

MICROFINANCE: WOMEN FROM THE MARGIN TO THE MAINSTREAM

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ABSTRACT

Microfinance is an effective mechanism in which small loans (microloans or microcredit) are provided to low-income or poor individuals, especially women, and access to credit is a catalyst for positive socio-economic changes in the lives of these marginal women in rural scenario. In India, Microfinance as a group lending approach that is; Self-Help Group (SHG)-Bank Linkage Programme as a cost-effective mechanism provides financial services to the "Unreached rural women" leading to their change from margin to mainstream. This paper puts forward how microfinance makes an extensive recognition as a strategy for change with respect to poverty alleviation and socio-economic empowerment of poor women. Then, these empowered women are able to come into the mainstream of the society. In order to make the study more authentic, field level data were collected from concerned panchayat, block and district office following interview method with pre-structured questionnaire, meeting with the group members and different officials. Transformation of women from margin to mainstream as a multi-dimensional socio-economic process by associating with the microfinance institution, helps women gain control over their own lives through expansion of assets and capabilities in their own community and society. Field study was carried out in two blocks of Purba Medinipur district of West Bengal. The sample of respondents drawn for the study was from 48 Self-Help Groups (SHGs) from the two blocks. These groups received second dose loan from the banks, after successfully repaying the first loan. The groups started functioning during 2000-2003, and have a responsibly successful record. The study focuses on transforming poor women from margin to mainstream through various indicators of economic and social empowerment. Major part of the conclusions is based on observation and interviews with the group members and knowledgeable persons in the vicinity, including government and bank officials.

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Introduction

'Micro credit is about much more than access to money. It is about women gaining control over the means to make a living. It is about women lifting themselves out of poverty and vulnerability. It is about women achieving economic and political empowerment within their homes, their villages, their countries.' - Microcredit Summit campaign, 2000¹.

Microfinance is a platform upon which much can be built. While the year 2005 has been declared "Microcredit Year" by the United Nations, the G8 Member States reaffirmed the crucial importance of microfinance as a development tool. The 2004 action plan of the G8, adopted at Sea Island in June 2004, is entitled "applying the power of entrepreneurship to the eradication of poverty". With the award of the 2006 Nobel Peace Prize to Prof. Muhammad Yunus of Bangladesh, microfinance has become a much-discussed tool in the fight against poverty. Microcredit has proved to be an effective means to lift people out of extreme poverty and make them an active part of the working society. The Grameen Bank experiment in Bangladesh - founded by Muhammad Yunus in 1976 and formally established as a bank in 1983 - provides small credits to the very poor. Tiny sums are often enough to lift these people out of poverty, and give them an opportunity to start an entrepreneurial venture and stand on their own feet. Since 1997, the first theme of the Microcredit Summit Campaign had been 'reaching the poorest'. By the end of 2005, according to the Microcredit Summit

Campaign, there were over 3,000 MFIs (Microfinance Institutions) serving over 112 million people world-wide, of which more than 82 million (73.2 per cent) were among the poorest people in the world (i.e., earning less than \$1/day) when they became clients². The primary focus of microfinance is the provision of financial aid on a small scale to those who are on the fringes of society, too overwhelmed by the formal restrictions and procedures of the organised sector, too vulnerable to help them, and left out of the margin.

The term, microfinance sometimes is used interchangeably with the term microcredit. Microfinance is a set of tools, approaches and strategies addressing the needs of people who are financially excluded. Microfinance offers low-income people access to basic financial services such as small loans, savings, insurance, bill-payment and money-transfer facilities, superannuation and financial advice. It seeks to provide fair, safe and ethical financial services for people who, because of their circumstances, are not able to access mainstream financial services. According to the 2006 report of the Microcredit Summit Campaign, as women are asset poor, 84.2 per cent of the poorest microfinance clients worldwide are women³.

In developing countries, women especially in rural scenario are the marginalised section of the society. Marginalisation, as a complex process of relegating specific groups of people to the lower or outer edge of society, effectively pushes these groups of people to the margin

of society economically, politically, culturally and socially following the policy of exclusion. It denies a section of the society equal access to productive resources and avenues for the realisation of their productive human potential and opportunities for their full capacity utilisation. This pushes the community to poverty, misery, low wage and discrimination and livelihood insecurity. Their upward social mobility is limited. As a consequence of the economic, political and cultural deprivation, a vast chunk of the population has emerged to be socially ignorant, illiterate, uneducated and dependent. Devoid of the basic necessities of life, they are relegated to live on the margins of society.

Also rural women are already constrained by various socio-economic, political and cultural factors. They are still largely under-privileged in terms of wealth, education and access to basic services, in particular health services. Women are denied their rightful status and access to developmental resources and services, contributing to their marginalisation. With regard to their multi-dimensional responsibilities, it is required to empower women socially, economically and politically to enable them to stand in society on their own with confidence. Empowerment can give power to women to have control over the circumstances of their lives. It includes both control over resources and ideology, greater self-confidence and an inner transformation of one's consciousness that enables one to overcome external

difficulties. Empowerment of women is critical not only for their own welfare but also for the development of the country. Using the sociological analysis proposed by Andre Beteille (1999), 'India is the contradiction case of egalitarian political order, and is a hierarchic social structure. Thus, economic and social inequalities rooted in traditions and cultural norms need to be changed as political measures alone cannot bring about empowerment. Empowerment is to be invoked in the context of economic weakness and insecurity, particularly of marginalised, unorganised and other disadvantaged groups⁴.

In marginalisation, high percentage of women is among the poorest of the poor. Poverty is hitting increasing number of women and it is hitting harder. Here, microfinance activities can give them a means to climb out of poverty. Microfinance is a good beginning, opening the doors of credit to the marginalised women who were hitherto denied access to traditional channels of credit. Women's poverty is directly related to the absence of economic opportunities and autonomy, lack of access to economic resources, including credit, land ownership and inheritance, lack of access to education and support services and their minimal participation in the decision-making process. Dr. Yunus stated, "There is no conflict in having microcredit, education, health, empowerment, (and) training together; they support each other. If you laid out the foundation of the financial system, it makes other interventions so much more powerful.

* Kebele is the lower administrative unit that consists of three villages.

If you come with education, health, and training, everything will make much more sense, and you get much more mileage out of it, provided you have the microcredit framework already built into it.⁵ He also observed that 'India has to understand that micro-finance is workable and sustainable anywhere where there is poverty. And to make it successful, it needs to be emphasised women in each rural and poor household, needs to be mobilised on programme basis.' India and Bangladesh have no major differences in poverty. If microfinance or microcredit is successful in Bangladesh, it can be successful in India as well,' Yunus emphasised⁶. The Global Microcredit Summit in November 2006 launched a new phase of the Microcredit Summit Campaign where new goal has been followed of providing 175 million of the poorest families with access to credit and enabling 100 million families to move above the poverty line by 2015. This is an important aspect of achieving equality for women. Juan Somavia, ILO Director-General mentioned that 'Microcredit plays a critical role in empowering women; helps deliver newfound respect, independence, and participation for women in their communities and in their households.' With the aim to meet the Millennium Development Goals⁷ and microfinance programmes' role in supporting it, there has been an increasing expectation on their impact on women empowerment.

The study is premised on a multi-dimensional empowerment framework through poverty alleviation mechanism. It views empowerment as a process having personal, economic, social and political

dimensions, with personal empowerment being the 'core' of the empowerment process. The study establishes that microfinance can create empowerment promoting conditions through poverty alleviation for women to move from positions of marginalisation within household decision-making process and exclusion within the community, to one of greater centrality, inclusion and voice. The social processes of microfinance strengthen women's self-esteem and self-worth, instill a greater sense of awareness of social and political issues, leading to increased mobility and reduced traditional seclusion of women. More importantly, microfinance enables women to contribute to the household economy, increasing their intra-household bargaining power. The study highlights through an integrated approach of microfinance, the chances for credit becoming an empowering means, by supporting a continuous process of institutional and legal change which pushes women into the mainstream.

Microfinance in Indian Scenario

Microfinance extends small loans to poor people for their varied requirements such as consumption, shelter, income generation, self-employment, etc. In some cases, it offers a combination of several services to their clients, in addition to credit. These include linkages with savings and insurance avenues, skill development training and marketing network. In India, the microfinance movement has almost assumed the shape of an industry, embracing thousands of NGOs, community-based self-

help groups (SHG) and their federations, co-operatives in their varied forms, credit unions, and public and private banks. The SHG-bank linkage programme is an institutional microfinance (primarily, credit) outreach programme, spearheaded in India by the National Bank for Agriculture and Rural Development (NABARD). In India, NABARD initiated the programme in a small way in 1986-87 for its formulation and promotion. But the real efforts were made after 1991-92 from the linkage of SHGs with different commercial banks, regional rural banks and cooperative banks. Rashtriya Mahila Kosh was started under the union ministry of Rural Development in 1993 with the focus on women groups to be supported by non-government organisations (NGOs). Major schemes launched in later years, with focus on empowering poor women through self-employment are : Indira Mahila Yojana, 1995-96, Swa-Shakti Project (earlier known as Rural Women's Development and Empowerment Project), October 1998 and Swarna Jayanthi Gram Swarozgar Yojana (SGSY), April, 1999. The earlier programmes like IRDP (Integrated Rural Development Programme) that provided credit at low rates of interest along with subsidy failed because of lack of incentives in the form of repeat loans and also because of the absence of pressure from group members. While banks have been linking up with self-help groups since the onset of the SHG-bank linkage scheme in 1992, Block Development Office (BDO), District Rural Development Authority (DRDA) and Panchayats have entered the arena of microcredit only after the introduction of the Swarnajayanthi Grama

Swarozgar Yojana (SGSY) in 1999. SGSY is funded by the Centre and the States in the ratio of 75: 25. Under the SGSY, assistance is given to poor families living below the poverty line in rural areas for taking up self-employment. The persons taking up self-employment are called swarozgaris. For managing a successful self-employment venture, it is necessary to select the right activity. They may take up the activity either individually or in groups, called self-help groups.

Microfinance Delivery through SHG

NABARD (2005) explains that the self-help group is a group with "an average size of about 15 people from a homogenous class. They come together for addressing their common problems. They are encouraged to make voluntary thrift on a regular basis. They use this pooled resource to make small interest bearing loans to their members. The process helps them imbibe the essentials of financial intermediation including prioritisation of needs, setting terms and conditions and accounts keeping. This gradually builds financial discipline in all of them. They also learn to handle resources of a size that is much beyond the individual capacities of any of them. The SHG members begin to appreciate that resources are limited and have a cost. Once the groups show this mature financial behaviour, banks are encouraged to give loans to the SHG in certain multiples of the accumulated savings of the SHG. The bank loans are given without any collateral and at market interest rates. The groups continue to decide the terms of loans to their own members. Since the

groups' own accumulated savings are part and parcel of the aggregate loans made by the groups to their members, peer pressure ensures timely repayments.⁸ Self-help groups form the social capital which facilitates financial linkage of poor borrowers with different banking systems in India. In India, March 2004, the number of SHGs linked to the banks reached 1,079,091, that is to say approximately 17 million people and an increase of 50 per cent compared to 2003 (Sa-Dhan, 2004).

SHG-Bank Linkage Programme (SBLP) has turned into a solid structure with nearly 7.43 million savings-linked SHGs covering over 97 million poor households at the end of March, 2014. Total savings of these SHGs amounted to ₹ 99 billion. The number of credit-linked SHGs under the programme stood at 4.20 million with outstanding bank loans at ₹ 429.3 billion. Loan disbursement during 2013-14 for 1.37 million SHGs was ₹ 240.17 billion. Out of the total SHGs savings-linked with banks in SBLP, women SHGs number 6.25 million (84.2 per cent) with savings accumulated as ₹ 80.13 billion (81.0 per cent). Out of the total loan outstanding with banks for SHGs, women SHGs number 3.41 million (81.2 per cent) with loan amount outstanding as ₹ 361.51 billion (84.2 per cent). The lion's share of SBLP is of exclusive women SHGs, consisting of poor rural households.

In West Bengal, at end of March, 2014, savings linked SHGs were 5, 91,000 with savings mobilised as ₹ 8.14 billion. Loan outstanding with banks for 4, 73,000 SHGs was ₹ 21.79 billion. Loan disbursement

during 2013-14 for 1,97,000 SHGs was ₹ 6.85 billion. Progress of SBLP in West Bengal in the last ten years as a State covered under the priority State category of NABARD has been quite good. The movement has been making its impact in all the districts of the State; though there is unevenness in coverage (NABARD – Status of Microfinance in India 2013-14, Mumbai).

Women and Microfinance

"Give a man fish, (and) he'll eat for a day. Give a woman microcredit (and) she, her husband, her children, and her extended family will eat for a lifetime."⁹ - Bono (Lead singer for the band U2 and humanitarian advocate).

Women are not a minority but a marginalised majority. Seventy per cent of the world's poor are women. Traditionally, women have been disadvantaged in access to credit and other financial services. Commercial banks often focus on men and formal businesses, neglecting women who make up a large and growing segment of the informal economy. Women as financially excluded are denied access to affordable, appropriate and fair financial products and services, with the result that their ability to participate fully in social and economic activities is reduced, financial hardship increased, and poverty (measured by income, debt and assets) exacerbated.

The Microcredit Summit Campaign recognises that it has failed to report on total women clients to date, and expects to remedy that soon. The Microcredit Summit Campaign estimates that the number of very

poor women with access to microloans reached 55.6 million in 2004. This represents 83.5 per cent of the poorest clients and not the total clients.' Again, Microcredit Summit Campaign Report 2007 estimated that 'Millions of the clients were among the poorest when they took their first loan. 85 per cent of these poorest clients were women'.

Empowerment

The concept of empowerment has been used widely in development discourses and has become a burning issue in recent decades. It appears publicly through critical discussions and debates by third world feminists. In the feminist paradigm, empowerment goes beyond economic betterment and well-being, to strategic gender interests. Empowerment is defined by Moser (1989) as '...the capacity of women to increase their own self-reliance and internal strength. This is identified as the right to determine choices in life and to influence the direction of change, through the ability to gain control over material and non-material resources.' As Mayoux (1998) suggests, empowerment is a process of internal change, or power within, augmentation of capabilities, or power to, and collective mobilisation 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. Thus, this kind of 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 the right to do so (Kabeer, 2001). Some conceptualise empowerment by referring to the importance of social inclusion (Malhotra et al., 2002: 4). Empowerment is to be obtained by the participation of women in society and by, as Bennett (2002, in: Malhotra et al., 2002: 4) states it: "the enhancement of assets and capabilities of diverse individuals and groups to engage, influence and hold accountable the institutions which affect them." The notion of power is reflected in this definition. The concept of social inclusion also strongly relates to the definition of women's empowerment by Saraswathy et al. (2008: 186-187), who state: "empowerment may be defined ideally as "(...) a continuous process where the powerless people become conscious of their situation and organise themselves to improve it and access opportunities, as an outcome of which women take control over their lives, set their own agenda, gain skills, solve problems and develop self-reliance"

The stimuli for empowerment as a process comes when something alters in a woman's life, which expands "spaces" – that which allows a woman, to move from the margin to the mainstream, to do what she intends to do. In this study, empowerment as the acquisition of a right to free speech and social recognition is considered as a process moving towards mainstream in the society.

Methodology

The present study has been conducted in West Bengal State. Two blocks, namely, Mahishadal and Nandakumar blocks of Purba Medinipur district were selected for field study. In these blocks, under 23 Gram Panchayats, 2192 SHGs have been formed under SGSY with the initiation of local Panchayats. Among these, 1468 SHGs have received second dose (instalment) credit after repaying the first dose credit successfully, and a total ₹ 22.10 crore as second dose credit has been disbursed for these groups up to May, 2013¹⁰. Members in these groups are almost literate but not well educated. Only 15 per cent of women were illiterate. But the group has taken the initiative to literate them to ensure the group's smooth internal functioning. In this regard, it is striking to note that the Sarbasikhya Avijan has failed to literate this section of the people. 60 per cent women are educated up to junior secondary, and 20 per cent up to secondary, and 5 per cent up to higher secondary.

Data collection has been done through field observation and pre-structured questionnaire survey methods. Information was also collected through group discussions among SHG members, and in-depth interviews with some key informants like panchayat members and government representatives at the grassroots level. Sometimes, participant and focused group interview method was followed during the study.

Profile of Sample Women : The required primary data for the study were collected

from 48 self-help groups, 20 from Mahishadal block, and 28 from Nandakumar block. Women from an uniform economic class form the group in a need based manner. At first, they named the group, and elected the president, secretary, and treasurer from among the group members. This study has taken only second grade passed groups who have been formed between the years, 2000-2003. In a group of around 10 members, deposits were collected from the members at ₹ 30 per month, and loan was given to the members from the group at 2 per cent rate of interest. After 6 months, the group opens an account in the bank in the name of self and then from time-to-time credit process through the bank has progressed. Evaluation of group members' economic / employment performance has been made by the bank. The bank linkage with the groups has been established on commercial lines with United Bank of India, Ghatal Cooperative Bank, and State Bank of India.

Loan Size : Members of SHGs are getting loans under the security of SHG. Each SHG gets loan of ₹ 25,000 as first dose/instalment. All the groups which have been taken up for the study, have also achieved second dose loan from the bank. This is an indication of not only their ability to repay (and manage) loans but also shows a kind of commitment that women make towards repayment schedules since regular repayment and ability to pay back are important pre-requisites for repeat loans.

Here, the amount of loan varies from a minimum of ₹ 60,000 to a maximum of ₹ 1,50,000, and the gap between two

instalments of lending is one, two, three or four years. In receiving loan, 4.64 per cent individual women have received money of ₹ 5,000, 2.32 per cent ₹ 6,000, 16.24 per cent ₹ 6,500, 1.62 per cent ₹ 6,900, 34.11 per cent ₹ 7,500, 10.17 per cent ₹ 8,500, 8.12 per cent ₹ 10,500, 4.64 per cent ₹ 12,500 and 6.96 per cent ₹ 13,700, ₹ 15,000, ₹ 16,200, respectively.

District Rural Development Cell (DRDC) from the State fund provides the groups ₹ 5,000 in achieving first gradation and ₹ 10,000 in achieving second gradation as revolving fund (R/F). This amount is non-refundable. Regarding their loan repayment status, banks are appreciative of their regular interest payment, and repayment of principal. These groups get the opportunity to exhibit and advertise their products through different seminars, and fairs. BDO and DRDC visit and evaluate the groups' performances periodically in order to help and encourage the successful performances of group members.

Objectives of the Study : The target of the study is how the microfinance strengthens women's self-esteem and self-worth, instill a greater sense of awareness of social and political issues, leading to increased mobility and reduced traditional seclusion of women. This baseline study about role of women in microfinance through SHGs highlights how the formation of SHGs by women has led to a change in identity, or at least has the potential to introduce a change in the identity of social exclusion imposed on women. In this aspect, the main emphasis of the article was to explore how microfinance 1) bringing women in productive economic

entrepreneurial activities, either individually or collectively through credit utilisation, 2) making autonomy on handling of economic activities, 3) gaining knowledge by the participation of credit handling activities with the bank, making profit in entrepreneurial activities, interacting with the markets, meeting with officials attaching with SGSY, participating at different trainings, seminars, exhibition, mobilising to participate in mainstream of village level activities, 4) making capacity to take own decisions in inter and intra-familial activities, 5) facing constraints and giving appropriate measures in succeeding. The present discussion focuses on the gender aspects of the microfinance in improving their life moving towards the mainstream to make them as empowered and their macro implications.

Impact of Microfinance

The impact of microfinance here focuses on how it has been popularised as a mainstream development intervention for addressing poverty alleviation and women's economic empowerment through extensive field based evidences. The study also explains how economic empowerment to the poorest women leads automatically to their social empowerment. It makes them strong in three ways: (1) they become financially independent of their husbands; (2) economic independence makes them assertive with their husbands, and with all men; (3) providing microcredit programmes to women raises their prestige and status in the eyes of their husbands and of their local community. Here, assessment of women's

empowerment as the process where women have acquired the ability to make strategic life choices incorporating three inter-related dimensions: resources which include access to and future claims to both material and social resources; agency which includes the process of decision-making, negotiation, deception and manipulation; and achievements that are the well-being outcomes.

Self-employment of Women : The impact of microfinance is to find out the specific economic activities which they were involved in and whether there have been any changes since they joined microfinance. Participation in economic activities helped them change their status to be self-employed. Their self-employment depends on expertness in own socio-cultural circumstances where they can make their products market oriented.

Table 1 : Proportion of Women Involved in Employment After Joining the Group

Nature of Self-employment	No. of Women (in Percentage)
Entrepreneurship	40.84
Arts and Crafts	15.78
Business	14.15
Animal Husbandry	20.88
Others	8.35

Ground based reality shows that here entrepreneurial activities are establishing a grill factory, preparing papad, making paper bags, establishing betel-van farm-yard, making paddy rice, bidi binding, wool knitting, making incense sticks, etc. Art and crafts mentions zary works on clothes, tailoring, doll making, weaving handloom products and bamboo basket making, etc. Different kinds of businesses involve tea-stall with betel leaf, grocery shop, vegetable shop, dairy milk, fried rice selling, fast food restaurant, garments, seasonal crops and fruits, etc. Animal husbandry related activities are poultry, duckery, fishery, goatery, cattle rearing, etc. Other types of commercial activities are associated with

pisciculture, agriculture, van rickshaw, fertilisers, newspaper selling, selling of garments at door-to-door local surroundings, supplying mid-day meal at schools, etc.

Increased Family Expenditure : The monthly family expenditure increased due to increased income of microfinance women for engagement in self-employment. Their contribution to family expenditure raises their self-confidence, own status and dignity in the eyes' of self and also family. The monthly family expenditure before joining the group and after having worked in the group for about five years is given in terms of percentage of total women members under these two heads.

Table 2 : Proportion of Women in Different Levels of Monthly Expenditure Before and After Joining the Group

Expenditure Per Month (₹)	No. of Women Joining the Group (in Percentage)	
	Before	After
Less than 1000	13.0	9.5
1001-2000	21.8	23.0
2001-3000	26.2	24.4
3001-4000	27.4	28.8
4001-5000	11.6	7.9
Above 5000		6.5

The data given in the Table reveal that the percentage of higher income women in monthly higher expenditure has been increasing from ₹ 3000 categories, though in a small way. There has been improvement but not very high improvement. This resulted in decline in percentage in lower expenditure categories.

Access, Uses and Perspectives on Microcredit: Women's access to utilise the money is mediated by their relationship to men, either husband, father or brother. When, women buy assets for the family with their own income, it contributes to an immense strengthening of women's position in the household. In microfinance, women started to acknowledge the need for family assets by utilising their savings.

Table 3 : Proportion of Women Utilised the Credit

Utilisation of Credit	No. of Women (in Percentage)
Investment in own business	100
Irrigation	25
Medical purpose	32
Repayment of credit	100
Education of the child	55
House electrification	19
House construction	35
House repairing	39
Own bank account	95
Other familial needs	77

In empirical findings, it is revealed that all women invested the loan amount for own business and repayment of own credit, 25 per cent of women for family cultivation, 32 per cent for medical expenditure of the family members, 55 per cent for education of the child, 19 per cent for house electrification, 35 per cent for house construction, 39 per cent for house repairing, 95 per cent for own savings, 77 per cent for other familial emergency needs. They use the credit for fulfilment of multi-purpose needs and demands. It is observed that a larger share of credit by women is being utilised for repayment of credit, investment in own business and fulfilment of familial needs, demands and own desires.

Inclusion in Decision Making : In microfinance, where loan is channeled through women groups, and is combined with more investment in social intermediation; substantial shifts in decision-making patterns are observed. This involves a remarkable shift in norm-following and male decision-making towards more bargaining and female decision-making within the household. Regarding household's internal decisions like expenditure on consumption and other household requirements, child education, medical treatment, etc., above 80 per cent women take decisions through their economic contribution in consultation with men. Here, making decisions is applicable when women's earned money is being utilised.

The study found a drastic change in the development of personality of women

after joining the groups. They are confident of implementing their decisions in village oriented activities due to group cohesiveness. They have also been given a greater role in the community and village level for development as well as welfare programmes with their prior consultation. They are now becoming a part and parcel of village administration (Gram Sansad). Regarding voting behaviour, 69 per cent women stated that in this regard, they depend on men's decision due to either their own decisive lacuna or husbands' domination. Here it is crucial that due to low level of literacy, they are being confused. Other external areas like protest against any violation, joining any association and other job involvement outside home, 80 per cent women take own decisions.

Increasing Level of Awareness : The movement towards economic independence and capacity to earn has strengthened the women's confidence and capacity. They have become more vociferous and have been able to express their needs, opinions and give shape to their dreams; even if it is in a small circle. Women have become aware and careful about their rights and circumstances. Microfinance helped them build their awareness. Increasingly, female borrowers are participating in different development activities and are claiming their benefits and rights from the society. It is a movement to emancipate the poor, especially women, to alleviate their poverty, improve their quality of life, and build their capacity and awareness and to integrate them economically, socially and politically into the mainstream of the society

Our Constitution guaranteed the rights and duties for every citizen. Deprivation of rights is punishable. Therefore, to claim rights, they have to be aware of the details. In this study, it is noticed that 82.8 per cent of women are aware of the constitutional provisions and related rights, and the remaining 17.2 per cent are not aware of these details.

Women have to be conscious of the health and family welfare techniques by following the entire immunisation schedule for children and pregnant women thoroughly and properly and by using contraceptive methods for birth control. 93.7 per cent women adopted family planning techniques for birth control.

In order to make pregnancy safe, all would be mothers must take T.T., which prevents infections. T.T. is available in all primary health centres free of cost. It is important for women to be aware of such type of prevention measures. 92.3 per cent of women followed the schedule properly.

In the nourishment of baby healthy, the baby should take certain immunisation followed by medical practitioners. They have to take BCG, DPT, and Booster, respectively as per their age. 91.0 per cent of women followed the schedule properly for the infants.

In the nourishment of child healthy, the growing child should take certain immunisation suggested by medical practitioners. They have to take DPT, Typhoid, Booster, TT, Hepatitis - B and Measles, respectively as per their age. All women followed the schedule properly for the children.

Initiatives have also promoted social awareness among rural women through participation in village welfare campaigns like polio and vaccine programme, sanitary distribution, literacy campaign, protest against any violation faced by women in the household and village, etc. 40 per cent of women actively participated in these programmes.

Training for Capacity Building : Social empowerment, economic empowerment and capacity building are achieved through a series of training programmes such as maintenance of registers, personality development, communication skills and entrepreneur development programmes. A group contributes a certain amount and members can turn to the joint savings for loans. After six months of being monitored, the group becomes eligible for a bank loan.

Table 4 : Proportion of Women Attended Trainings

Title of the Training	Duration	No. of Participants (in percentage)	Training place	Name of the Organisation
Orientation on group formation/dynamics/sensitisation of SHGs	2 days	All	At block building (Mahishadal & Nandakumar)	Block Development Office (B.D.O.)
Orientation programme on poultry	2 days	All	At block building (Mahishadal)	B.D.O.
Training on book-binding, tailoring, papad making, etc	15 days	46.40	At local primary school (Mahishadal)	Jana Sikhyan Sansthan (Haldia, West Bengal)
Training on goatery, dairy, duckery, fishery, etc	8 days	11.14	At Panchayat office, Mahishadal	Gram Panchayat
Training on agarbati making, vermin compost	15 days	22.04	At block building, Nandakumar	D.R.D.C. (District Rural Development Cell)
Training on tailoring	1 month	16.2	At block building, Nandakumar	D.R.D.C.
Training on paper processing	7 days	8.82	At block building, Nandakumar	D.R.D.C.
Training on fishery	3 days	9.3	At block building, Nandakumar	Jana Sikhyan Sansthan

The above mentioned chart is based on ground based reality where it shows that all the microfinance women participated in the orientation training on group formation, dynamics and sensitisation at the concerned block office in the group formative stage. All the women have taken training on poultry farming for two days in the concerned block office. 46.4 per cent women received training on book binding, tailoring and papad

making for fifteen days under the guidance of Haldia Jana Sikhyan Sansthan (NGO), 11.14 per cent of women got training on goatery, dairy, duckery, fishery, etc., for 8 days at the Gram Panchayat, 22.04 per cent for 15 days on agarbati making, and vermicompost by D.R.D.C. (District Rural Development Cell), 16.2 per cent women for one month got on tailoring from D.R.D.C., 8.82 per cent for 7 days on paper processing from D.R.D.C., 9.3

per cent women got training on fishery for 3 days from Jana Sikhyan Sansthan (N.G.O.,Haldia).

Improvements through Microfinance

Linkage : Economic improvement of microfinance helps in shifting the women from the margin to the mainstream. Towards the journey of the microfinance movement, the following socio-economic-political improvements have been noted for women:

- Independent income - Women members are independently involved in the economic activities either individually or with other group members. Therefore, their independent income contributes to increase their household income. Before joining the group, 47.3 per cent women had own source of income. After joining the group, all women have their own source of income.
- Spending money independently – Their income initiates the willingness to spend money independently. Earlier, 24.8 per cent women had the right to spend money independently, but later 51.5 per cent have this right.
- Regular savings - Due to independent income, they are able to make savings regularly. Earlier, only 37.6 per cent women saved money regularly, now, the percentage increased to 81.0 per cent.
- Escaped from moneylenders - Lack of collateral and ability to borrow only small amounts at a time render women ineligible for loans from major national and private banks. In desperation to get out of poverty and to get little opportunity, they turn to village "Mahajans" (unofficial moneylenders), who offer loans at exorbitant interest rates. Earlier, 41.5 per cent of women took loan from moneylenders. Now all women are able to escape themselves from the trap of moneylenders.
- Stable household consumption - Women are now contributing their income to their household budgets. Earlier, only 52.4 per cent of women had the stability in their regular family consumption, but now all women received this opportunity through credit functioning.
- Banking transaction - They make all transactions to the bank collectively in the name of the group. Later individual women started to open an account in self-name with the aim of saving money. Earlier, 38.05 per cent of women kept transaction with the banks, later it increased to 88.4 per cent.
- Self status and dignity - Women as self-earners received the new status, including even self-respect. Earlier, 53.8 per cent of women confessed that they received own status and dignity from the family and community, but now it has been increased to 97.2 per cent.
- Increasing networks – The increased socio-economic networking is vital for

women to be aware about surroundings and knowledge of rights and privileges. Earlier, 51 per cent of women had the network, but now it has been increased to 99.0 per cent.

- Inclusion in Household budget - Their inclusion in the household budget makes their voice and position. Earlier, only, 37.8 per cent of women had the inclusion in the household budget, but now 92.1 per cent have made their inclusion.
- Protesting the family and community violence - Women are now vociferous to gain their rights from the society. They now get the platform to protest against any type of violence faced by women. Their collectivity makes themselves more bold, prompt and active. They now protest against any type of discrimination, male superiority and domination faced by women traditionally. Earlier, 28.4 per cent of women had the capability to protest against the violence, but now 87.9 per cent have shown the courage of protesting.

Market Linkage : Markets were mostly a taboo area of women. Now their engagements in business activities made themselves of targeting their business more profitable, so they have been able to establish the link with the markets to gain knowledge about recent products and prices. Women are now producing for the market; their economic roles provide them the links to the market as buyers as well as sellers. In market linkage, women either

collectively handle or individually handle all economic affairs with or without other family members. This linkage improves their bargaining power in transaction of price and exchanging of products. It also provides more exposure and mobility by communicating with persons of different nature, character and opinions, sharing their ideas, opinions, constraints and problems. This interaction in turn diminishes poverty of knowledge among women.

Increasing Bargaining Power :

Achievement of microfinance is the provision of effective marketing outlets to buy and sell their products. Their market linkages made them more prompt in bargaining to achieve their demands. Besides, they now are more mobile in communicating with the officials to gain benefit from them. Their economic position improved by receiving maximum advantage through motivation of bank officials, panchayat members and other district officials, etc. They are now associated with advertising their products to get more credit and advantages from local institutions. Besides, their increased awareness makes them vociferous to achieve their rights. All these activities enhance their bargaining power.

Interaction with the Officials : The women have started to think of themselves as more prestigious that officials were directly contacting them and various technical issues were discussed with them, and not with their in-laws. Because of women's involvement in enterprise activities and in the field of investment, extension officers now visit and discuss technical issues with the women.

Participation at Different Village and Community Services : Women members in the group participated actively in different village and community services escaping from the private domain of the home. They directly participated at literacy campaign, distribution of medicines through local health centres in the rural families and giving a lesson about the maintenance of health and hygiene, creating awareness among women in order to enable them to receive proper rights and privileges due to them from the society, different community and village level meetings, etc. They have given the company to provide adequate health services for pregnant mother and newborn child by government health centres. They have shown courage by standing against violence faced by any woman in the family, solving households' internal conflict and clash among members in the family, forming Mahila Samiti for open discussions on any matters, standing at Panchayat election, etc.

Reduction of Vulnerability : One of the most important benefits of microfinance is its ability to reduce vulnerability among poor women. The credit strategy helped borrowers to insure themselves against crises by building up household assets. Such assets can be sold if needed. They used the assets as security or proof of credit worthiness when dealing with business persons or more traditional lending agencies. These reductions in vulnerability are important because they allow women to hold their own position in society. This is really a vital benefit for the great numbers of marginal women to overcome emergency crises and the arrested cycle of poverty.

Further, the group-based approach has been recognised as having the capacity to empower the most vulnerable and marginalised, especially women, by creating a community-based structure that builds mutual support and trust. Such an approach allows for greater economic and social integration for the marginalised section of society, thereby, directly addressing issues of vulnerability.

Increasing Mobility : One of the very striking changes with the introduction of microfinance is in the spatial mobility of women. Although the site of production remains almost in the homestead, through the different training programmes, few additional employments, participation at meetings and seminars and market linkages, there is a movement beyond the homestead.

Changing Gender Role : There is an enormous change of women's agency – women are now income earners, asset owners, more mobile, dealing with outsiders, going to the market, and so on. All these changes give them greater voice in deciding on household affairs and in articulating a new system of culture, which is reflected in their roles. The traditional structure of social production, conceptualised in the manner of 'man as bread winner' is changing to accommodate a substantial and permanent role for women as income-earners.

In engaging at a microfinance institution, women are sweeping out from one-dimensional traditional domestic roles. Now men help women in completing all the domestic activities, which previously was only women's supervision. This is also the

sign of changing age old gender division of labour that also promotes gender equity¹¹.

Building of Leadership Capacity: Women at group level activity must take the leading role to get proper benefit of SGSY. Members in the group elect president, treasurer, and secretary on rotation basis for the smooth functioning of the group. Therefore, these elected members gain the power to motivate, influence, and promote the group members in maintaining solidarity, cohesion and friendship among themselves. Besides, they make contact with other officials to maintain group functioning, disbursement of adequate credit, recovery of loan and gaining maximum subsidy. This ability of networking and leadership made them more confident and fearless to take a leading role in a broad range of activities, like developing infrastructure in the village, protesting against any injustice faced by women, solving family violence, and filling nomination at Panchayat election, etc.

Empowerment of Women: Mahatma Gandhi, while defining empowerment of women, described it as a situation "when women, whom we call *abala* become *sabala*, all those who are helpless will become powerful." Empowerment is seen as a process and involves the ability of the women to transform their lives from *abala* (margin) to *sabala* (mainstream). Empowerment enables women to lead an acceptable quality of life, with dignity. Here, microfinance promotes women's inherent strength and positive self-image, which enables them to face any difficult situation.

Self-employment through building of economic entrepreneurship for economic independence is the first step towards empowerment of women; this empowerment leads to emancipation.

They are socially empowered by greater mobility, networking with others at meetings, seminars, exhibitions, etc., opportunity to learn new customs and habits, opportunity for self-development and family welfare, inspiring to take up business, fight against conservative attitudes and taboos, confidence to hold leadership positions.

They are also politically empowered to protest against injustice and capability to take a leading role in community services, etc. Women are now more confident, assertive and aware of their rights, which empower them politically. They claim different benefits approved by the State and Central governments from different officials in order to improve their status. Their empowerment is expressed in their attitudes regarding education, health, nutrition, women in difficult circumstances, violence against women and rights to girl child, etc. It is striking to note that women have become good managers.

Constraints: Many elements contribute to make microfinance more difficult for these rural women in proper and need based self-employment. These are:

- Lack of knowledge of the market and potential profitability, thus making the choice of business difficult.

- Lack of adequate loan.
- Biased performances of Panchayat, working according to the vote bank.
- Lack of coordination among local panchayat, BDO and DRDC.
- Lack of proper and regular training, exhibition, supervision and monitoring.
- Lack of availability of market to sell the products.
- Contribute to regular family consumption in either cash or kind
- Develop assets of their own and family
- Make banking transaction and open personal account for savings
- Gain the ability to take decisions about their own lives
- Develop skills and capabilities through training
- Improve their status and respect within the household
- Feel dignity, fearless, open and self-confident
- Get the literacy by the illiterate women to increase the skill and capabilities
- Increase their participation in decision-making regarding various issues that were usually considered outside the domain of women
- More mobile, dynamic, regular transaction to the market, move out of the house and the community more frequently
- Overcome the resistance of attitudinal rigidities created from self, husband and other members of the family to promote the economic enterprises
- Change age-old gender division of labour
- Get more information about the government programmes due to their

Performance of Mainstream Women :

Microfinance is an effective programme that accommodates the interests and aspirations of the marginalised and is able to activate the semi-skilled and unskilled women and push them to the mainstreams of the economy. Through microcredit movement, women are now able to make strategic choices in their lives that require access to both material and social resources such as credit, money, education, and business knowledge. Their newfound ability to define goals, make choices and work towards their empowerment at an individual level stimulates social change as women are seen gaining self-esteem, and increase their status and active roles in their families and societies. To some extent, women have been transformed into mainstream women.

Now, women effectively improved their lives by resisting the existing norms of the society through their truly empowering activities that reflect their transformation from the margin to the mainstream. The active performances of mainstream women can be indicated as follows:

more exposure and can apply for them for their own betterment and the benefit of the community

- Talk to the different personalities to promote business, which they were not confident to do earlier due to cultural reasons
- Actively protest against their violation of own rights either collectively or individually
- Meet with the government officials confidently
- Adopt and encourage family planning measures
- Aware of health and hygiene healthy practices following the immunisation schedule of women and children
- Aware of political issues and engage in political participation by way of voting or directly through standing as a candidate in the local elections.

Conclusion

There is a positive correlation between microfinance and empowerment of women which pushes them into the mainstream. If

microfinance is to be more effective, empowerment measures should be pursued systematically to ensure sustainability. Viability of microfinance needs to be understood from a dimension that is far broader - in looking at its long-term aspects, relating to both empowerment and sustainability. Only through a collective and coordinated effort, of all levels of officials attached with the movement, can we hope for the best chance of success. A lot needs to be changed to make women truly empowered. Greater emphasis needs to be placed on education, training and creation of awareness in order to achieve a larger and more lasting empowerment. Institutional frameworks attached with the movement must be collaborative to overcome internal gaps among themselves and must be strengthened to ensure the success of the women empowerment approach. A solid economic and employment base had been formed through microfinance movement, which provides a congenial atmosphere for enlightening and empowering women. Through microfinance, marginal women who were all along trading on the traditional patriarchal track, slowly but steadily switched over to the mainstream female-partnered empowerment track.

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Short Notes

1. Part of the Paper 'Empowering Women with Micro Credit', Presented by the Microcredit Summit Campaign to the Beijing +5 Conference in New York in June 2000.
2. Interview with Grameen Foundation Chair Susan Davis (September 2006).
3. see - www.microcreditsummit.org
4. Beteille (1999) points out that the political participation in the local political institutions does not automatically reflect at the national level and also does not automatically suffice to define empowerment. The Indian constitutional amendments of 1992 had fixed a quota reserving one-third of the seats for women in the Panchayati Raj Institutions. But, in 2000, the share of elected women in the two houses of Parliament was only 8.9 per cent.
5. Grameen Foundation is a global non-profit organisation that combines microfinance, technology, and innovation to empower the world's poorest people to escape poverty. Founded in 1997 by a group of friends who were inspired by the work of 2006 Peace Prize Laureate Dr. Muhammad Yunus and Grameen Bank in Bangladesh, our global network of microfinance partners has impacted an estimated 16 million lives in 22 countries across Asia, Africa, the Americas, and the Middle East. Dr. Yunus is also a founding and current member of Grameen Foundation's board of directors. For more information on Grameen Foundation, please visit www.grameenfoundation.org.
6. The chief architect and founder of Bangladesh's Grameen Bank told in a conference organised by the Federation of Indian Chambers of Commerce and Industry (FICCI).
7. The Millennium Development Goals (MDGs) were agreed upon at the United Nations Summit in September 2000 by nearly 190 countries. MDG goal 3 aims at promoting gender equality and empowering women.
8. NABARD, (2005), Progress of SHG – Bank Linkage in India, 2004-2005, Microcredit Innovations Department, NABARD, Mumbai. www.nabard.org
9. Source : Quotes on microfinance – www.worldvisionmicro.org
10. Report of Purba Medinipur Zilla Parishad, DRD Cell, Block-wise position on SGSY up to May 2013.
11. The term equity is used here, in the sense of equality of choice and opportunity to justify the existing gender differences and discriminations.