



# Microfinance and Women Empowerment in Urban North India

A comparative study

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## **Abstract:**

*This paper examines that whether in urban North India microfinance is able to empower women or not. Thus this paper is written on the data collected in the National Capital Territory of India which is most "urbanised" among the various North Indian cities. However, it becomes increasingly clear that financial inclusion alone doesn't result in women empowerment. Women empowerment is the result of a cumulative of various social factors which in urban North India have or have not changed depending on the flexibility and openness of the communities in which the women reside in despite the fact that efforts by organisations in specific areas like legal awareness bore fruits. However, microcredit leads to consumption smoothing in households. This has positive impact on expenditure on education and health as these expenditures are not postponed or cancelled due to lack of substantial amount of cash at that time ,hence improving the prospects of coming generation.*

## **Introduction**

Financial inclusion is conceived as a major driving force to achieve self-sustained inclusive economic growth. Microfinance, being an important tool of promoting financial inclusion, is hence of prime importance. It is a general idea that by and large the urban women are more empowered than their rural counterparts, but this study is aimed at delving deeper into the fine socio-economic nuances which make up the urban social fabric.

Microfinance is as a financial system conceived to provide poor families with very small loans (microcredit) to help members begin or sustain income-generating activities. It refers to a sustainable lending model that targets the poor. Microcredit gained prominence in the 1970s, through the efforts of Mohammad Yunus, a microfinance pioneer and founder of the Grameen Bank of Bangladesh. In 2006, Prof. Yunus and Grameen Bank were awarded a Nobel Peace prize "for their efforts to create economic and social development from below."

Over time, the definition of microfinance has broadened, and includes savings, insurance, and money transfer vehicles. Microcredit has largely been directed by the non-profit sector, but there are a growing number of 'for-profit' MFIs in India. 'For-profit' microfinance institutions are referred to as Non-Banking Financial Companies and are regulated by the RBI.

Microfinance today in India is widespread and has diverse mechanism of lending. India has witnessed a spurt in the growth of microfinance activities over the last two decades. The largest share belongs to the Self Help Group (SHG) Bank Linkage programs that originated in the 1980s. The other is the microfinance institution that lend in a Joint Liability Group (JLG) framework.

SHGs are groups of women, preferably of the same community/neighbourhood, working together on part time common light economic activities like handicraft, anganwadi work, pickle making or papad making, sewing, doll making etc. The NGOs form and train the women on how to get loans and maintain their group accounts and then once the group becomes self reliant withdraws its administrative support. The NGOs also facilitate the SHGs to open a bank account in the name of the group where a monthly savings of small amounts by each group member are deposited. The amount monthly saved per head starting from as low as INR 50.

On the other hand, the concept of JLGs is fully associated with the Micro Finance Institutions (MFIs). Joint Liability Group is basically a group of 3-5 members who come together on their own and register with an MFI and take a joint loan which is to be divided equally among the members. The key feature of the JLGs is that here the monthly payment is paid as a whole group, and if any member defaults the others in the group have to pay on her behalf. This reduces the risk borne by the MFIs to great extent and at the same time these women are more careful in selecting their group-mates as the onus is on them thus forcing them to take economically more rational choices. This also instills more confidence among the women and hence leads to a more empowered life.

We believe that microcredit schemes need to be reviewed in the context of women empowerment because the microfinance institutions so function that the majority of the microcredit beneficiaries are women and existing literature shows that when women are supported and empowered, all of society benefits. Their families are healthier, more children go to school, productivity improves and incomes increase. In short, communities become more resilient.

## **Women Empowerment**

Empowerment of women is a multi-faceted concept and has been variously defined by different authors. The main essence of empowerment is the capability of the women to strengthen their capacities, participation in decision making process, and most importantly their self reliance.

Strengthening of capacities imply the sharpening of the various faculties of the women including physical, mental, economic as well as socio-political. With access to proper health and sanitary facilities a woman can strengthen her physical capacity, whereas education, freedom from oppression can free her mind. With more employment opportunity and access to easy transportation she can be economically protected, on the other hand, a life of political and social awareness and freedom can help her strengthen her socio-political capacities. Strengthening of capacities enables her to be more self-reliant and confident and hence help her take better part in the decision making process in and outside her household.

Women empowerment has various aspects to it, namely, economic, socio-political, interfamilial power equations, mobility, freedom from oppression etc. But even then, there are subtle nuances which elude us in the first place. The various personal traits of women, which are but results of prolonged subject on to a staunch patriarchal society where women have grown up seeing a marked favouritism towards the male children in the family and even if not in her own family but amongst friends, relatives, neighbours' families. These are deep seated in their unconscious behaviour. They have accepted it because they have never known otherwise. There were many times during the course of our survey that we encountered women who don't wear "modern" outfit because it is "unacceptable" for a household's daughter-in-law to wear anything but saree or salwar suit and it is not even the case that anybody has prevented them, they themselves have given it up.

The definition of empowerment can hence be subjected to many debates where many might say, what is "un"-empowerment is nothing but the women's conscious decision and hence those women should not be given the status of a non-empowered woman. However, in our studies we have limited our definition of women empowerment to the economic, socio-political and decision making capacities and have then taken up women who are associated with microcredit organisations.

### **Literature Review:**

There exist several attempts by renowned economists all around the globe to measure the impact of microfinance in India. There already exist specific articles highlighting the key impacts of financial inclusion of the women, but the majority of them have been concentrated on the rural areas. In fact it was noted that in many cases, microfinance has been treated as a tool of "rural credit", this gap was astounding, owing to the popularity of the microcredit institutions in the urban areas of India itself. However research in the area of microfinance in urban India is not a purely virgin territory. Works by Banerjee and Duflo (2010) are well known to have covered the area minutely, however their works are mostly confined to the southern states, most noted among them is their study conducted in Hyderabad.

On the other hand women empowerment is one of the most talked about topics in contemporary social studies, and in fact, it has been recognised by the United Nations Organisation that microfinance is a key tool of women empowerment, poverty reduction and has been included in the Millennium Development Goals. Independent studies on cases from Nepal by Acharya and Bennet (2003), Bangladesh by Ackerly (1983) have been conducted and been most enlightening. The study by Hashemi et. al. (1996) conducted in Bangladesh showed that microcredit empowers women and helps them carry out their day to day economic activities much better. But yet again, there is a severe paucity in the number of quality research work concentrating on microfinance and women empowerment in the urban North India.

It is to be noted that the very socio-economic fabric of both North and South India are not only most diverse but also most dissimilar. Hence the results that were observed in the Southern states of India are not expected to stand good in the North Indian context. With a target of filling this gap in the literature had we taken up the study in the Delhi, NCR.

### **Methodology:**

Every survey to be successfully executed requires thorough and technically sound methodology in order to present reliable and concrete results. Our study is based on a flexible but practically and intuitively valid methodology starting from the choice of location to the actual survey and then analysis and finally reporting our findings.

Location:

This study is based on an independent survey conducted in two key locations in Delhi, Ajmeri Gate in Old Delhi and Raghbir Nagar and Paschim Puri in West Delhi. The choice of location within Delhi was driven by the following factors:

1. Presence of a reliable microcredit organisations

In Delhi there are numerous microcredit organisations but only few of them were actively willing to share their database with us.<sup>1</sup> Besides, reliability and state of their records were also of prime importance.

2. Marginally APL Target Group

Income wise our target group was the women belonging to families which are economically weak but not officially Below the Poverty Line, that is who are marginally APL. They reside in “jhuggi”-s or slums where there is a severe space crunch thus leading to a difficult life condition.

3. Diverse cultural background

To understand the impact better we went to place where there are settlements of diverse communities, based on their state of origin, majorly on women from North Indian states.

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<sup>1</sup> We had first approached numerous NGOs and MFIs who are dealing with microfinance, only some were willing to share their details while others stopped responding to our enquiries and details about the working of their organisation after a point of time

#### 4. 100% women customers:

Both organisations as chosen for our survey work deal with women clients only. The fact that our study is focused on evaluating the impact of microfinance on women empowerment required us to focus on women only organisations and thereby eliminate any gender discrimination within the workings of the organisation itself.

It must be remembered that the choice of location was important because on it depended the comparability of the subjects, that is, the target groups were to possess various similar attributes in order to reduce the variation in their behaviour due to them.

#### **Questionnaire:**

After the choice of location came the work of framing our questionnaire. Questionnaire framing was as crucial as the choice of the location because it is a decisive factor of the quality of the data we could collect. A rough draft of the questionnaire was constructed and then put to test during the pilot survey that we conducted at Jahangir Puri, North Delhi.

The basic attributes of occupation, income, years of association with the microfinance organisation, number of loans taken and the purpose of those loans have been included in the questionnaire to track the state of the subject's financial inclusion through the access of microcredit facilities. This also gave the clear idea of the usage of the loans and whether the usage has added any value to the lives of the customers.

The next part of our questionnaire was targeted solely to evaluate the state of the respondent's empowerment. Here we have used the basic framework as laid down by Hashemi et. al. (1996) and also been used by various economists and sociologists. The framework suggests that women empowerment is a multifaceted idea and encompasses the dimensions of:

- i. Economic freedom
- ii. Socio-cultural freedom
- iii. Familial/ Inter-personal freedom
- iv. Legal freedom
- v. Political freedom and
- vi. Psychological freedom

However these are broad in their scopes and have many sub domains. Thus, to capture the essence of these dimensions we have laid down 7 indicators:

1. Mobility:

This helps us to capture the idea of woman's socio-cultural freedom. The questions were based on whether the women can go to big markets; a health facility etc all by herself, whether she visits her natal house alone or goes outside the city alone. These reflect a most important aspect of a woman's socio-cultural freedom.

2. Economic Security:

A woman's income, occupation, ownership of productive asset is the basis of her economic security. It is expected that a woman who earns for herself, has more say in the family affairs than a non-earning woman because monetary strength always boosts the bargaining power of a woman in a family.

3. Ability to make small and large purchases:

The ability to make small purchases like daily food items, small items of personal use for herself reflects that she can decide for herself and has the right to lead her life without any hesitation. Large purchases on the other hand involve buying of kitchen utensils, jewellery or land. This indicator comes under familial or interpersonal freedom.

4. Involvement in major decision making:

Major decisions of a household generally include those regarding the marriage of the children, use of family's income etc. In a patriarchal family it is the male head who takes these decisions hence if women participate more in major decision making processes they feel more important and thus more confident about themselves. This also comes under interpersonal freedom.

5. Social, Political and Legal awareness:

In today's world information is of utmost importance. Ignorance of one's rights and duties can be most harmful and render oneself as socially insecure. Hence social, political, and legal awareness have been incorporated in our questionnaire through possession of voter identity card, knowledge of the police and fire brigade emergency numbers, those about registration of birth, death and marriage etc. This is an important indicator of a woman's empowerment status because it not only provides social security to herself but also provides the same to her children and community around her thus bettering the society as a whole. This indicator is a combination of socio-cultural, political and legal freedom dimensions and successfully reflects all the different aspects under these broad sections.

6. Health and Hygiene awareness:

If a woman has awareness regarding health and hygiene it automatically reflects in her

children's health and environment in the household, hence when a woman is aware about the usage of mosquito repellent, importance of immunisation and usage of sanitary napkins etc, her family is directly benefitted. This indicator has been incorporated by us because we believe this is a mark of a woman's empowerment, and ability to affect the environment around her. This comes under the psychological freedom, making oneself worry less is also a psychological security.

7. Relative freedom from domination by family:

This is the trickiest of all the indicators that we have considered. It involved women talking freely about their family's internal affairs, even dealing with their relationships with their in-laws. However, keeping that in mind, we had put this as the last segment of our questionnaire so that, by the time we reach this segment already the women have become comfortable talking about their lives with us. A woman truly becomes empowered when in the family she is not dominated by anybody and she has the freedom of speech, dressing, expressing herself without any fear. This also comes under psychological freedom of a woman thus acting as a most crucial indicator of this dimension of her life.

**Background of the organisations:**

Ujjivan and IndCare Trust were selected for our survey work. The two organisations have different ways of working though they are both dealing with microcredit and have women clients only. IndCare is an organisation promoting self help groups (SHGs) of women and is closely associated with the Government of India (GoI). IndCare is associated with the GoI through the Rashtriya Mahila Kosh (RMK) which is a wing, of the Ministry of Women and Child Development, dealing with SHGs and microcredit facilities.

IndCare is an NGO and has been working since 1989 in the urban slums of Delhi. It has made inroads into rural development in 10 states of India in their total tenure of more than two decades. The aim of the organisation is to promote capability of women and empower them towards sustainable livelihood through micro-finance activities aimed at their economic self sufficiency.

Indcare has been working in various parts of Delhi like (Ajmeri Gate, Nabi Karim, Hastsaal, Bawana, Mongolpuri, Nangloi, and Shakurpur).

As per the information provided by the Area Leader of Ajmeri Gate (our survey location) there was no NGO working in that area before 2001, then in 2001 IndCare came into their lives. They took a meager loan of Rs. 26000 with each beneficiary getting Rs 2000 only.



These Self-Help Groups are formed keeping in mind similar backgrounds either in terms of their caste, because in the conservative areas harmony depends also on how these women get along with each other and caste plays a big role there. The key for stabilising the SHG operations is to ensure that loans are taken and repaid on time along with the regular savings.

Today, there are 50 groups by IndCare in the Jama Masjid area of Delhi, of which 10-12 groups are located in the Ajmeri Gate sub-section. Every woman in the group has to save Rs. 50 every month. Inter group lending without any rate of interest is the key feature that enables these women to have small but continuous flow of credit.

When the loan comes from IndCare Trust, then it gets distributed among the various groups in the maximum limit of a loan to a women was Rs 25,000 but, now the limit has been extended to Rs 50,000. It is provided @ INR 1.32 per rupee.

Ujjivan, on the other hand, is a wholly private owned, profit motive driven professional organisation. It is active only in the urban areas and is operational in various parts of the country. Their operations started in Bangalore and now are stretched over almost the whole of the country. Ujjivan has various products targeted to cater to the diverse needs of their clients. They have properly structured guidelines which they follow very closely in order to carry out their operations.

Ujjivan provides both group loans as well as individual loans. It lends out to its clients in small amounts, ranging from INR 8,000 to INR 25,000 per beneficiary. Ujjivan targets its location of operation based on a prior survey and then goes on campaign drives in the targeted areas before launching its services.

The group loans are intended for Joint Liability Groups (JLGs). These JLGs are formed by the women themselves. Only guideline from Ujjivan is that no two women can belong to the same blood relation. Once the JLGs are formed and registered with Ujjivan, the members receive a compulsory training from Ujjivan on the details regarding their products and deliverables, their policies and regulations etc. The loan is provided @1.42 per rupee. Only after being associated with Ujjivan for at least one loan cycle, the woman becomes eligible for Individual loans. These Individual loans are given on various accounts, like Business loans, Livestock loans etc. The only condition that is laid down in these cases is that the business must already exist or in case of livestock loans, the beneficiary and/or her husband/son owns at least one livestock. Ujjivan doesn't give out loans for starting a business.

Ujjivan also provides a life insurance cover of INR 30,000 for the beneficiary and her husband/son during the loan cycle against a onetime payment of INR 120 for a year and has a tie-up with a private life insurance company. This particular feature of Ujjivan really made it stand out and provides not just credit facilities for the women but also sophisticated financial

inclusion of the poor women. Overall, Ujjivan is extremely professional in their dealings but it only enhances their efficiency and doesn't make them "ruthless" in their workings. The women associated with Ujjivan have experienced benefits and have no complaints about their method of work.

### **Observations:**

The data for Ujjivan has been collected from Raghbir Nagar and Paschim Puri areas of West Delhi. The average age of women was 39 years. They have been associated for an average of 3 years. Majority of women whom we interacted with were taking continuous loan from past years. Once they complete one cycle they can take further amount. Few of them had recently joined or taken loan after a gap. 36 out of 45 were working majorly in handicrafts or jewellery work. The work had to be done from home. It included bringing home material (half made) and complete the assigned task. Other occupations of the respondents were that of footwear making, owning a general store, fruit ferry etc. The spouses of the majority of the women (68.8%) had irregular income as they are working as casual labourer, mechanic, owning ferry of a variety of commodities ranging from dry fruits to fruits and vegetables or selling bangles or old clothes ("purane kapade"). In many cases women were engaged in same work or business as their husbands. For instance there were many respondents who were involved in making toys while their husbands sell them, whereas in some cases the couple divides the work and alternatively sell at their stalls selling fruits or old clothes etc.

As far as literacy levels are concerned, 12 women (26%) had no education at all. Only 3 of them were B.A. (Pass) Graduates. The group had diverse people from various states and caste of North India- Punjabis, Dhanak, Gujaratis, Banjaras, Rajput, Jaats. The average number of children was 3. In some case it went high to 5 or 10 highlighting the desire for having son and lack of family planning. Girl to boy ratio was 0.91:1. Children were mostly enrolled in government schools exception for a few cases where the kids go to private schools.

For collection of data of women associated with IndCare, survey of 45 women was conducted. The castes found were Prajapati, Khatik, Jaatav samajh, Baniya along with General category. Average years of association were 6.88 years. For a number of women the association dates back to 2001 when the first SHG was formed in this area by Ind Care. In fact the people settled here have been living here since 1947. It is a close-knit community with many families having their relatives in the vicinity.

The average age of women was 40 years. On an average, they were having two children. Girls to boys' ratio boiled down to 0.87:1. Six of the women surveyed had done graduation. Others had done their secondary or high schooling. 6.6% of them was illiterate. They were majorly involved

in supari cutting business and anganwadi's kitchen work. Ind Care, in collaboration with the Ministry of Women and Child Development, has tried to make the Right to food, through ICDS a successful scheme. One of their attempts was to link SHGs to this scheme by outsourcing preparation of food required for anganwadis to women enrolled in SHGs. 8 SHGs in Ajmeri Gate region have been associated with this at present.

	Avg. Duratn of associatn. (yrs)	Avg. age of women (yrs)	Avg. fertility rate	Sex ratio of children (F:M)	Employment status of respondent	Occupation of employed respondents
Ujjivan	3.00	39 years	3	0.91:1	W 36 NW 9	Handicrafts, Jewellery work, ferry, Footwear making
IndCare	6.8 8	40 years	2	0.87:1	W 30 NW 15	Supari cutting, stitching, card decoration, tuition, parlour

Other occupation of these women included stitching, giving tuition at home, parlour and card decoration. 30 of them were working. 33.3% of the women were earning regular income while 46.6% were irregular income earners. In 7 cases we surveyed spouses had retired/died. The non regular income earners were construction labourers, auto drivers, making copies, car seat covers, etc. Similar to our finding in Ujjivan, the children were studying in government school. The loans taken by women in both organizations were utilized for consumption as well as for business purposes. No clear line of demarcation could be made between them.

The women who were working utilised some proportion of the money for buying inputs used for that work like buying sack of supari or threads for handicrafts work. Many a time the money was used to fund the school/college fees of the children or for health expenditure. This is important since its difficult for these households to spend huge amount at one go. Absence of microfinance often leads to indefinite postponement or easy solutions like taking their children out of school. It is in this context we refer to microfinance as tool of consumption smoothing. The household can borrow money at one go and keep paying back in small amounts (principal and interest) throughout the year. This feature made them satisfied with the institution they are associated. Also the rate of interest was much less than that charged by money lenders. In few instances the women borrowed money from relatives/ friends/money lenders in case of emergency and returned back after borrowing from the organization. This showed the preferred this source of credit over others.

**The following observations were noted on our indicators of women empowerment:**

Our analysis is cross sectional rather than over a period of time thereby the data on women empowerment shows the status of women at that particular point. Further we take up whether there are distinguishable differences between women associated with Ujjivan and Indcare. Also,

the factors that govern the link between microfinance and women empowerment.

### **Mobility:**

In contrast to what one would observe in the North Indian rural setting wherein women are not allowed to freely move out of the house, we found that women in urban slum areas were fairly mobile. They could easily visit nearby markets alone. However, visits to far away market are always taken in the presence of family members or neighbouring women.

In one particular case the respondent residing in Raghbir Nagar was completely dominated by her husband. Both husband and wife were illiterate. They had four sons and only the youngest son goes to school. Others had been working since they were 15-16 years old. The eldest son was mentally challenged. Both the respondent and her husband were jointly working from home making toys. The husband keeps a track of her in every task including buying when she buys regular food items for the family. Years of suppression were evident in her body language and facial expressions.

4.4 % of women in both Ujjivan and IndCare said they did not have the confidence to go out alone in the city especially to places a bit far away from their respective places of residence.

Similar data were found for visit to medical facilities and going out for movies. Generally the women preferred to go out for movies with family even though there was no restriction imposed on them to go out with friends. Paucity of time and money were another reasons cited by them. 5% of total had said about restrictions imposed by family to go out for movies, etc with friends. The visits outside the city were mostly accompanied with family. Only those who had their natal home outside the city had gone alone. However, when asked whether they would go given the opportunity 26% of women surveyed in Ujjivan said yes. Others were reluctant owing to lack of confidence, less education and unawareness of outside world. Women in IndCare reiterated same things. They have been to Haridwar, Vaishno Devi etc with families and family friends but never with her friends or alone .

### **Economic security:**

For data collected from women associated with Ujjivan 23.8% of the women were staying in rented house. 68.75% of the owned houses were either on husband or in laws name. In Ajmeri gate, 46.5% of the women were staying in rented house. Majority of the houses were on husband or in laws name.

27.5% of the families had life insurance or fixed deposits with very few in the subject's name. Generally it is in the name of their husbands or children for women in the Ujjivan area. The figure stood at 23.25% for Ajmeri gate women. However, it has to be remembered that the customers of Ujjivan have a life insurance cover as a part of their policy.

90% of the households owned the ration cards. Those who does not own one has not been able to

acquire it because of governmental procedures. But they were well informed about the scheme.

The savings of the households were function of their income. Many of them had the bank account –few in their names too. As part of the rules and regulations, in IndCare the women are supposed to save Rs 50-100 per month. This was the source of internal lending within the groups. However, we observed that many members were not saving regularly owing to absence of savings. Surprisingly, many recent joined members had no knowledge about the saving and internal lending culture. This was more common for women whose mothers in law were part of the group and she had joined as per her wish. The only benefit they knew were that they could avail loan at lesser rates of interest.

### **Decision making:**

The decision making ability in the families were vested with both respondent and her husband. However, it is to be noted that the ability of women to make decisions were more in case of making small purchases, whereas it was less in case of larger purchases. In case of marriage of their children, the respondent and her husband generally had fairly equal say but the answers varied from one's own decision to mutual decision to children's wishes.

• Ability to make small and large purchases like food items,utensils,jewellery
• Schools to send children
• Family Planning
• Marriage of the children
• Loan amount
• Use of loan amount

In many cases they didn't have sufficient savings to undertake large expenditures like jewellery, etc. With regard to their children's admission to school and other school related work many cases were there where women/men did not participate because of illiteracy. The onus went to the literate one among the two.

The marriageable age of children varied depending on the family tradition and caste to which they belonged. It varied from 19 to 24 years.

In one of the stark case observed by us, the subject's daughter was married at the age of 17-18 years and the mother admitted that bad atmosphere was driving them to marry their children at younger age. She herself got married at the age of 13 years. In contrast the daughter had different opinion that getting married early was a curse and she would like her children to be married at age of 23-24 years.

In another case the respondent stood empowered on various criterion. She independently managed the general store, had her own bank account and managed it well. But when it came to decision of marriage of the children, the husband wish was to get their daughter married at age of 20-21 years. The elder daughter (married) completed her graduation after marriage even though the lady wanted her to complete her studies. Similarly the second daughter was married before she could complete her graduation.

Microfinance in itself has not been able to break these social and cultural barriers. These are deep rooted barriers and breaking away from them has not been possible for the women we surveyed. It was becoming increasingly apparent that the effect on women empowerment did not depend on their financial inclusion alone. Here no effort was undertaken by the organisation, Ujjivan to spread awareness.

**Legal and Political Awareness:**

• Voter Identity Card and did she vote in the most recent polls
• Birth and marriage registrations
• Anna Hazare’s movement on anti-corruption
• Police and fire brigade emergency number

The women associated with Ujjivan and IndCare were well informed about voter cards and birth registrations. 1 or 2 women in each case had not registered for voter ID card or taken efforts to get birth certificate of their children. All the women possessing the voter ID card had exercised their franchise in the most recent poll, the Municipal Corporation of Delhi election held in April 2012.

The knowledge about marriage certificate was miniscule. Majority of them had kept the invitation card as proof of the marriage. But we cannot attribute any development in this regard to impact of microfinance.

However it is worth mentioning that Area leader of IndCare reiterated many politicians coming up to her to ask for votes. Given the number of SHGs she controlled and influence gained by her over the years she could demand water, sanitation and other facilities for the area on behalf of other members.

Anna Hazare’s movement against corruption was popular in Ajmeri Gate area. Only 3 had no idea about it while many have reiterated to having been a part of the movement. The situation was different for Ujjivan enrolled women. Here 33.33% of the women were ignorant. Proximity to Ramlila Maidan by Ind Care women accounted for the difference.

Knowledge about police and fire brigade numbers was almost the same.

	Ujjivan	Indcare
No knowledge about police and fire brigade numbers	26.1%	22%
Fire brigade number	45.2%	22.2%

IndCare, the parent NGO organises meetings from time to time wherein all participants are given knowledge about legal recourse they could follow up in case there is violence at home or if they are not satisfied with the marriage. They are made aware of their rights and powers. A whole team of lawyers are introduced to them and all legal formalities were introduced to them to assure them that all support would be provided by the NGO and its staff.

## Health and hygiene awareness:

The women were considerate about the health of the family members. Many a time loan amount had been used for medication or health treatments. Regular health check up is not done but medication wherever needed is administered. Immunisation and polio drops drive have also been successful in both areas. Majority of women had their children in hospitals leaving some of them who were quite old. Even in those cases the grand children had institutional delivery. Anganwadis were not used. This could be attributed to the fact that 90% of our survey covered APL families and close proximity to government/charitable hospitals.

•	Any member suffering from illness and action taken in this regard
•	Immunisation of children at time if their birth, polio drops
•	Use of mosquito nets
•	Smoking, chewing tobacco &/or drinking habits of their husband
•	Use of sanitary napkins

Mosquito nets/coil/cleaners/Allout/Good Knight were commonly used by people. 17.7% and 37.7% respectively in Ujjivan and IndCare dominated regions said no use of such repellents. But we cannot attribute whole of it to unawareness as they argued lack of requirements for it. Moreover we did not come across any case of malaria or dengue infected case.

Chewing tobacco/ gutka had been not much prevalent as compared to drinking. In Indcare we found 6 cases where men were involved in regular drinking. Others were involved in drinking at functions or at irregular intervals. Gutka/pan was also prevalent in 20% of the cases. Similar findings were in Ujjivan . The prevalence of gutka was less here. It is observed that until and unless men themselves want to stop this habit, the repeated requests by the subjects go unheeded. The respondents usually restricted themselves from discussing these concerns with their husbands as they tend to spark violence at home. In many cases we observed that men had stopped at later stage.

Living in Delhi region the women were well aware about the usage of sanitary napkins. However, many of them do not use it owing to the expenditure incurred on that. This is further supported by the fact that while mothers themselves use cloth, their daughters use sanitary napkins. Another reason could be the daughters have attended government schools where they were provided with sanitary napkins.

Thereby we found that the role played by the organisations in the spread of health and hygiene awareness in the areas we surveyed has been less. In many cases the loan taken was spent to undertake proper medication. Even otherwise, given the fact that majority of them have irregular income and very little savings the credit helped smoothen out their expenditure.

The awareness spread either through living standard of people -TV, shops, advertisements. The effort of government to distribute sanitary napkins among girls through the government schools

clearly has had a positive effect regarding this aspect.

### **Relative freedom from domination by the family:**

•	Loan against one's wishes
•	Pressure from in laws to have son
•	Visit to natal home
•	Objection to her/her daughter to wear modern outfit
•	Objection to her/her daughter wearing their hair short

The usual response we got for loan against women's wish was no. The decision in most cases was mutual one or taken up by the family together. Where women took solely for her own work, she was the sole authority (as told by them) since the responsibility to pay back lied on them.

With respect to pressure from in laws for having son, we observed that responses could have been biased in certain cases. This was especially for women surveyed in West Delhi. The one who had a boy after two or three daughters said no. However, many did admit preference of son in the family. But it did not mean that daughters were discriminated against sons.

One of the respondents had seven daughters (two of them are married) and two sons. Her husband was very conservative, she had a very hard life bringing her kids up, and now her daughters help her with the education of her younger children. One of her married daughters was raised by her brother in law who was very nice to her but didn't send her to college. The mother in law used to fight with her over the issue of having a son. The consequence of this has been gynecological problems suffered by her. Another one admitted there was pressure on her after having two daughters. But luckily she had third child as a boy.

The average number of children in IndCare dominated region was two as compared to three in Ujjivan dominated region. In majority of the households there was one daughter and one son.

In certain cases the women were under pressure. In one case the subject wanted to have just one child but her first child is a girl who was born after an operation. But the husband and mother in law wanted to have a son in the family. The second one turned up to be a girl. Now they have a boy after around 10-11 years.

There were no restrictions in visiting natal home. Many of them had it in Delhi NCR only. Restrictions on daughter in laws with respect to dressing have decreased over the years. Wearing suits was considered an offense in regions like Rajasthan and Gujarat. The women reiterated to have been wearing only saris after the marriage, now having become their habit which they don't want to change. However they don't put any restriction on their daughters or daughter in laws. Modern outfits like jeans and leggings were not allowed in many cases. In one family (in Ajmeri gate) the daughter in law still wore long 'gungad' in front of male member of the family. Similar facts were for freedom to wear hair short. Some families put restrictions on going for parlour works.



An interesting fact was observed that younger generation women were much more open with regard to dressing and haircuts. Many of them said they were free to decide upon their own ways after separating from their in-laws. Majority of the respondents who live with their in-laws face more difficulty than others, because the conservative nature of their earlier generations comes in the way of them leading a modern family life.

The general observations that we made during our survey made us question the idea that with microfinance comes financial inclusion of the women, which results in financial empowerment of women, thus paving the way for overall empowerment of the women.

### **Key Findings:**

Ujjivan and IndCare have very diverse mode of operations.

While Ujjivan has a very professional approach the workings in IndCare depended upon the personal relations that the Area Leader has with the group members. It was noted that there is great community harmony in the area and hence the women are extremely close-knit.

The advantage of that is the women are socially more empowered than individually being so. Together they have bargained for the sanctioning of widow pensions, proper water lines etc. with even powerful politicians. However, at the individual level not all of them are empowered, only the women who are regularly coming to work in the Anganwadi kitchen, socialise daily and hence are socially and politically more aware than the dormant members of the groups. The social cohesion observable in IndCare area has contributed to the empowerment of women to great extent.

The key drawback of the working of IndCare is the prevalence of patronage and even a bit of political exploitation. Patronage comes into the play because the loan amounts are given to a beneficiary on the basis of their needs, the more pressing one's needs are the more easily she gets the loan, but then there automatically a bias is observed in the system, of disbursement of the loan amount. It depends on how closely a person is associated with the Area Leader as well as on her judgement as to whether the person's needs are pressing enough or not. Besides, the women are asked to attend various meetings because they are enrolled with IndCare. In these meetings the dormant members are taken in order fill in the audience seats. This is how a bit of political exploitation is observed in this case.

Ujjivan is a private "for profit" MFI. Their work reflected professionalism. Ujjivan has its own set of rules laid down within the guidelines of RBI and hence has 100% recovery rate. The organisation doesn't form the JLGs and in fact does not interfere in the workings within the group. Ujjivan has constant cash flow and when a loan cycle ends, the women immediately get

the next loan if they apply for one.

The usage of the loan amount also varies across both the organisations, most likely because of their customer backgrounds. The women associated with Ujjivan have spent money on their handicraft business, or to educate their children or to renovate their houses. The handicraft business requires a substantial amount of money to initially buy raw materials thus involving heavy lay out costs. Whereas the beneficiaries of IndCare, not only get their loans very rarely, but also they spend mostly on house repairing and thus leading to an enhanced standard of living. The supari cutting business does not require a heavy amount of initial investment to spend on raw materials and hence the women can comfortably tide over their business needs with the money they can get from their inter-group lending.

Noting the observations we thus reach the cross-roads of evaluating whether microfinance is a solution to women empowerment or not. We started off this project to find out if this economic independence provided by the access to financial services like microfinance is a key to the improvement of women's status in their communities or not. Our a priori expectation was that this indeed is the case; on paper it seemed only natural. However, the field work and the experiences and most importantly the data thus collected have only stood to refute our a priori assumptions.

Women empowerment is not just about economic empowerment through financial security even for an urban woman; instead, it is an amalgamation of various social factors most important of them being the status of the woman in her own home. The reality in this regard has shaken our very ideas. The patriarchal social structures render women, as incapable of making big decisions or even travel alone. What is even more of concern is that the women themselves don't feel more confident about going outside alone, not because of safety issues but because they consider themselves incapable.

The deep rooted interpersonal relationships also seemed to affect empowerment of women more than their economic reliance. The most influential of them was their relationship with their in-laws. Most women said they feel more restricted and dominated in presence of their parents in law.

Education also plays an important role. We were told in many cases that the respondent's daughters are doing their under-graduation course from universities and simultaneously doing certificate courses on computer, or other vocational training courses. It does portray a very rosy picture, but when we enquired about the reasons for not enrolling their daughters for regular courses we received various answers including that the time is not good, girls needn't go out of home to study. College environment is not good for a "good" girl. It seemingly started to imply that the eligibility of the girls for marriage will go down if they go to college. There were a few

cases where the daughters themselves chose to not go to college, because they wanted to join a job and hence wanted vocational trainings, but then the broader picture spoke of a different story.

On the whole however we have noted that microfinance has acted in a way that is circular in nature. The women who were already doing fairly better in terms of empowerment have benefitted the most because they have taken their level of empowerment forward through their association with the microcredit organization. But, on the other hand, the women who were lagging behind in terms of confidence, education; microfinance had little or no impact on their status of empowerment. They were not self-reliant even though they have been associated with the institutions for a considerable amount of time.

Thus we conclude our paper citing that microfinance has not really enhanced the status of all women involved. It has boosted the self reliance and confidence of the already educated or fairly empowered women. It has had little or almost no impact on the lives of the beneficiaries who had little education or confidence to begin with. Our study also conforms to the findings of Prof. Abhijit Banerjee and Prof. Esther Duflo (MIT) which had shown that microfinance helps in consumption smoothing for the poor. In his Plenary Lecture, on the topic “Financial Inclusion for the Poor”, Prof. Abhijit Banerjee (MIT), said that even though microcredit has not been able to alleviate poverty, per se, it has definitely enabled the poor “to manage their poverty better”

Our study validates this observation though the socio- cultural equations in the North India are dramatically different from those existing in the Southern states of India, where the survey was conducted by Banerjee and Duflo.

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