to maintain books. This was due to illiteracy and the fact that in some groups, only group leaders took up the responsibility of maintaining records. Since a higher proportion in the sample belonged to members of Joint Liability Groups, 67 per cent of the members reported knowing Manual accounting and loan management. Though JLG members do not receive any training in book keeping, six JLG members knew book keeping. These women reported being a part of a failed SHG previously.

Table 4. 11: Financial skills of respondents according to area

Area	Financial Skills	Membership In SHG /JLG				
		Non Members	JLG	SHG	Members	Total
Urban	Manual accounting	47	0	0	0	47
	Book Keeping,	1	4	9	13 (92.9%)	14
	Manual accounting And Loan Management	2	30	7	37 (92.9%)	39
	Total	50	34	16	50	100
Rural	Manual accounting	50	0	0	0	50
	Book Keeping, , Loan Management	0	2	18	20	20
	Manual accounting And Loan Management	0	9	21	30	30
	Total	50	12	38	50	100

As shown in Table 4. 11, there were more rural members who reported having all the skills of manual accounting, book keeping and loan management.

Table 4. 12: Financial skills according to educational levels

Educational status	Financial skills	Membership in SHG/JLG				
		Non members	JLG	SHG	Members	Total
Primary	Manual accounting	36	0	0	0	36
	Book keeping and loan management	0	2	6	8	8
	Manual accounting and Loan Management	0	12	10	22	22
	Total	36	14	16	30	66
Secondary	Manual accounting	15	0	0	0	15
	Book keeping and loan management	1	4	17	21	22
	Manual accounting and Loan Management	1	6	1	7	8
	Total	17	10	18	28	45
Higher Secondary	Manual accounting	8	0	0	0	8
	Book keeping and loan management	0	0	3	3	3
	Manual accounting and Loan Management	0	2	1	3	3
	Total	8	2	3	5	14
Illiterate	Manual accounting	38	0	0	0	38
	Book keeping and loan management	0	0	0	0	0
	Manual accounting and Loan Management	1	20	17	37	38
	Total	39	20	17	37	76

This was because the SHG model was more active in the rural areas than the urban areas. In the urban areas all the respondents were clients of MFIs, with some participating in SHGs as well.

Though manual accounting was known to all respondents, irrespective of their levels of education, book keeping and loan management were known mostly to members. As Table 4. 12 shows, there was only one non member who had attended high school had knowledge of book keeping and loan management as she reported to have participated in group lending previously. As expected no illiterate member reported having knowledge of book keeping. Most of the SHG and JLG members who reported knowing book keeping were educated up to the secondary level. Here we see that the six JLG members who reported to know of book keeping were educated up to the primary and secondary level.

Table 4. 13: Caste and financial skills

Caste	Financial Skills	Membership In SHG /JLG				
		Non members	JLG members	SHG members	Members	Total
SC	Manual accounting	3	0	0	0	3
	Book Keeping and Loan Management	0	0	1	1	1
	Manual accounting And Loan Management	1	3	1	4	5
	Total	4	3	2	5	9
ST	Manual accounting	48	0	0	0	48
	Book Keeping and Loan Management	0	2	18	20	20
	Manual accounting and Loan Management	0	5	15	20	20
	Total	48	7	33	40	88
OBC	Manual accounting	12	0	0	0	12
	Manual accounting And Loan Management	12		4	4	20
	Total	12	7	9	16	16
GEN	Manual accounting	34	0	0	0	34
	Book Keeping And Loan Management	1	4	8	12	13
	Manual accounting And Loan Management	1	25	6	31	32
	Total	36	29	14	43	79

Looking at caste and financial skills, we find that here too, that a higher proportion of members have knowledge of the manual accounting, book keeping and loan management than non members As shown in Table 4. 13 among non members, there was one respondent from the scheduled caste and General category each who reported to know of loan management. These women were involved in small businesses and had taken loans at some point of time. Among

members, Scheduled Tribe respondents were better off than the other groups in terms of all three skills. This was mainly due to the fact that majority of ST respondents belonged to SHGs. Among the other three categories, the General category members were better off in terms of all the three skills.

(What is being concluded from the above discussion?)

4.4. Other sources of finance

Microfinance is believed to provide poor people access to formal sources of credit, hence it may be expected to lower their dependence on informal sources, accessed at relatively high costs. Respondents were asked about the sources they depended on, in times of financial shortage. Both members and non members reported borrowing from mainly three sources- money lenders, neighbours and relatives. As shown in Table 4. 14, respondents mainly depended on neighbours and relatives in times of financial need. Of the respondents who borrowed from neighbours and relatives, as expected, non members were a majority. However, members also constituted a significant proportion, implying that despite access to credit through membership in SHG/JLG they continue to rely on neighbours and relatives.

Table 4. 14: Source of finance other than SHGs and JLGs

Other Sources Of Finance	Membership In SHG /JLG		
	Non Members	Members	Total
Money Lender	7	5	12
Neighbours & relatives	84	80	164
All	4	14	18
Never Borrowed	5	1	6
Total	100	100	200

A very small proportion of respondents depended on moneylenders as there were very few money lenders in the surveyed area. More non members than members depended on money lenders. As we can see in Table 4. 15 money lenders were totally absent in rural areas. We also note that there were 6 respondents in the sample who had never borrowed from the mentioned sources. The non members reported to have never borrowed as they had not felt the need yet, while the lone member reported to have only borrowed from MFI/SHG.

Table 4. 15: Area and other sources of finance

Area	Other sources of finance	Membership in SHG /JLG		
		Non members	Members	Total
Urban	Money Lender	7	5	12
	Neighbours & relatives	38	36	74
	All	4	14	18
	Never borrowed	2	0	2
	Total	50	50	100
Rural	Neighbours & relatives	50	46	96
	Never borrowed	3	1	4
	Total	50	50	100

4.5. Purpose of borrowing

An important criticism of the argument that microfinance sets off a process of economic empowerment to be found in the literature (Goetz and Gupta, 1996; Bali Swain and Wallentin, 2007) is based on the finding that women borrowers do not retain control over loans in many cases. We too probed this issue. Most MFIs in the survey area who followed the Grameen model explicitly stated that they gave loans only for the purpose of investing in businesses as this was an important strategy to minimise risk of default. The respondents reported taking loans for the purpose of investing in small businesses. Though the SHGs did not have any such policy, women who were members in SHGs (rural) also reported that they took loans to invest in agriculture. Non members reported that they borrowed for purposes like meeting health expenses, buying consumer durables, education of children, building or repairing houses and also for income generation.

We probed whether the respondents borrowed for themselves or for others use in order to establish who had control over the loans had taken by the respondent. This would hopefully help in drawing inferences about economic empowerment of the respondent.

As Table 4.16 shows, the respondents reported to borrow for themselves, husbands, children, for themselves as well as other members of the household

Table 4. 16: Loan is taken for whom

Loan Is Taken For Whom	Membership In SHG /JLG				
	Non members	JLG	SHG	Members	Total
Self	4 (9.8%)	16	21	37 (90.2%)	41 (20.5%)
Husband	39 (62.9%)	15	8	23 (37.1%)	62 (31%)
Sons/Daughters	1 (14.3%)	4	2	6 (85.7%)	7 (3.5%)
Jointly	51 (63.8%)	6	23	29 (6.3%)	80 (40%)
Have Separate Businesses	5 (50%)	5	0	5 (50%)	10 (5%)
Total	100	46	54	100	200

(jointly) or for both themselves and their husbands (both have separate businesses). The category 'self' implied that the respondent had her own business. If the respondent borrowed for her husband or sons/daughters it implied that she was a housewife. The response 'jointly,' meant that the respondent borrowed for her household, for investing in an income generating activity in which she and other members of her household were involved (like agriculture or running a small snack stall).

Most of the respondents (40 per cent) in the sample reported to have taken loans for this purpose. Women who borrowed for their husbands constituted the next highest proportion (31 per cent), followed by those who borrowed solely for their own businesses (21 per cent). Five per cent of the respondents reported to have borrowed for the purpose of investing separately in their own business and their husbands businesses. The pattern, however, was different for members and non members.

Women who were members in SHG/JLGs mostly borrowed for themselves (37 per cent), with more SHG members borrowing for their own businesses than JLG members. The next major group was that of women who borrowed for the purpose stated as 'jointly,' (29 per cent) followed by those who borrowed for their husbands (23 per cent). Here we see more a higher proportion of SHG members borrowing for 'joint' purposes as compared to JLG members. This was because most of the SHG members were engaged in agriculture. We also find that more JLG members than SHG members borrow for their husbands, implying that more JLG members than SHG members were housewives. Among non members, those who borrowed for themselves constituted a very small

proportion (four percent), while a majority (51 per cent) borrowed for the purpose stated 'jointly.' This was because very few non-members had their own business. Most of the urban non-members were housewives while their rural counterparts were engaged in agriculture.

We may gain more insights by looking at the purpose of taking loans across urban and rural areas. As Table 4.17 shows, a higher proportion of respondents take loans for their husbands in the urban areas (55 per cent) than in rural areas (7 per cent). More urban non members borrowed for their husbands than members, while in the rural areas no non-members reported to borrow for their husbands. The proportion of rural respondents who borrowed for themselves was higher than urban respondents who did the same, with a higher proportion of members borrowing for their own business than non-members. Also, the proportion of rural SHG members who borrowed for their own business was higher than rural JLG members as well as urban JLG members. Women who responded as 'jointly', constituted a higher proportion in the rural areas than urban areas. This was due to the fact that agriculture was a major occupation in the rural areas and it required the participation of the entire household.

Table 4. 17: Purpose of loan according to area

Area	Loan is taken for whom	Membership In SHG /JLG				
		Non members	JLG	SHG	Members	Total
Urban	Self	4 (21.1%)	8	7	15(78.9%)	19
	Husband	39 (70.9%)	14	2	16(29.1%)	55
	Sons/Daughters	1 (16.7%)	3	2	5(83.3%)	6
	Jointly	2 (18.2%)	4	5	9(81.8%)	11
	Have Separate Businesses	4 (44.4%)	5	0	5(55.6%)	9
	Total	50	34	16	50	100
Rural	Self	0	8	14	22	22
	Husband	0	1	6	7	7
	Sons/Daughters	0	1	0	1	1
	Jointly	49 (71.0%)	2	18	20(29.0%)	69
	Have Separate Businesses	1	0	0	0	1
	Total	50	12	38	50	100

Thus it is clear that rural women are more in control over the loans they take as members and non members but also that fewer participants in micro finance in rural areas take loans for their husbands or others than in urban areas. This could

indicate greater control over the means of their livelihood. Though member respondents in general expressed satisfaction on being able meet their own credit needs, rural members of SHGs in particular expressed feeling a greater difference. Prevalence of high rates of alcoholism in the rural tribal areas of the district (Government of Orissa, 2009) usually meant that the burden of running the household and making ends meet entirely fell on women as men would often spend most of the household's income on alcohol. Such women expressed feeling a great difference after joining Self Help Groups as they could borrow for their household's needs as well as their own income generating activities, like rearing livestock and growing vegetables for the market. As reported by one rural respondent, "my husband is a drunkard and he spends most of our earnings from agriculture on alcohol. Joining this group has made things easier for me. I have my own savings and I can take loans from my SHG. Also, I sell vegetables through the SHG and have an independent source of income." Members of this particular SHG reported organising the marketing of vegetables and other farm products.

Table 4.18 explores the relationship between the respondent's educational status and control over loan use. Though illiterate and primary school educated women constituted major proportion of those who borrowed for their husbands and others, a high proportion of these women also borrowed for themselves. A significant proportion of women who borrowed for their own income generating activities had attained secondary levels of education. However, across all educational levels the proportion of respondents borrowing for their own business was lower than that of those borrowing for others, i.e. husband, sons and daughters or for 'joint' purposes. Among those who borrowed for themselves, the proportion of members was higher than non members across educational categories. Within members, we have seen that a greater proportion of SHG members borrowed for their own business than JLG members. SHG members who borrowed for their own business were mostly illiterate.

Table 4. 18: Purpose of loan according to educational status.

Educational Status	Loan is taken for whom	Membership In SHG /JLG				
		Non members	JLG	SHG	Members	Total
Primary	Self	0	4	6	10	10 (15.2%)
	Husband	12 (54.5%)	8	2	10(45.5%)	22 (33.3%)
	Sons/Daughters	0	0	1	1	1 (1.5%)
	Jointly	21 (72.4%)	1	7	8(27.6%)	29 (43.9%)
	Have Separate Businesses	3 (75.0%)	1	0	1(25.0%)	4 (6.1%)
	Total	36 (54.5%)	14	16	30(45.5%)	66 (33 %)
Secondary	Self	2 (16.7%)	5	5	10(83.3%)	12 (26.7%)
	Husband	6 (54.5%)	2	3	5(45.5%)	11 (24.4%)
	Sons/Daughters	0	0	1	1	1 (2.2%)
	Jointly	8 (40.0%)	3	8	12(60.0%)	20 (44.4%)
	Have Separate Businesses	1	0	0	0	1 (2.2%)
	Total	17 (37.8%)	10	18	28(62.2%)	45 (22.5%)
Higher Secondary	Self	0	2	0	2	2 (15.4%)
	Husband	3	0	0	0	3 (23.1%)
	Jointly	4 (57.1%)	0	3	3(42.9%)	7 (53.8%)
	Have Separate Businesses	1	0	0	0	1 (7.7%)
	Total	8 (61.5%)	2	3	5(38.5%)	13 (6.5%)
Illiterate	Self	2 (11.8%)	5	10	15(88.2%)	17 (22.4%)
	Husband	18 (69.2%)	5	3	8(30.8%)	26 (34.2%)
	Sons/Daughters	1 (20.0%)	4	0	4(80.0%)	5 (6.6%)
	Jointly	18 (75.0 %)	2	4	6(25.0%)	24 (31.6%)
	Have Separate Businesses	0	4	0	4	4 (5.3%)
	Total	39 (51.3%)	20	17	37(48.7%)	76 (38%)

Across all levels of education the proportion of members borrowing for others constituted a majority indicating that control over loan use remained in the hands of other members of the household irrespective of the levels of education of the loanee. However, among illiterate members, the highest proportion borrowed for self. In fact more than half the illiterate members of SHGs borrowed for self, indicating that participation in microfinance may be a factor here. Thus here we can see that membership in Micro finance programmes had not made any major impact on the control over loan use.

Where does the programme stipulate that access to finance should be combined with control over finance? 89

4.6. Utilisation Pattern of Loans

Even as the respondents reported that they intended to take the loans for the purpose of income generation, they often used the loans for multiple purposes. When asked on how they spent the last loan, respondents replied that loans were mostly spent on husband's or own income generating activity, repayment of other loans, children's education and household expenditure. Respondents also reported that they saved some part of the loan. As Table 4. 19 shows a majority of the respondents used their last loan for income generation and other purposes (89.5per cent). All members reported to have spent at least some of their last loan on income generating activities, while 16 non members reported spending their last loan solely on household expenditure and savings. Only about 27 per cent of these respondents reported that they spent their last loan for solely income generation, majority of which were mostly JLG members.

Last loan was spent on	Membership In SHG /JLG				
	Non members	JLG	SHG	Members	Total
Income generation of husband's/ own business	2	27	14	41	43
Not Applicable	5	0	0	0	5
Income Generation +Savings	0	6	4	10	10
Income Generation +Repayment Of Other Loans +Savings	0	3	0	3	3
Income Generation +Household Expenditure+ Education	2	3	1	4	6
Income generation +household Expenditure+ Education +Savings +Repayment Of Other Loans	75	7	35	42	117
Household Expenditure +Savings	16	0	0	0	16
Total	100	46	54	100	200

About 73 per cent of the respondents reported to have saved some portion of their loan apart from spending it on household expenditure, education of their children and repayment of other loans. Of these, members comprised a smaller proportion than non members. About 60 per cent of the respondents spent some of their last loan in repaying loans taken from elsewhere.

Table 4. 20 Expenditure pattern of last loan taken according to area

Area	Loan Is Spent On	Membership In SHG /JLG				
		Non members	JLG	SHG	Members	Total
Urban	Income generation of husbands/own business	1	23	12	35	36
	Not Applicable	3	0	0	0	3
	Income Generation +Savings	0	6	4	10	10
	Income Generation +Repayment Of Other Loans +Savings	0	3	0	3	3
	Income Generation +Household Expenditure+ Education	2	2	0	2	4
	Income generation +household Expenditure+ Education +Savings +Repayment Of Other Loans	32	0	0	0	32
	Household Expenditure +Savings	12	0	0	0	12
	Total	50	34	16	50	100
Rural	Income generation of husbands/own business	1	4	2	6	7
	Not applicable	2	0	0	0	2
	Income Generation +Household Expenditure+ Education	0	1	1	2	2
	Income generation +household Expenditure+ Education +Savings +Repayment Of Other Loans	43	7	34	42	85
	Household Expenditure +Savings	4	0	0	0	4
	Total	50	12	38	50	100

Table 4. 20 shows that members in urban areas mostly spent their last loans on income generation activities, savings and repayment of other loans (96 per cent) with only two members reporting to have spent their last loan on household expenditure and education of their children. Most of the urban members reported that they earned enough to cover household expenditure and expenditure on other items, implying that urban JLG members were careful about spending their loans responsibly. A major proportion of urban non-members on the other hand spent their last loan on income generation along with, household expenditure, education of children, repayment of other loans and savings (84 per cent).

In the rural areas though members reported having spent their last loan on income generation, a majority had spent it on household expenditure, education of their children, repayment of other loans and savings (88 per cent).

Thus we have seen that members in microcredit group lending programmes have greater exposure to institutional finance and are better equipped with financial skills of manual accounting, book keeping and loan management. We also found that more members than non members reported to borrow for their own income generating activities, implying that control of loans is in their hands. Looking at the expenditure patterns of the last loan taken, we found that a majority of urban members were careful about spending their last loan on their income generating activity and not on other items. From this we can conclude that membership in microcredit group lending programmes has helped the women in the study area to learn to save, borrow and use their loans in a responsible manner.

4.7. Decision making

A substantial amount of literature on women's empowerment states decision making as an important indicator (Alsop and Heinsohn ,2005; Ibrahim and Alkire 2002; Kabeer 1999; Mayoux, 2005) of empowerment. Though increase in the woman's decision making power alone in various domains has been taken by many to indicate empowerment, it has also been argued (Kabeer 1999) that looking at joint decision making with husband is more realistic as women choose to exercise their decision making within the existing intrahousehold relationship setup. Here we intend to see if access to credit has resulted in enhancement of decision making by members. The respondents were asked about who usually takes decisions in the domains of household expenditure, education of children, health, marriage decisions and political decisions.

In case the respondent reported that she alone took the decisions, it was coded as 'respondent.' When the respondent stated that she did not have any role in decision making and that her husband took the decisions, it was coded as 'husband.' When the respondent reported that she too decisions along with her husband, it was coded as, 'respondent and husband.' The response coded, 'adult members of the family,' meant that all adult members of the family were consulted. This particular response in the case of marriage matters meant that such decisions were taken in consultation with all the adult members of the

family, whereas in the case of political decisions it meant that all adult members made their own decision on voting rights.

4.7.1 Household expenditure

In the domain of household expenditure, a majority (about 67 per cent) of the respondents reported that decisions were taken by both respondent and her husband (table 4.21). Of these, a higher proportion (52 per cent) was members. About 16 per cent of the respondents reported that decisions regarding household expenditure were taken jointly by adult members of the family implying that these families were joint families. There were fewer members than non members in this category.

Person/s who take/s decision	Membership In SHG /JLG		
	Non members	Members	Total
Respondent	1	20	21
Husband	11	3	14
Respondent And Husband	64	70	134
Adult Family Members	24	7	31
Total	100	100	200

Of the respondents who themselves took decisions regarding household expenditure (about 10 per cent of the sample) a majority were members, with only one respondent being a non member.

Since a majority of the respondent took decisions on household expenditure jointly, they were then asked to what extent they felt that their own wishes were fulfilled in this domain. A majority (46 per cent) of the respondents replied that they felt their wishes were fulfilled 'to a fairly high degree,' (table 4.22). About 28 per cent of the respondents reported that they felt that their own wishes in household expenditure decisions were fulfilled only to a small extent and about 21 per cent felt that their wishes were fulfilled to a high degree in household expenditure decision. The proportion of members who felt that their wishes were fulfilled to a 'high degree' (76 per cent) and a 'fairly high degree' (54 per cent) was higher than non members.

Degree to which owns wishes are fulfilled in household expenditure	Membership in SHG /JLG		
	Non members	Members	Total
To A High Degree	12	39	51
To A Fairly High Degree	42	50	92
To A Small Degree	46	11	57
Total	100	100	200

Among those who felt that their wishes in household expenditure were fulfilled only to a small extent, non members constituted a higher proportion (81 per cent) than members.

4.7.2 Education

In this domain too, we found that a majority of the respondents took decisions along with their husbands (about 68 per cent) .Of these, members constituted a higher proportion than non members. As shown in table 4.23, about 12 per cent of the respondents reported that their husbands took decisions regarding their children’s education, with more non members than members reporting so.

Person/s who take/s decision	Membership in SHG /JLG		
	Non Members	Members	Total
Respondent	2	20	22
Husband	22	2	24
Respondent And Husband	62	73	135
Adult Family Members	14	5	19
Total	100	100	200

Of the respondents who reported that they took the decisions regarding their children’s education themselves (11 per cent of the sample), the proportion of members (91 per cent) was higher than non members.

As in the case of household expenditure, a majority of the respondents reported that they took decisions jointly with their husbands, so they were asked to what extent they felt that their own wishes were fulfilled regarding their children’s education. As shown in table 4.24, an equal proportion of members and non members reported that their own wishes were fulfilled to a ‘fairly high degree,’

while a high proportion of members (about 78 percent) as compared to non members felt that their wishes in children’s education were fulfilled to a ‘high extent.’ More non members than members felt that their wishes in this domain were fulfilled ‘a small degree.’

Table 4.24 Degree to which own wished are fulfilled in education.			
Degree to which owns wishes are fulfilled in education	Membership in SHG /jlg		
	Non members	Members	Total
To A High Degree	11	40	51
To A Fairly High Degree	51	51	102
To A Small Degree	38	9	47
Total	100	100	200

4.7.3 Health

As in the case of household expenditure and education, in the domain of health, most respondents took decisions with their husbands (67 per cent), with the proportion of members being slightly higher than non-members (Table 4.25). A higher proportion of members as compared to non members reported taking health care decisions themselves, while more non members than members reported decisions regarding health being taken by husbands and other adult members of the family.

Table 4.25 Decision making in health			
Person/s who take/s decision	Membership in SHG /JLG		
	Non members	Members	Total
Respondent	1	19	20
Husband	10	2	12
Respondent And Husband	69	76	135
Adult Family Members	20	3	23
Total	100	100	200

On being asked to what extent they felt their wishes are fulfilled in the domain of health, most respondents replied that their wishes got fulfilled to fairly high degree, with more non members than members reporting so.

Degree To Which Own Wishes Are Fulfilled In Health	Membership In SHG /JLG		
	Non Members	Members	Total
To A High Degree	18	44	62
To A Fairly High Degree	60	52	112
To A Small Degree	22	4	26
Total	100	100	200

A higher proportion of members (71 per cent) than non members however, felt that their own wishes in the domain of health were fulfilled to a 'high degree.'

4.7.4 Marriage

This domain was chosen to reflect whether membership in micro credit group lending programmes had made any impact on marriage related decisions which constitute a 'strategic choice,'(Kabeer, 2001) for women. Members were asked about who generally took decisions regarding marriage in the household. In this case those who replied that it depended upon adult family members including the person getting married, were categorised as those responding as,'Adult family members.' Those whose responses were coded as,'respondent and husband,' were those who reported that it is the parents who decide. Response of who reported that the patriarch took the decision were coded as, 'husband.' As shown in table 4.6.41, a majority of the respondents reported that decisions

Person/s who take/s decision	Membership in SHG /JLG		
	Non members	Members	Total
Respondent	0	8	8
Husband	0	1	1
Respondent And Husband	26	28	54
Adult Family Members	74	63	137
Total	100	100	200

related to marriage in the family were taken 'adult family members,' followed by 'respondent and husband.' There was only one respondent who reported that marriage related decisions were taken by the patriarch and she was a member. Also, eight respondents, all members, reported that they themselves took marriage related decisions in the family. One cannot draw any definitive

conclusions regarding enhancement in decision making power on account of credit in marriage matters from this. Age of the respondent as well as whether the respondent headed the household could also be factors.

On being asked as to what extent they felt that their own wishes are fulfilled in marriage related decisions of the household, a majority reported 'to a small extent,' followed by those who felt, 'to a high degree,' (table 4.28). The proportion of members who reported that their own wishes were fulfilled, 'to a high extent,' and to a 'fairly high extent,' was higher than the non members.

Degree To Which Own Wishes Are Fulfilled in marriage	Membership In SHG /Jlg		
	Non members	Members	Total
To A High Degree	2	26	28
To A Fairly High Degree	14	58	72
To A Small Degree	84	16	100
Total	100	100	200

A higher proportion of non members felt that their wishes in marriage matters of the household were fulfilled only to a small extent.

4.7.5 Political decision making.

This domain was chosen to reflect decision making of the respondents in the matters outside the home. Respondents were asked on whether they took their own voting decision or depended on others. Responses which stated that all adult members in the family took their own voting decisions were coded as 'adult family members.' There were respondents who reported that they took their own voting decisions and as well as for the family (i.e. the family consulted them). Their responses were coded as 'respondent.' Those who reported consulting their husbands and deciding jointly on whom to vote were coded as , 'respondent and husband.' A majority of the respondents reported that all adult members in the family took their own voting decisions (Table 4.29). Among these, non-members had a higher proportion than members.

Person/s who take/s decision	Membership in SHG /JLG		
	Non members	Members	Total
Respondent	5	10	15
Husband	3	3	6
respondent and husband	2	27	29
adult family members	90	60	150
Total	100	100	200

Joint decision making with husband seemed to be more prevalent among members as 93 per cent of those who reported to take voting decisions in consultation with their husbands, were members.

Degree to which own wishes are fulfilled in political decisions	Membership In SHG /JLG		
	Non members	Members	Total
To a high degree	70	75	145
To A Fairly High Degree	22	25	47
To A Small Degree	8	0	8
Total	100	100	200

Also, 10 out of 15 respondents who reported to take their own as voting decisions with their family consulting them were members.

Most of the respondents felt that they could fulfil their own wishes in political matters 'to a high degree,' (table 4.30). More members than non members felt that they could fulfil their own wishes 'to a high degree; and 'to a fairly high degree.

We have found so far, that membership in SHG/JLGs does seem to play a role in decision making. Though a high proportion of members took decisions jointly with their husbands in the domains of household expenditure, children's education and health of family, a high proportion of members also reported that they were able to fulfil their own wishes in these domains up to a high degree or to a fairly high degree. However analysis the domains of marriage and political decision making does not offer enough to draw substantive conclusions as social and political norms could be stronger deciding factors.

- ① Is not 'joint decision' better than having one or the other gender taking the decision?
- ② How does membership per se enable members to "fulfil their own wishes in these domains to a high degree⁹⁸"?

4.8. Summary of The Chapter

In this chapter we have examined the issue of access to credit and participation in group-based microcredit programmes, in terms of exposure to institutional finance, financial skills of members, dependence on other sources of finance, control over loan use and utilisation pattern of loans. With respect to exposure to institutional finance we found that though members and non-member had similar levels of exposure to institutional credit in terms of having savings bank accounts, we see a difference in members having 'group savings bank accounts' as compared to non-members reporting to have household savings bank accounts. This implied that members had access to their own savings. Within members, almost all women belonging to SHGs reported to have group savings bank accounts, wherein they had their individual passbooks. JLG members on the other hand mostly did not have group saving bank accounts and the small proportion of them had household bank accounts. JLG members revealed that they preferred not to go to banks as accessing credit through MFIs was easier.

Regarding financial skills we found that though manual accounting was known to all, and both members and non-members might be considered to have some knowledge of how to manage loans (through training as well as through their own practical knowledge), book keeping skills were specifically known to SHG members. This implied that the SHG model by virtue of its mode of functioning led to formation of financial skills among members. With respect to dependence on other sources of finance, we found that despite access to microcredit, members continued to depend on neighbours and relatives for finance.

On probing the issue of control over loan use we found that members fared better than non-members in terms of borrowing for their own income generating activities as compared to non-members who mostly borrowed for other members of their households. Looking at the utilisation patterns of the last loan taken we found that both members and non-members reported to have spent their last loan on income generating activities, household expenditure, repayment of other loans, education needs of children and savings. However, we noted a difference

between members and non members in that no members reported to have spent their last loan solely on household expenditure and savings. All members reported to have spent at least a part of their last loan on income generation. Among members, a high proportion of urban JLG members reported to have spent their last loan solely for the purpose of income generation and not on other items, indicating internalisation of financial discipline among these members.

Regarding decision making we found that a higher proportion of members as compared to non-members reported taking decisions jointly with their husbands in the domains of household expenditure, education of children and health matters of the family. On probing this issue further we found that a higher proportion of members as compared to non-members reported feeling that their wishes in these domains were fulfilled to a high or fairly high degree. This implied that members experienced enhancement in decision-making in the domains of household expenditure, education of children and health of family. In the domains of decision making in marriage and political matters, membership in microfinance programmes did not seem to have made any major impact.

The above are interesting observations but we need to tease out the connection between being a member and therefore being able to participate in decision making better than non-members.

CHAPTER 5

MEASUREMENT OF EMPOWERMENT USING THE RELATIVE AUTONOMY INDEX (RAI)

5.1. Introduction

So far we have we have seen that participation in group based microcredit programmes has to some extent enhanced the financial capabilities of women in terms of members having access to their own savings and management of loans. We have also found that members have enhanced decision making as compared to non members. In this chapter we seek to explore whether membership in group-based microcredit programmes gave rise to any change in the 'agency' of the respondents in decision-making. Having defined agency as 'a person's ability to act on behalf of goals that matter to him/her,' (Dreze and Sen, 1989), our objective is to measure agency of respondents in the domains of education of children, household duties, health, mobility and group life. As mentioned earlier in our conceptual framework, an enhancement in agency is taken to be empowerment (Alkire, 2005). We have taken the help of Relative Autonomy Index (RAI) drawn from the Self Determination Theory (SDT) given by Ryan, Deci et. Al. (2000).

This chapter is divided into three sections. The first section deals with description of the RAI. The second section deals with the analysis of RAI. It is further divided into subsections dealing with analysis of the RAI in each of the domains of education, household duties, health, mobility and group life with respect to age of members, their religion, caste, and educational status. The final section contains the conclusion of the analysis.

5.2. The Relative Autonomy Index (RAI)

In order to measure the change in levels of empowerment on account of participation in group lending programmes, the Relative Autonomy Index (RAI)

was calculated for members and non members in the domains of Education, household duties, Health, Mobility and Group.

As mentioned earlier, the RAI was computed as below:

$$\text{RAI} = 2 * \text{Integrated} + \text{Identified} - \text{Introjected} - 2 * \text{External}$$

The terms 'integrated,' 'identified,' 'introjected' and 'external' have been defined earlier. Since the responses have been valued from 1 to 4 , the range of the RAI was (-9,+9). Questions were asked about if and why respondents sent their children to school and performed household duties for the domains of Education and Household duties. For the domain of health, the respondents were asked if they took decisions on health issues concerning self and family. For mobility, the respondents were asked if they move around in the community on their own and if so why. The reasons pertaining to 'integrated,' 'identified,' 'introjected' and 'external' were listed out, with 'integrated,' and 'identified,' reasons indicating more autonomy and 'introjected' and 'external' indicating less autonomy. Each reason was scored from 1 to 4, with the score 1 being given to a reason which is not at all true and 4 for completely true. The scores 2 and 3 were given for 'not very true' and 'somewhat true.' For the domain of Group life, members were asked why they stayed together and the same procedure was followed. For those members who reported 'completely true,' or 'somewhat true,' for 'external,' and 'introjected' reasons, the computed scores of RAI were low while for those respondents who reported 'completely true ,' or 'somewhat true,' for 'integrated,' and 'identified' reasons had high scores of RAI.

The RAI values of members were compared to those of non-members in various domains and an increase was reported as enhancement of agency or empowerment while a decrease signified reduced agency or disempowerment. Since very few non members reported themselves to be associated with groups of any kind, the group RAI was calculated for members only and within members for those who belonged to SHGs and JLGs.

5.3. Analysis of RAIs according to respondent's age, religion, education levels and caste

In this section we analyse the relative Autonomy Indices for each of the domains of education, Household Duties, Health, Mobility with respect to characteristics like respondent's age, religion, education levels and caste. These characteristics were chosen as they are known to have an impact on a woman's agency or autonomy (Jeebhoy, 2000; Kabeer, 1999) given the socio-cultural setting of South Asia. In order to see whether any enhancement in agency has taken place, the RAI values of members were compared with non-members.

5.3.1. Age of respondent

The RAI values for the domains of education, health and mobility for younger members (belonging to age-group 21-30) was higher than the respective RAI values for non-members, implying that membership did have an impact in increasing agency of younger member, though marginally (Table 5.1). However, in the domain of household duties, the RAI value for members (8.5) was lower than RAI values of non-members (9.0). Women in this age-group who were non-members reported that they performed household duties because they personally believed it was important ('identified') and they valued their arrangement in terms household work ('integrated'). Hence their high scores for RAI in this domain. Young members on the other hand had lower RAI scores because a few of them gave a low score of 3 to the 'integrated' reason. These members felt that they were finding it difficult to perform household duties along with income generating activities, attending meetings and repayment of loans.

Not clear

We see a similar pattern for women belonging to the age-group 31-40 years which is the median age group. The RAI values for members were higher than those for non-members for all domains except household duties. The RAI value for household duties for this age-group for members (7.8) was found to be much lower than that for non-members (9.00). This was because most of the women in this age-group had school-going children and the responsibility of taking care of

children, looking after the older members of the family fell on this age group. Most of the members were

Table 5.1: RAI values for various domains according to age of respondent

Membership In SHG /JLG	Age Of Individual		RAI for Education	RAI for household duties	RAI for health	RAI for mobility
Non members	21-30	Mean	8.18	9.00	8.72	5.00
		N	22	22	22	22
		CV	0.12	0.00	0.08	0.87
	31-40	Mean	8.03	9.00	8.86	6.54
		N	53	53	53	53
		CV	0.19	0.00	0.05	0.55
	41-50	Mean	8.04	8.60	9.00	6.91
		N	23	23	23	23
		CV	0.13	0.2	0.00	0.45
	51-60	Mean	7.00	9.00	9.00	4.50
		N	2	2	2	2
		CV	0.00	0.00	0.00	1.41
	Total	Mean	8.05	8.91	8.87	6.25
		N	100	100	100	100
		CV	0.16	0.10	0.05	0.60
Members	21-30	Mean	8.31	8.50	9.00	5.94
		N	16	16	16	16
		CV	0.28	0.20	0.05	1.04
	31-40	Mean	8.48	7.80	8.98	6.54
		N	61	61	61	61
		CV	0.20	0.30	0.01	0.69
	41-50	Mean	8.61	7.81	9.00	6.38
		N	21	21	21	21
		CV	0.09	0.30	0.00	0.78
	51-60	Mean	9.00	9.00	9.00	9.00
		N	2	2	2	2
		CV	0.00	0.00	0.00	0.00
	Total	Mean	8.49	7.94	8.99	6.46
		N	100	100	100	100
		CV	0.20	0.30	0.01	0.74
Note: N is number of observations and CV stands for coefficient of variation						

engaged in income generating activities of their own. Participation in group-based micro finance programmes required them to attend meetings and in the case of JLG members, repay weekly. All these factors together made them give a

lower score for the 'integrated' reason for performing household duties. As reported by one member who ran a tailoring business, "I have to attend meetings, cook, clean and wash and take care of my children and in-laws. I also have to tend to my business. Sometime it gets difficult to manage and I feel it is unfair that only a woman should do the housework." Members who were able to manage with the help of others in their household gave a higher score to the 'integrated' reason.

We see a similar trend in the age group of 40-50 years, for the same reasons. However, the RAI values for mobility for members in this age group were marginally lower than those for non-members. This was because a few members gave lower scores to the 'identified' reason. As one member who ran a small ration shop located in front of her house, put it, "I go out only when necessary. I have to tend to my shop and also my home, though there are no restrictions on me, I cannot just go out whenever I wish. I have responsibilities to fulfil."

For senior respondents (belonging to age-group 51-60), membership seemed to have had some positive impact on agency as members had higher RAI values than non-members in all domains.

The RAI values for mobility for both members and non-members across all age-groups were lower than the RAI values for other domains. This was because respondents gave a high score to the 'external' reason of 'I need permission in order to go out and the 'introjected' reason of 'I need to be careful when I go out so that people do not speak badly of me.'

The RAI for mobility for the non-members belonging to the age group 40-50 years (4.5) was found to be lowest among members and non-members of all age groups. There were two women in this category and both were housewives who reported that mobility of women is generally restricted in their families.

5.3.2. Educational levels

The RAI values for illiterate members are marginally higher than those of non-members for the domains of education and health (Table 5.2). However, the RAI

values for illiterate members in the domains of household duties and mobility was lower than that for non-members.

Table 5.2: RAI for various domains across educational levels of respondents

Membership In SHG /JLG	Educational Status		RAI for Education	RAI for household duties	RAI for health	RAI for mobility
	Non Members	Primary	Mean	8.22	9.00	8.89
N			36	36	36	36
CV			0.12	0.00	0.05	0.57
Secondary		Mean	8.00	9.00	8.94	6.71
		N	17	17	17	17
		CV	0.28	0.00	0.03	0.46
Higher Secondary		Mean	8.25	9.00	9.00	5.63
		N	8	8	8	8
		CV	0.13	0.00	0.00	0.68
Illiterate		Mean	7.87	8.76	8.79	5.97
		N	39	39	39	39
		CV	0.13	0.16	0.07	0.69
Total		Mean	8.05	8.91	8.87	6.25
		N	100	100	100	100
		CV	0.16	0.10	0.05	0.60
Members	Primary	Mean	8.93	7.73	9.00	6.53
		N	30	30	30	30
		CV	0.4	0.31	0.00	0.57
	Secondary	Mean	8.60	8.39	9.00	7.82
		N	28	28	28	28
		CV	0.20	0.24	0.00	0.39
	Higher Secondary	Mean	7.20	8.00	9.00	8.60
		N	5	5	5	5
		CV	0.50	0.28	0.00	0.10
	Illiterate	Mean	8.21	7.76	8.97	5.08
		N	37	37	37	37
		CV	0.21	0.33	0.02	1.26
	Total	Mean	8.4	7.94	8.99	6.46
		N	100	100	100	100
		CV	0.20	0.30	0.01	0.74

Note: N is the number of observations and CV stands for coefficient of variation

The lower RAI values for household duties for illiterate women were due to increased burden of work as mentioned earlier. The lower RAI values for mobility for illiterate members as compared to non-members was chiefly due to the occupational differences between illiterate members and non-members. Most

illiterate members were engaged in small businesses (like running small stalls close to their homes, which prevented them from moving around whenever they wanted to) while a high proportion of the illiterate non-members were engaged in agriculture and daily wage labour.

Among those educated up to the primary level, RAI values for all domains except household duties were marginally higher for members as compared to non-members. Again, we found the RAI values for household duties of members (7.73) to be much lower than those for non-members (9.0).

For secondary levels of education, a similar pattern was seen, with members having higher RAI values than non-members in all domains except household duties. In the higher secondary level, members have a lower mean RAI value in education than non-members because one out of the five members with secondary levels of education did not have any children. In the rest of the domains, apart from household duties, the RAI values for members were lower than those for non-members.

5.3.3. Religion

Religion is known to play an important role in shaping socio-cultural norms which in turn have an impact on the agency of women. A majority of the women in the sample were Hindus. The RAI values for Hindu members were higher than those for non-members across all domains except household duties (Table 5.3). A similar trend was observed for Christians as well as those following 'other' religions. However, among Muslim respondents a different pattern was seen. The RAI values for Muslim members were lower than those for non-members in the domains of household duties and mobility. The RAI value for mobility for Muslim members was found to be especially low (-2.27). There were eleven Muslim members in the sample and looking at their individual RAI scores for mobility we found that seven members had negative RAI scores for mobility. They had reported that women in their community were not allowed to go out without permission and that they need to be careful about what others would say.

Table 5.3: RAI values for respondents across religion

Membership In SHG /JLG	Religion		RAI for Education	RAI for household duties	RAI for health	RAI for mobility
Non members	Hindu	Mean	8.33	9.0	8.91	4.91
		N	46	46	46	46
		CV	0.18	0.00	0.05	0.75
	Muslim	Mean	7.00	8.00	8.11	0.56
		N	9	9	9	9
		CV	0.00	0.38	0.13	6.18
	Christian	Mean	8.05	9.00	8.97	0.10
		N	34	34	34	34
		CV	0.13	0.00	0.02	0.10
	Others	Mean	7.73	9.00	9.00	8.91
		N	11	11	11	11
		CV	0.13	0.00	0.00	0.03
	Total	Mean	8.05	8.91	8.87	6.25
		N	100	100	100	100
		CV	0.16	0.10	0.05	0.60
Members	Hindu	Mean	8.55	7.76	9.00	6.35
		N	49	49	49	49
		CV	0.21	0.32	0.00	0.58
	Muslim	Mean	7.36	5.27	8.91	-2.27
		N	11	11	11	11
		CV	0.15	0.70	0.03	-3.24
	Christian	Mean	8.66	8.84	9.00	9.00
		N	31	31	31	31
		CV	0.19	0.07	0.00	0.00
	Others	Mean	9.00	9.00	9.00	9.00
		N	9	9	9	9
		CV	0.00	0.00	0.00	0.00
	Total	Mean	8.49	7.94	8.99	6.4
		N	100	100	100	100
		CV	0.19	0.03	0.01	0.74

Note: N is the number of observations and CV stands for coefficient of variation

For Muslim non-members too, the mean RAI score for mobility was low (0.56), but the RAI for non-members was lower. A close look at the occupation of the members revealed that five out of the seven members reporting negative RAI scores for mobility were engaged in small businesses based at home (cloth business catering to the needs of the people in the neighbourhood). This further lowered their mobility. Not only did they report high scores for the 'external' and

the 'introjected', they gave the lowest scores to the 'identified' and 'integrated' reasons implying that mobility was restricted.

5.3.4. Caste

In the Indian context, caste is known to play an important role in setting gender norms. As already mentioned, a majority of respondents in the sample belonged to the general category, followed by Scheduled Tribes and Other Backward Castes. Scheduled Castes comprised a very small proportion of the sample. The RAI values for members belonging to the General category were higher than those for non-members in all domains except household duties.

A similar trend was seen for both Scheduled Tribes and Other backward Castes. For the Scheduled Tribes, the RAI value for the domain of household duties was higher than for members belonging to all other categories. This was because ST members mainly resided in rural areas and they reported that they are able to get help in household work when needed, from fellow villagers.

The RAI values for Scheduled Caste members were higher than those of non-members in the domain of education, while they were the same for domain of health for both members and non-members. However, the mean RAI value for mobility is lower for members (7.00) than non-members (7.25). This is because one SC respondent who ran a small shop reported that she could not go anywhere because she was tied up ^{with} her business. ||

Thus we have seen the RAIs at a disaggregated level and have found that membership in group lending microfinance programmes have had a marginal impact in terms of members having higher RAI values than non-members in the domains of education and health. In the domains of household expenditure and mobility however we find lower RAI values for members than non-members depending on their demographic and social characteristics. In order to consolidate our findings, we conducted Ordinary Least Square regressions to identify the factors behind the low RAI scores for these domains.

Table 5.4: RAI values for respondents across caste						
Membership In SHG /JLG	Caste		RAI for Education	RAI for household duties	RAI for health	RAI for mobility
Non members	SC	Mean	8.50	9.00	9.00	7.25
		N	4	4	4	4
		CV	0.13	0.00	0.00	0.48
	ST	Mean	8.00	9.00	8.97	8.75
		N	48	48	48	48
		CV	0.13	0.00	0.02	0.09
	OBC	Mean	8.17	9.007	8.67	4.92
		N	12	12	12	12
		CV	0.13	0.00	0.09	0.81
	GEN	Mean	8.02	8.75	8.77	3.25
		N	36	36	36	36
		CV	0.21	0.17	0.07	1.16
	Total	Mean	8.05	8.91	8.87	6.25
		N	100	100	100	100
		CV	0.16	0.10	0.05	1.16
Members	SC	Mean	9.00	6.40	9.00	7.00
		N	5	5	5	5
		CV	0.00	0.62	0.00	0.60
	ST	Mean	8.72	8.87	9.00	9.00
		N	40	40	40	40
		CV	0.17	0.06	0.00	0.00
	OBC	Mean	8.50	6.92	9.00	5.67
		N	12	12	12	12
		CV	0.11	0.53	0.00	0.96
	GEN	Mean	8.21	7.54	8.98	4.26
		N	43	43	43	43
		CV	0.25	0.33	0.02	1.37
	Total	Mean	8.49	7.94	8.99	0.74

Note: N is the number of observations and CV stands for coefficient of variation

In order to understand the impact of each of the above factors of age, religion caste, education levels and other factors like occupation, household size, number of children, number of school going children and number of earning members OLS regression was performed taking the mean RAI of household duties as the dependent variable and the mentioned factors as independent variables. After correcting for heteroscedasticity, we found that only two factors had significant negative impact on the mean RAI for household duties. These were Muslim

religion and the occupation of small business. As reported in the Table 5. 5, for the dummy for 'Muslim' was found to be negative and significant at 5 per cent level of significance. Thus we could say that Muslim religion and having occupation as small business had a significant negative impact on RAI for household duties.

Table 5. 5: OLS regression results of RAI for household duties
Dependent Variable: Relative Autonomy Index for Household Duties

Independent Variables	Coefficients
Age	-0.008 (0.020)
Household size	0.183 (0.127)
Number of Children	-0.171 (0.227)
Number of earning members	-0.504 (0.288)
Number of students	0.154 (0.172)
Membership in SHG/JLG	-1.111 (0.392)
Scheduled Caste Dummy	-0.696 (1.072)
Scheduled Tribe dummy	-0.075 (0.434)
OBC dummy	-0.256 (0.590)
Hindu Dummy	-0.433 (0.381)
Muslim Dummy	- 2.468** (0.843)
Christian Dummy	-0.255 (0.590)
Household duties dummy	0.125 (0.365)
Agriculture dummy	0.650 (0.274)
Small Business Dummy	0.380 (0.491)
Household Industry Dummy	0.246 (0.837)
Domestic Worker Dummy	0.406 (0.449)
Daily Wage Worker Dummy	0.765 (0.564)
Primary Education Dummy	- 0.374 (0.242)
Secondary Education Dummy	-0.337 (0.330)
Higher Secondary education	-0.430 (0.344)
Constant	9.865** (0.844)
R ²	0.2757
F-statistics	1.56**
Observations	200

Note: Robust Standard Errors are in parenthesis , (2) ** is significant at 5 per cent

For the domain of mobility, the OLS regression was performed taking the mean RAI for mobility as dependent variable and age, membership in SHG/JLG, caste, religion and occupation as independent variables. After correcting for heteroscedasticity, we found that the dummy for 'Muslim' was found to be negative and significant at five per cent level of significance (Table 5. 6). The occupation dummy for 'household duties,' was also found to be negative and significant at five per cent level of significance. The dummy for 'scheduled tribe' however was found to be positive and significant at five percent level of significance. Thus we can say that caste, religion and occupation were found to

have an impact the RAI in the domain of mobility, with ST having a positive impact on mobility and Muslim religion and engaging in small business having a negative impact on mobility.

Table 5. 6: OLS regression results of RAI for Mobility
Dependent Variable: Relative Autonomy Index for Mobility

Independent Variables	Coefficients
Age	0.047 (0.036)
Membership in SHG/JLG	0.556 (0.552)
Scheduled Caste Dummy	1.646 (1.268)
Scheduled Tribe dummy	2.256 (0.811)**
OBC dummy	1.447 (1.022)
Hindu Dummy	-0.327 (0.416)
Muslim Dummy	-6.782 (1.524)**
Christian Dummy	0.059 (0.197)
Household duties dummy	-2.191** (0.789)
Agriculture dummy	-0.249 (0.364)
Small Business Dummy	-1.206 (0.891)
Household Industry Dummy	0.827 (2.744)
Domestic Worker Dummy	0.827 (2.744)
Daily Wage Worker Dummy	-1.452 (1.906)
Primary Education Dummy	-0.377 (0.511)
Secondary Education Dummy	-0.316 (0.556)
Higher Secondary education	-0.101 (0.839)
Constant	5.244 (1.487)**
R ²	0.5208
F-statistics	12.03
Observations	200

Note: Robust Standard Errors are in parenthesis , (2) ** is significant at 5 per cent

5.4. Group RAI

As very few non-members reported to belong to any group or association, the Relative Autonomy Index was calculated only for group members. Group RAIs were separately computed for SHG members and JLG members and it was found that members belonging to SHGs had higher group RAI (8.5) than those who belonged to JLGs (RAI= 7.2). This was due to difference in ways which JLGs and SHGs functioned.

5.5. RAI of various domains across areas

The RAI values for respondents according to their areas of residence have been given in Table 5.7. In the domain of education, the RAI value of urban non members (8.1) is slightly higher than rural non members (8.0) indicating that respondents are able to exercise their agency to a high extent. However, membership in SHGs/JLGs does seem to enhance the agency of women in urban (RAI=8.4) as well as rural (RAI= 8.6) areas, with greater empowerment taking place in the rural areas. In the domain of household duties, as seen earlier non members had higher RAI values then members, both in the urban and rural areas.

Table 5. 7: RAIs across areas

Membership in SHG /JLG	Area	RAI education	RAI household duties	RAI health	RAI mobility	RAI group
Non members	Urban	8.10 (0.18)	8.82 (0.14)	8.74 (0.06)	3.62 (0.20)	N.A.
	Rural	8.00 (0.13)	9.00 (0.00)	9.00 (0.00)	8.88 (0.04)	N.A.
	Total	8.05 (0.16)	8.91 (0.10)	8.87 (0.05)	6.25 (0.60)	N.A.
Members	Urban	8.38 (0.18)	6.98 (0.43)	8.98 (0.16)	4.10 (1.42)	7.22 (0.39)
	Rural	8.60 (0.21)	8.90 (0.06)	9.00 (0.00)	8.82 (0.13)	9.00 (0.00)
	Total	8.490 (0.19)	7.94 (0.30)	8.99 (0.01)	6.46 (0.74)	8.11 (0.27)

Note: (i) Figures in parenthesis are the coefficients of variation

(ii) Differences of mean RAI value for member and non members are statistically significant at 5 level

Here, however, rural members had higher RAI value (8.9) than urban members (RAI=6.9) as in the villages women reported neighbours and family members helping with the housework. In the domain of health, again we see that both rural non-members as well as members having high RAI (9.0). As reported by respondents, this was due to greater cohesion in the village community neighbourhood. In the domain of mobility, we found that rural respondents had higher values of RAI than urban respondents. The RAI values of rural members and non-members were only marginally different. Looking at group RAIs, rural respondents had higher value of RAI than urban respondents. Rural members had an RAI value of 9, implying that they exercised high levels of agency in the domain of group life as compared to their urban counterparts who had RAI value of 7.22, implying lower levels of agency.

5.6. RAI of various domains: A Bird's Eye View

As Table 5. 8 shows, the Relative Autonomy Indices for education, health, household duties and group life were found to be quite high (close to + 9). It would be inappropriate to conclude right away that women are empowered in these domains. Inferences drawn would depend on examining traditional gender roles. For instance, the domains of household duties and health are known to be traditionally associated with women in South Asia (Kabeer 1999).

A high relative autonomy index in these domains could indicate that women largely choose to go by norms. Almost all respondents believed that household work was theirs to perform and they are happy doing it. As one respondent said, "a woman is born to do housework, who can do it better than women?." They expressed disapproval on being suggested that the men in the family could be asked to share the household work. It was usually in circumstances where they felt overburdened because they had to attend to several activities (business, childcare etc.) that they complained about housework.

Table 5.8: RAIs for education, household duties, health, mobility and group for members and non members

Membership In Shg /JLG	Relative Autonomy Index For Education	Relative Autonomy Index For Hh Duties	Relative Autonomy Index For Health	Relative Autonomy Index For Mobility	Relative Autonomy Index For Group
Non members	8.05 N=99 (0.16)	8.91 N=99 (0.10)	8.87 N=100 (0.05)	6.25 N=100 (0.60)	NA
Members	8.49 N=97 (0.94)	7.94 N=95 (0.30)	8.99 N=100 (0.01)	6.46 N=100 (0.74)	8.11 N=100 (0.27)

Note(i) Figures in parentheses are coefficients of variation.

(ii) Differences of mean RAI value for member and non members are statistically significant at 5 level

In the case of health too, almost all respondents felt that health of the family members was their responsibility. Most women felt that they could take family members to nearby health centres for minor problems. However for illnesses

requiring hospitalisation respondents expressed the need for assistance from other family members and neighbours.

The domain of education shows a high RAI as almost all respondents expressed their willingness to send their children to school. Though, a majority of the respondents were either illiterate or had just been to primary school, they expressed the desire to educate their children and explained the desire in terms of better opportunities that it would enable their children to avail with better ability to earn incomes and to lead 'better lives,' In this domain, respondents who had low RAI scores were those who expressed their doubts in wanting to educate children beyond school. Reasons for these doubts mostly pertained to finance shortages (mostly in the case of non-members). The domain of mobility shows the lowest values of RAI and is indicative of the fact that according to prevailing norms women are generally expected to stay indoors.

Now, we are in a position to compare the RAI values of members and non members. In the domain of education, members have a higher RAI (8.49) than non members (8.05). Since the RAI alone is not sufficient to show that this was on account of participation in group lending programmes, qualitative inputs were obtained from the respondents. Members expressed greater confidence in their being able pay for their children's education needs as credit was readily available.

In the domain of household duties, however, members have a lower RAI (7.94) than non members (8.91). Lower agency in household duties of members may be indicative of increased workload and pressure. As shown earlier, a majority of members were involved in income generating activities, which they had to handle along with housework. Respondents, who did not get any help in household work from other household members, reported finding it difficult to manage at times. However, lower agency in this domain could also imply that members are beginning to question traditional gender norms.

Was this corroborated with qualitative data?

Though both members and non members had high RAI values in the domain of health of household, members had a higher RAI value (8.9) than non members

(8.8). Members expressed a high degree of confidence in being able to handle health emergencies of family members requiring hospitalisation and cash on their own as credit was readily available. One respondent who was a JLG member from urban Rourkela (Vikenandpalli) said, "Now that I participate in a group, I am much more confident than before to face any kind of financial emergency. Credit is just a phone call away."

In the case of mobility, members had a higher value of RAI (6.46) than non members (6.25). Since there was a possibility that enhanced agency in the domain of mobility could also be due to difference in occupational structure between the two groups, qualitative inputs from members were taken. SHG members reported to have visited block offices and other government offices for training programmes which they had never visited before. On the other hand JLG members did not have to take part in extended activities like the SHG members coming together in the group entirely for credit needs. However, women in the urban areas, chose to restrict their own mobility as they considered it unsafe and 'inappropriate,' to be seen moving outside their homes too often. One member from urban Jolda said, "I do not go out often. If a woman moves around too often, she would be thought of as *bekaar* (without any work) and loose. One has to take into account one's reputation."

5.7. Summary of The Chapter

Having computed and analysed RAI values for members and non members across various domains, we have seen that members of group lending programmes show enhanced agency in the domains of education, health and mobility. As widely cited in the literature (Mayoux, 2005), members seemed to have become worse-off in the domain of household duties. Analysis at a further disaggregated level revealed higher agency in the domains of education and health across age, educational level, religion and caste. However, in the domain of household duties, members who belong to the middle-age group (31-40 years) and members with low levels of literacy seemed to experience lower agency. In

the domain of mobility Muslim members appear to have remarkably low levels of agency.

Though not by a great extent, it can be said that membership in microcredit programmes does seem to play a role in this process of 'empowerment.' We have fulfilled our second objective, by measuring changes in agency. However, quantitative analysis alone was considered insufficient to ensure enhanced agency was 'transformative' in any way. The next chapter deals with this, and illustrates results from focus group discussions conducted with members of SHGs and JLGs.

CHAPTER 6

TRANSFORMATIVE AGENCY

6.1. Introduction

In this chapter we illustrate the findings with respect to our third objective of evidence regarding transformative agency gathered through Focus Group Discussions (FGDs). As mentioned earlier, the exercise undertaken in the previous chapter, i.e, the measurement of agency demonstrated that participation in group- based microcredit programmes, brought about a marginal increase in the agency exercised by women in the domains of education, health and mobility. This implied that members were seen to have marginally greater efficiency in carrying out their given roles and responsibilities, within a cultural context (Kabeer, 2001). The Relative Autonomy Index calculated, however, is not sufficient to show whether the respondents' ability to act on the 'restrictive aspects' of these roles and responsibilities (transformative agency) has increased or not. To explore this issue FGDs were conducted with members and their findings have been analysed. This chapter has been subdivided into sections that deal with the background which describes the broad characteristics of the groups and the areas in which the FGDs were conducted and subsequently, the analysis of the issues discussed.

6.1.1. Background

A total of six FGD sessions were conducted with JLG groups and SHG groups both in rural and urban areas. In the urban areas, the FGDs were undertaken in the main city (Vivekanandpada) and the suburbs (Jolda and Tilkanagar), while in the rural areas, FGDs were convened in three villages of Malidihi, Gomardih and Laing. Participants in Vivekanandpada and Jolda consisted of only Joint Liability group members, while few participants of Tilkanagar had membership in both SHGs and JLGs. Participants in Vivekanadpada were mostly Muslims, who borrowed mostly for their husbands' businesses. In the rural areas, participants in Gomardih and Laing had membership both in SHGs and JLGs, while

participants in Malidihi had membership only in SHGs. The rural participants were overwhelmingly tribal and a majority of them were Christians. There were no Muslim participants in rural FGDs.

The rural areas of Gomardih and Laing were situated within 5 km from the main highway (State Highway 10, connecting the urban centres of Rourkela and Rajgangpur). The participants mostly engaged in small business (selling puffed rice, roasted peanuts, tea, etc.) along with selling vegetables and farm products. The village of Malidihi was a remote area, located at a distance of 13 km from Rajganpur, in a hilly forested area, connected to the urban area by a rural road. The primary occupation of participants in rural Malidihi was agriculture. The size of group varied over places, but the discussions were conducted with a minimum of eight participants. The issues discussed were regarding credit and microenterprise (income generating activity), household duties, education of children and opportunities for girl children, marriage related issues and the number of children and lastly freedom to move and work outside home and participation in public life.

The first issue was taken up to examine whether participation in group based microcredit programmes give rise to agency which is transformative in nature. The issues that follow try to probe further into the role of the programmes in helping members raise questions or discuss gender issues or issues on cultural restraints on women which serve to perpetuate gender inequality.

6.1.2. Credit and Microenterprise

As observed by Kabeer (1999), in much of South Asia, women are considered to be hopeless with money and financial matters as compared to men. At an aggregate level, women in study area were not too different in this aspect, however, members in SHGs/JLGs were found to be better than the non members in terms of having their own savings accounts, their own microenterprises and reported playing a greater role in decision making (refer chapter 4). A majority of the members who participated in the discussions were illiterate or had attended primary or secondary school. Though a higher proportion of them borrowed for

their own businesses, there were a significant proportion of women who borrowed for their husbands. Among women who borrowed for their own businesses, most of them took care of their own financial matters. However, there were differences between members who borrowed for businesses owned jointly by their husbands and themselves or other members of the family.

One member said "I run the business and take care of the business' credit needs. I keep the accounts and keep the earnings. My husband and family members have entrusted me with this responsibility as I am capable." This participant ran a small eatery, selling tea, snacks and meals in an urban area. She reported to have studied up to class eight. At the same time another participant who reported that she was involved in similar business said, "My husband and I run a small snack stall. I am involved in the business, as I help with running the stall but I leave the financial matters to my husband. He knows '*hisaab kitaab*.' I can count but I do not know how to read and write. I feel that he can handle business matters better than me, so I leave it him." Apparently, education levels of the woman played some role in the extent of her involvement in the functioning of the business. So here we see that one cannot say much about greater access to credit, brought about by microfinance, playing a role in transformative agency. In the case of the first participant, access to credit only helped her to further the agency she already had (by virtue of her ability and sanction of her husband and in-laws). In the case of the second participant, participation in a microcredit programme did not bring about any change in terms of transformative agency as she herself chose to function within the existing cultural setup.

Though the above could be said about most of the women who took loans for microenterprises run jointly by themselves and their family members, participants in the rural area of Malidihi revealed a different experience. The FGD participants belonged to four different SHGs and belonged to various age groups, with a majority belonging to the age group 20 to 40 years. All of the participants were Scheduled Tribes and were involved in agriculture. Most of them reported that they took loans for agriculture, which was a joint activity. Men were concerned with tasks like tilling and ploughing the fields, while

women helped with sowing/transplanting and reaping. Most of the production was for subsistence, although a portion of the produce (approximately up to 20 per cent) was marketed. Marketing of the produce was undertaken by men and sometimes by women of the household. Under these circumstances, when women borrowed through SHGs, they did so mostly to invest in agriculture. Most of them handed over the borrowed money to their husbands who concerned themselves with buying of inputs and selling of produce. However, in this particular FGD, a large number of women reported to have alcoholic husbands. One young participant with two children in the village Anganwadi said,

“My husband is a drunkard and spends whatever little we earn from agriculture on alcohol. So I have to manage the household expenses from selling vegetables and forest products on my own. Having my own Group savings bank account has helped me as I have my own savings. I can buy my own inputs and sell my own produce. Moreover I do not have to ask my husband for money.”

Yet another participant said, “Now that we can take loans we can at least think of earning more income than we earned before. As a group we run the village Anganwadi and are making some money.” Here we see that participation in group based microcredit is helping women tackle an oppressive situation, where the male household head plays little or no role in running the household due to alcoholism. Members of an SHG in Malidihi reported they had organised the marketing of their produce by taking turns to sell vegetables and other forest products in the nearest urban area situated 13 kms away. One participant said, “Earlier we had to depend on our husbands to sell our produce. Sometimes, if our husbands would not go, we had to go all by ourselves to the nearest town and sell vegetables. Now, two members of our SHG take turns to go the town and market the product of the rest of the members of the group every week on a rotational basis. This way, our group members do not have to depend on the men folk and do not have to go to the city alone.”

How have men reacted to the above move by the women?

Women are gaining access to resources and developing greater agency through microfinance (credit and group support) and thereby being able to achieve better livelihoods. However, this alone is not enough to indicate whether this is leading to transformative agency as credit is enabling women to meet their traditional goals of taking care of children and family.

Among women who borrowed for their husbands most exercised 'passive' form of agency (Kabeer 2001) i.e. action taken when there is little choice. According to one participant "I am just borrowing for my husband. Earlier, he would take loans for his own business, but since group finance is available for women, he wanted me to join a group and take loans."

For such women, there was not much difference in both 'passive' and 'active' agency (which is taken to mean as purposeful behaviour by Kabeer (2001)). They depended on their husbands for repayment. Repayment issues were more relevant for Joint liability group members as these members had to repay every week, while Self Help Group members had more flexible repayment routines as members reported repaying at intervals and timings mutually decided by the loanee and the group members. Though some participants reported that they did not have any trouble at all in repaying loans on time as their husbands made enough money, some reported that this was not always true. "We have to repay every week, but at times business is not good and we do not have money to repay. Since I have to attend meetings, I need to have cash at hand when I go to the meetings. My husband asks me to manage somehow, so I have to ask other group members or to help me." Often these members had to borrow from neighbours, relatives and other MFIs to meet weekly repayment obligations.

Difficulty in repayment in some cases, however, led women to look for coping mechanisms. In one particular joint liability group (Jolda), housewives expressed their desire to start their own business so that they do not have to ask their husbands for money. "We want to start our own business so that we do not have to ask money our husbands for money for running the household and for every little thing. We also want to do something apart from household work, have our

own earnings and spend it the way we want to." On being asked how they would want to spend the money, most replied that they would spend for the family, but at that at least they would have it done their way implying that they felt that the ways in which money was being spent in the family were not the best ways. This may be considered as evidence to transformative agency. Women in their group perceived having their own earnings not only as a way to better fulfil their traditional goals, but also to do it their own way. Also, they want to take up occupations other than performing housework, which would give them a sense of 'fulfilment and confidence.' Here we can consider agency as an intrinsic good.

Thus we see that women are gaining from credit in a way that they are better able to achieve their traditional goals, by showing eagerness to or by taking up occupations that would reduce their dependence on their husbands for money and earn their 'own' money. But this evidence is not enough to show that women are questioning traditional gender norms in any way. Even as more housewives move into 'marketable' activities, they might not challenge prevailing norms, so the discussions probed further into topics where patriarchy was likely to restrict choices available to women. The following section reports and analyses the findings on the issue of household duties, preference of girls over boys in household help and the issue of men and household work.

6.1.3. Household duties

Among women, who are already earning their own incomes and are engaged in income generating activities, household work was something they had to manage on their own. For some, household duties were the sole responsibility of the married woman and they took pride in stating that they managed performing household responsibilities and their microenterprise alone. "I manage both my household duties as well as my business. It was difficult in the beginning, but now I'm used to it. Moreover, having more money is worth the extra effort." Some, admitted finding it difficult to manage on their own so they took the help of other family members, like their husbands or children. One participant reported, "both myself and husband equally share the burden of housework and

taking care of the children. Since I help him in his business, he helps me with the housework too." However, there were some women who reported having difficulty in managing both business and household work due to strong patriarchal norms, like the poor Muslim women in Vivekanandpada, "We have to manage both the business and housework. Sometimes we find it difficult as we cannot ask the men in the household to help with the cleaning and cooking. Men in our households do not perform these tasks as they are considered a 'woman's job.'"

When it came to taking children's help for performing housework, across all groups, most women preferred taking the help of their daughters, when there were both sons and daughters. Mothers saw household work as something their daughters would inevitably perform in the future. As one participant put it, "it is good that she learns to do housework as it will help her in the future." When it came to sons, there were quite a few women who felt that boys should not do housework. On being asked whether boys in the household should perform housework, one participant said, "We cannot make our boys sweep the house, wash the clothes or cook. Such tasks are supposed to be done by womenfolk."

At the same time there were a few women who took the help of their sons. One participant who had only sons said, "I have three sons. They help me with all the housework and I do not see why they should not." Also, there were a few women, especially in the urban areas, who felt that male members of the household should help. According to a participant, "I feel it is unfair that women should do everything, right from cooking, cleaning, taking care of the children to running the business. Male members of the household should help. In fact in my household, my husband, sons and daughter all help with the housework." While women, who expressed themselves in this way, were very few, their agency may be transformative in the existing cultural context.

6.1.4. Education and opportunities for girl children

Although a majority of participants in all the groups across areas felt that their children should go to school, women differed on the duration and purpose of

schooling. Among the Muslim women of Vivekanandpada, schooling was considered useful though not essential. None of the women in the group had ever been to school and when asked if and why they sent their children to school, they replied that most (not all) of them had sent their children to school. One of the participants said, "We are illiterate and so we cannot read and write. Our children should be able to read and write so that they are able to know more and not face the difficulties we face every day. At some place or the other we are asked to read and sign and we are unable to do so."

When asked whether they want their children to complete school, go for higher studies and get a job, these women expressed scepticism. One participant plainly said, "What will our children do with a lot of education? They should be in school only to learn to read, write and count. As soon as they are able, they should help their fathers/us in our business or start earning." When it came to educating their girl children, these women were not too optimistic. According to one participant, "It is not up to me to send my daughters to school. In our *mohalla* it is considered improper for an unmarried girl to move around too much. A girl can go to school only if her father or other senior members in the family allow her to." This indicated that patriarchal norms were firmly in place in this particular area. Also, women themselves believed that their daughters would not benefit much from education. One participant said, "If she gets education it is good for her, but even if she does not, she has nothing to lose. As soon as she enters her teens she will be married off and then onwards she has to do household work or some petty business, which do not require education." For these women, participation in microcredit programmes has not resulted in any agency of transformative kind in terms of questioning or resisting patriarchal attitude.

Apart from this group of urban women, however, participants generally displayed a positive attitude towards educating their children both in the rural and urban areas. Illiterate women were keen on educating their children, while the ones who had some education wanted their children to study as much as they could. There were two participants belonging to urban groups who had their

sons studying in technical training institutes. Most women across groups in rural and urban areas were in favour of educating girl children. According to one participant, "Yes, I send my daughter to school and hope that she would finish schooling. If she is keen on studying further, I would want her to do so and make sure she does not lack money for that purpose. I would prefer that she gets a job before she got married."

There were others who felt that though basic schooling was necessary, learning some business or some skill was very important for a girl, as one participant from the urban area of Jolda said, "Even if my daughter is unable to study beyond school, I would ensure that she learned some skills that would help her be on her own after she got married. I have seen the benefits of earning an independent income after marriage and I would want my daughter to have at least that." One participant of rural Laing said, "I am illiterate and have three daughters and the household is run by them. Two have completed school and are working. They take care of the entire family's needs. The youngest is studying in college and all of us want her to finish college. My husband and I do not feel the absence of sons." Thus, here we find evidence of transformative agency. Women participating in microcredit programmes expressed their hopes for better lives of their daughters and were prepared to ensure that with whatever was within their means. However, the values of a neighbourhood are important in determining attitudes and restricting the ability of resources like credit to bring changes on their own. (Transformative because husband on same wavelength as wife

6.1.5. Marriage and the number of children

This section deals with issue of marriage where in the respondents were asked about their views on the acceptable marriageable age for their daughters or girls in their community, about who should take decisions regarding marriage and finally about the number of children.

The marriageable age for girls differed over communities. Muslim women in general stated the age of marriage to be fifteen to sixteen years. The marriage is generally arranged by senior members of the household with the consent of the

girl's parents. At most times the girl's consent is immaterial. As an elderly participant (44 years) said, "My eldest daughter got married at the age of fifteen. Our relatives arranged for the groom and we all made sure that the groom was suitable." On being asked whether her daughter was consulted she replied, "How would she know what was good for her? She was too young. Moreover, we go by what the elders in the family decide."

The rest of the women irrespective of social group and religion stated a higher acceptable marriageable age of eighteen and above. Most respondents believed that the marriage should take place with the both the parents' and the bride/groom's consent. According to a participant from the urban area of Tilkanagar, who had already got two of her children married, "We arranged the marriages of our children. However, we took care to get the consent of our children too. We would not want to force our choice on them." There were also women who expressed that they would allow their children, especially girls to choose their own life partners. These were mostly younger members with children still in school. One ST participant from rural Laing said, "These are changing times. Our children are going to school and know much more than us. In the future they will take up jobs and live life their own way and make their own choices including marriage." Another participant, however, felt that irrespective of the fact that her children would grow up and make their own choices, the choice of the marriage partner would still require parental consent.

Regarding the number of children, most of the participants felt that fewer children were desirable. The participants who preferred large families were those who believed that more children meant more hands to earn income. This was especially prevalent for rural participants whose main occupation was agriculture and urban Muslim women. Other women however, felt that a smaller family was desirable. One young urban participant who was self-employed said, "We have two children and plan to have no more. We want to give our children a good upbringing." Though a majority of participants said that they preferred to have sons, they did not express anything against having daughters. According to a young participant from rural Gomardih who ran a small ration shop, "These

days, having a girl or boy amounts to the same thing. There is no guarantee that the son will look after his parents or stay with his parents after he grows up and gets married." This participant was 36 years old and had two young daughters who attended primary school.

On being asked whether the group members discussed these things within their group, participants replied that such issues were occasionally discussed. One urban participant who was a member of both SHG and JLG said, "We occasionally share our joys and sorrows (*dukh-sukh*) during our meetings. In our group (SHG) we have helped our fellow members in handling family problems. Sensitive issues like abusive husbands or in-laws, problems regarding marriage of children, education, health and finance are also discussed within the group."

The above section is too general and does not add to existing knowledge

Thus, through the FGD we have seen that in cases when patriarchy is firmly entrenched in a community and is endorsed by its members, participation in group-based microcredit programmes may enhance agency even if marginally, by enabling women or their families to function better on a domain but it does not by itself generate transformative agency such as would enable women to make strategic life choices. Yet, the microcredit collective provides a forum in which women discuss gender issues and work towards dealing with them.

6.1.6. Freedom to work and move outside home and participation in public life.

In this section we attempt to analyse the findings with respect to women's agency outside their traditional domain of the household. Apart from areas like Vivekanandpada where women are severely restricted in movement, most of the participants in FGD sessions conducted in various areas expressed that through group-life they have been able to venture out of their homes and gained information about the outside world. More importantly, they have been able to use this information to further their existing goals as well as explore areas which they earlier thought was restricted for women.

Rural women of Gomardih and Malidihi expressed feeling a difference in their lives after joining a group (SHG or JLG). These two villages differed in terms of connectivity with Gomardih situated within close proximity to the state highway and Malidihi located in a remote, hilly and densely forested area. Though the participants of the FGDs were mostly tribal, their occupations were different. While women in Malidihi primarily depended on agriculture, a few women in Gomardih ran small businesses like making handicrafts, vending foodstuffs etc. along with selling vegetables. Women, in general were free to sell labour with not too many restrictions on their mobility.

Participants in both the FGD groups said that they valued group life not only for the sake of credit, but for reasons of getting new information, solving problems and helping each other. One participant in rural Malidihi who was the group leader of an SHG said, "Our group members have been to the Block office, which many of us would have never seen if we had not joined a group. We are able to negotiate with government officials, and even articulate our grievances and demands as a group. All these things were known only to men folk of the village." Public life in the villages was traditionally dominated by men, with major decision-making powers vested on male village elders. As another participant put it, "If the entire village got together to settle a dispute or discuss an issue, women were usually passive onlookers. If a woman spoke, she was dismissed as someone who knew nothing apart from housework. Now we speak up as we also know as much as they know and they listen."

Similar experiences were also shared by participants in Gomardih, "Earlier, we did not have the courage to even speak to the village headmaster and kept quiet during village meetings. We thought that as women we did not know anything beyond our homes and so we did not have the courage to interact with village authorities and government officials. After forming a group we have gained courage, self esteem and confidence (*saahas*)." Knowledge of new income generating opportunities, government schemes and discussion of social issues, seemed to have facilitated a change in women's minds about the way women traditionally saw themselves in the public domain.

In the urban areas, the participants reported having gained greater knowledge and information but they were not as enthusiastic as their rural counterparts. This may be partly due to the differences in urban and rural social and community life as well as the differences between JLG and SHG group.. Most of the urban members made it clear that they joined groups for the sake of credit (in the case of joint liability groups). "We needed credit for our businesses, so we got together as a group. We do get together and discuss our problems with each other. We all have our own businesses and taking credit has made things easier for us," said one participant from urban Tilkanagar. Another participant said, "I learnt how to do business only after joining the group. Earlier, I was on my own so I used to struggle. Joining the group helped me as fellow members and the MFI officers guided me." On probing whether joining a group and getting credit has resulted in any kind of change in their way their families treated them, a majority of the members said that they have gained more respect. However, participants themselves did not see any major change, as one participant said, "I do not think we were treated differently earlier in any major way, our husbands allowed us to go out and work and have our own businesses. We are poor people and we wanted a better life for ourselves and our children. As women, we wanted to supplement our husbands' income. Joining a group had made borrowing for our business easier. We have better information about market opportunities as we occasionally share business information with our group members." Group life did not seem to have played a role in the women's public lives in the JLG as they perceived these groups to be solely constituted for the sake of credit.

The participants in the urban Muslim area of Vivekanandpada too perceived that the sole purpose of group formation was credit. For them group-life did not make any difference in their personal or community life.

6.2. Summary of the Chapter

From the above analysis we may conclude that group based microcredit programmes are in some ways helping women to question gender norms. From

our observations and analysis we have seen that even as microcredit and microenterprise help women to further their traditional goals, they do not automatically address the larger issues of gender inequality which require transformation both at the institutional as well as the individual level. Our findings and conclusions are in consonance with studies by Mayoux (1995), Kabeer (1999) and others who argue that microcredit alone does not automatically empower women. Our analysis on issues like household duties, opportunities for girl children, marriage issues and participation in public life shows a mixed picture. On one hand we observe the participants of Vivekanandpada who live within a restrictive social and cultural setting. For them participation in microcredit programmes has had little empowering effect in terms of furthering their agency in their traditionally set goals as well as questioning gender norms in anyway. On the other hand, we observe rural tribal women making use of the opportunities opened to them through microcredit programmes to tackle disadvantageous and oppressive situations and asserting themselves in the male-dominated public domain.

With regard to household duties, we find that even as a majority of women take performing household duties as something that they should do by virtue of their gender, some, though very few in number, have begun to question this. Though we cannot attribute this solely to participation in microcredit programmes, we can still say that pressure to cope with the demands of participation in such programmes like meetings and strict repayment schedules (as in the case of joint liability groups) has pushed women to look for alternative arrangements for household work. Since these are poor women and they cannot pay someone else to do housework, they have to depend on other family members to help them. Taking the help of male members of the household for performing housework may be taken as a sign of changing perceived gender division of work.

Education was one issue which evinced strongest evidence of transformative agency. Though this may be partly due to the overall transformation of attitudes towards education in the area (excluding Vivekanadpada), but we can still say that women are using their enhanced access to credit as a means to ensure a

different and better life for their daughters in terms of capabilities and opportunities.

Regarding our observations on the issue of marriage and the number of children, we would find it difficult to conclude that participation in microcredit programmes have brought about any transformation in attitudes. Though the groups do serve as forums in which these issues are discussed and solutions to problems are sought, participants chose largely to go by norms in place.

The observations on the last issue of the FGDs, pertaining to women's freedom to work outside their homes and participation in public life, show that in cases where women perceived the purpose of membership solely to be that of taking loans (as in joint liability groups), participation in groups did not lead to much change in participation in public life or questioning gender norms in place. A perceptible change, however, was observed when women valued their membership to be more than just for the sake of credit, as in the case of rural self-help groups. Rural tribal women seemed to have benefited most in utilising the microcredit collective to question prevailing gender norms and assert their presence in the public domain.

CHAPTER 7

SUMMARY OF FINDINGS AND CONCLUSION

7.1. Introduction

This chapter makes an attempt to summarise our analysis of the linkages between micro credit and women's empowerment. In order to explore whether microcredit leads to women's empowerment, and in case it does what is the process by which it takes place, the study had taken up three objectives. The first objective was to see whether participation in microcredit programmes has resulted in enhancing women's financial capabilities with respect to management of savings and credit. The second objective was to find whether participation in microcredit programmes resulted in empowerment in terms of 'enhanced agency,' (Alkire, 2005). The study intended to measure 'enhanced agency,' with respect to domains of education, household duties, health, mobility and group life. In order to address the issue of whether participation in microcredit programmes addresses broader gender disadvantages, it had set the third objective of examining whether transformative agency (Kabeer, 2001) is taking place. The findings pertaining to each of the objectives have been summarised the final conclusions of the study have been drawn. The chapter has been divided into sections which deal with financial capabilities, measurement of agency, and evidence of transformative agency. The final section contains the conclusion and issues for further research. Each of these sections have been further divided into sub-sections that deal with each issue analysed.

7.2. Financial Capabilities

This section summarises the findings regarding the first objective of whether participation in group-based microcredit programmes help women to gain financial capabilities in terms of book keeping, management of savings and credit. The study had probed the issue of the respondents' exposure to institutional finance, their financial skills, their dependence on other sources of finance, purpose of taking loan and control over loan use and the expenditure

pattern of loans. Finally we also take up the issue of decision-making ability of the respondents.

7.2.1. Exposure to institutional finance

The study found the proportion of members who have exposure to institutional finance in the form of Group savings bank accounts, household bank accounts, LIC policy is higher than non members across area, age, educational status and income levels. Though a significant proportion of non-members also had exposure to institutional finance in terms of having household bank accounts, i.e., a member of the household having bank account none of them reported having bank accounts of their own of a group they had membership in. Thus only those respondents who had membership in microcredit programmes were found to have savings bank accounts in the name of their group. Also, among members, a difference was seen among those who had membership in Self Help Groups (SHGs) and those who were members in Joint liability Groups (JLGs). While most of the SHG members had their own passbook, none of the members who belonged solely to JLGs reported having their own passbook. This was because the JLG members preferred not to go to banks as they found taking loans from MFIs more convenient.

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7.2.2. Financial skills

The financial skills attained through participation in group lending mechanism in this study are taken to be 'Manual accounting', 'book keeping' and 'loan management.' The study found that, though manual accounting was known to all respondents, across area, age, educational levels and social groups, the skills of book keeping were known only to those with membership in SHGs, while those who had membership in JLGs reported knowing only manual accounting and loan management.

7.2.3. Other sources of finance

In the study, 'other sources of finance,' were taken to mean money lenders, neighbours and relatives. Dependence on money lenders was found to be less in

the study area as only 15 per cent of the respondents reported borrowing from money lenders. Most of the respondents, including a significant proportion of members (49 per cent), borrowed from neighbours and relatives in times of need.

7.2.4. Purpose of borrowing and control over loan use

Most of the respondents with membership in SHG/JLG reported taking loans for business, i.e. to invest in income generating activities, while non-members reported borrowing both for income generating activities as well as for marriages, household expenditure, for buying consumer durables, for meeting health expenses etc. Regarding, control over loan use, the study found that a majority of the respondents reported borrowing for their households (40 per cent). However, about 21 per cent of the sample reported borrowing for their own income generating activities. Of these women about 91 per cent were members, implying members to some extent, had greater control over the use of their loans than non members. Here too, the difference between SHG and JLG was observed, with more members of the SHG using their loans for their own purposes than JLG members.

7.2.5. Utilisation Pattern of loans

The study found that though a majority of the respondents (89.5 per cent) reported spending their last loan on income generation and other purposes (household expenditure, savings, repayment of other loans and education expenses of children), those who spent their last loan on items other than income generating activities were mostly non members. All members reported to have spent at least some part of their last loan on income generating activities. Moreover, among members, a higher proportion of urban JLG members reported spending their last loan solely on income generation.

7.3. Decision Making

Joint decision making was found to be prevalent in the domains of household expenditure, education of children, and health with a higher proportion of

members reporting to take decisions jointly in each of these domains than non members. Moreover, a higher proportion of members than non members, reported that they felt that their wishes were fulfilled to a high degree or to a fairly high degree. In the domains of marriage and political matters, however, decisions were mostly made by adult members of the family. Marriage related decisions were mostly taken by consulting all adult members of the family. Regarding political decisions most respondents reported that adult members in the family took their own voting decisions. In both these domains, a higher proportion of members than non members, reported that they felt that their wishes were fulfilled to a high degree or to a fairly high degree.

7.4. Measurement of Agency

The Relative Autonomy Index (RAI) was calculated for the members for decision making in the domains of education, household duties, health, mobility and group life. The study found that in the domains of education, health and mobility, members had higher RAI values than non members. However, in the domain of household duties, members had lower mean RAI value than non members. Religion and occupation were found to have as significant negative impact on the mean RAI for household duties for members. Muslim members who were engaged in small business were found to have low agency in the domain of mobility and household duties. In the domain of group life, SHG members had higher mean RAI than JLG members.

7.5. Transformative Agency

The study found that though participation in group-based microcredit programmes seemed to have had helped women increase their agency (though marginally) in their traditional goals of welfare of the family like education and health, it did not automatically translate to addressing broader gender issues. The evidence regarding transformative agency was mixed, depending on the socio-cultural norms in different areas. The study found that in areas where patriarchy is firmly in place and is endorsed by the people including the women themselves and participation in group-based microcredit programmes is solely

for the purpose of credit, transformative agency has not taken place. However, in some areas, especially rural tribal areas, there is some evidence of transformative agency as participation in group-based microcredit programmes is helping women to tackle disadvantageous and oppressive situations, obtain new information and use it further their agency and question traditional gender norm in some ways.

7.6. Concluding Remarks

As per the findings of our study, we can broadly conclude that participation in microcredit programmes has to some extent enhanced the financial capabilities of women in terms of members (especially SHG) members having their personal savings bank accounts and having skills of book keeping. Also, members seem to have greater control over loan use. Greater access to credit has also resulted in enhancement in women's decision making in terms of women taking joint decisions with their husbands in domains of household expenditure, education of children and family health matters and feeling that their wishes were fulfilled to a high degree.

The marginally higher Relative Autonomy Index (RAI) values for members as compared to non-members in the domains of education, health and mobility indicate that membership in microcredit programmes has had a marginal yet positive impact in empowering women in these domains. However, a lower RAI value for members as compared to non-members for the domain of household duties is indicative of increased burden of household work, income generation and repayment of loans for members. With regard to group life, a higher value of RAI for SHG members than JLG members implies that they have more autonomy within their groups. It also reflects the differences in which both models function. A lower RAI value for the JLG members implies that group unity is externally imposed in the Grameen model of lending.

In the case of transformative agency we can conclude that impact of participation in group-based programmes has been mixed. We found stronger evidence of transformative agency in cases where group member valued their membership to

be more than just for the sake of getting credit, as seen in the tribal rural SHGs of Malidihi and Gomardih. In these cases women have been able to use social capital as well as credit to enhance agency in traditional domains as well as question prevailing gender norms. However, at the same time we see limited or no impact of participation in group-based micro finance programmes in bringing about transformative agency in places where patriarchy is endorsed by community members and women themselves as in the case of urban Muslims of Vivekanandpada. Also, evidence of transformative agency was minimal when members perceived access to credit as the sole purpose of their joining groups.

Thus we can conclude that participation in group-based micro finance programmes in our study area have led to empowerment to some extent in terms of marginally enhancing women's agency in the domains of education, health and mobility. However, it appears to have made women worse-off in the domain of household duties as members have lower agency than non-members in this domain. This is on account of increased workload on members. However, this could also be taken to be indicative of transformative agency as women are beginning to question the traditional gender norm of household work as the sole responsibility of the woman. Participation in microcredit programmes have also resulted in transformative agency to some extent, especially in the case of rural tribal women of the sample.

The study had the limitation of having selection bias and it was undertaken in a very short duration of time

7.7. Issues for further research

From our present analysis we were able to draw a few issues for further inquiry. One was the issue of multiple borrowing, which was widely prevalent in the area. This issue could have important implications on the empowerment of women as well as the primary objective of poverty alleviation of micro finance programmes. Borrowing from multiple sources could result in members become highly indebted and as widely reported, ultimately lead to default. Another issue for further research is the issue of sustainability of SHGs as compared to JLGs

and which of these models is more likely to bring about transformative agency which is considered to have long term impact on addressing gender issues. Finally, it would be worthwhile to probe into cases of failed groups and defaulting members to identify factors that could make group-financing more sustainable.

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