

Chapter 6

Findings

Findings

In the present study 10 Microfinance Institutions & their related SHGs are selected from rural and urban areas of Patna District. The main focus of the study is women of age group 20-50 (for details see table no.2) who get benefitted by these MFIs & try to empower themselves, most of these women belongs to lower Socio-economic status (SES) of monthly income below 10,000 & rural areas of Patna District (for details see table no. 7,10,11 respectively). The members of these SHGs are women's of all category, religion, educational status, marital status, family type etc (for details see table no. 4,5,6,8,9 respectively). The services offered by these MFIs is not only micro-credit, there are so many products & services offered by MFIs which not only helpful in empowerment of women & poverty alleviation but also give them a healthy future. The major services offered by these MFIs are as follows: Micro Credit, Micro Pension, Micro Insurance, Remittance, Housing, Sanitation, Education & Energy, Hard core poor upliftment, Business Correspondent, People's Association for Research and Development Insurance, Livelihood Promotion, Capacity building etc, (for details see table no. 1). In the present study those SHGs are taken which have active group status (for details see table no.16), their members are in continuation not lapping services (for details see table no.14) & total group members not below 5 or above 20 (for details see table no.15). In the present study registered MFIS of different legal status are taken for the analysis (for details see table no. 12 & 13). On the basis of descriptive statistical analysis of the data which is collected from the field, following findings are observed:

1. Maximum number of respondents accepted that microfinance has brought economic development directly and indirectly and thus happiness and peace in the family.
2. Women are getting economically and socially empowered after getting micro finance as most of the respondents reported that poverty level has reduced by participating in micro finance program.
3. More than 96 % respondents said that they play an important role in decision making and they were consulted for making important decisions of the family. This is an important factor of economic empowerment.
4. There is significant improvement in the income of the respondents after joining SHG.
5. It is found that micro finance improved social, economic, political, familial, personal and psychological status of the respondents by giving them financial independence.
6. It is found that micro-finance give them autonomy, self-respect and empowerment, they started to believe in themselves and advocated on behalf of other women.
7. It is found that women gained a voice and became independent; they gained knowledge and awareness. Females gained more mobility by working with other women; they learned about their rights and how and why they should voice their opinions.
8. It is noticed that all the respondents agreed that micro finance brought courage and self confidence and improved their skill and self worthiness.
9. As far as the self help group is concerned they don't face any type of problems or compulsions from leaders or from other members in the group. Women are given full freedom to express their opinions. There is appreciable development in coordination between groups and within group leaders and decision making among respondents.

10. There is a definite improvement in psychological well being and social empowerment among rural and urban women as a result of participating in micro finance.

Thus from the following findings it can be said that, microfinance programme is helpful in empowering women economically, socio-culturally and politically. Impact of micro-finance is appreciable in bringing confidence, courage, skill development and empowerment among rural and urban poor women.

6.2 Summary & Conclusion

"To awaken the people, it is women, who must be awakened; once she is on the move, the family moves, the village moves and the nation moves"- Pandit Jawaharlal Nehru.

The goal of the present study was to study the role of microfinance in empowerment of women in Patna district. The study was initiated through reviewing the available literature on two main areas: one which helped in understanding women's empowerment as a concept in theory and that, which has been applied. Secondly, the literature dealing with concepts and theories of microfinance and most importantly with its dynamics and linkages with women's empowerment has been reviewed. This has been an ongoing activity during the entire research period. The unique feature of microfinance programme is that it focuses on women for development. There are more than ninety per cent women clients under this programme. The basic idea is to empower women by providing them financial assistance and allowing them to earn an independent income, contribute financially to their households and generate self-employment. This economic independence is expected to generate increased self-respect, self-esteem, self-confidence and other forms of empowerment for women participants of the programme. The process of empowerment of the beneficiaries of the programme is not automatic, but depends upon many factors. These factors may be abilities, environment, initiative and status of women as group. There is no dearth of studies which show that with the help of microfinance the status of a woman improves in the family; she earns greater respect in the family than before; she participates in the decision-making and community meetings; and she gets freedom to move for the betterment of the micro-business. It may be due to the fact that women become able to contribute financially to the family. In fact,

microfinance programme increases economic, social, and political empowerment. Microfinance programme may be an important programme but not a panacea to end all the problems that poor face. Hence, the programme beneficiaries must efficiently use the financial support to start small businesses that will help in uplifting standard of life and empowerment of women.

Microfinance has the potential to have a powerful impact on women's empowerment. Empowerment is a complex process of change that is experienced by all individuals somewhat differently. Strengthening women's financial base and economic contribution to their families and communities plays a role in empowering them. In some cases, access to credit may be the only input needed to start women on the road to empowerment. In specific there is a better improvement in contribution to household income, participation in house hold financial decisions, improvement in standard of living, decision making on family budgeting and purchase of house hold items, change in social status, involvement in social issues, family relationship, ability to solve family related problems, self-confidence, knowledge and skills, and interest to develop leadership qualities.

The present study was conducted on the women associated with MFIs and their SHGs of rural and urban areas of Patna District. Micro finance, the development buzzword of the nineties, is an important tool for poverty alleviation and women empowerment. The SHGs have proved beyond doubt that they are the fastest growing and the most cost effective micro financial initiatives in the world. The self-help groups (SHGs) are the latest breed of the micro finance industries in India. In India, efforts are made to promote micro finance in a sustainable manner. The study was aimed at establishing the role played by microfinance in the socio-economic development of women in a community. The findings reveal that there is a big role played by microfinance

in the socio-economic development of women in a community. This is because the access and utilization of microfinance services by the women has given them the opportunity to get access to capital to start small enterprises, expand the existing enterprises and as a result increase their incomes. These increased incomes in turn have led to the women contributing financially to the household up keep and purchases, women politically getting involved in leadership positions, and socially getting the confidence to participate in community meetings and decision making at all levels. The access to and utilization of the micro-credit facilities has had a share of challenges for the women but the benefits outweigh them for the study to conclude that microfinance has had invaluable impact and lessons for the women in a community. The movement of microfinance is growing all over the world. Microfinance has made many strides in India, helping mostly women and the rural poor but also some urban poor. As previously stated, Indian women lack basic rights and have a lower status in Indian society compared to men. This thesis mostly focused on the benefits gained from microfinance, financially and non-financially for women. The numbers indicate that microfinance institutions did indeed give the poor a way to generate income. These small loans helped women start and run small businesses, where they were able to make money. The benefits of microcredit were more than monetary. Women gained a voice and became independent; they gained knowledge and awareness. Females gained more mobility by working with other women; they learned about their rights and how and why they should voice their opinions.

From the above discussion, it can be concluded that microfinance programme is helpful in empowering women economically, socio-culturally and politically. The education, skill and training provided by microfinance programme lead to the development of the overall personality of the programme participants. The beneficiaries of the programme have higher

levels of employment, income and participation in household financial decision-making as compared to non-participants. It is also found that the beneficiaries are more confident while travelling, visiting market for the purchase of household goods, and dealing with other members of the society. Participants of the microfinance programme are able to raise their voice against various social exploitations more confidently. They are more participative in the social development activities; and have greater political awareness as compared to nonparticipants. Apart from it, group activities develop reading and writing skills, ability to do basic calculations and understanding basic banking operations.

Microfinance loan avalement and its productive utilization found to be having a profound role and impact on women empowerment. The empirical findings of the study suggests that microfinance has a profound influence on the economic status, decision making power, knowledge and self worthiness of women participants of self help group linkage program in rural and urban areas of Patna District.

Microfinance is accepted as a key mantra for attaining and maintaining the sustained and long-term economic growth in all over the world. Reaching poor people on massive scale with popular products on a continuous basis involves rethinking the basic assumptions and making the changes. Today microfinance is striving to match the convenience and flexibility of informal sector while adding flexibility and continuity. Though different study conducted at various levels show different conclusions, it can be acknowledged from the present study that despite of bottlenecks, microfinance is capable of helping the poor to upscale themselves to a better living and playing a significantly positive role in upgrading women empowerment

6.3 Limitations of the Study

Every study, however it tried to cover every minute thing, always leaves some scope for improvement. The present study is no exception to that:

- The study did not strictly follow any scientific method in selection of MFIs. The geographical spread is also not considered seriously. We have faced problems in explaining the questions as most of the people, who are involved in microfinance program are illiterate and living mostly in remote areas. Therefore, it was too difficult to make them understand some of the technical terms like empowerment, capital, income etc.
- The study is limited to 200 samples, Sample size of the present study is 10 MFIs & their SHGs, 4 members from 5 SHGs are taken from each MFIs of rural and urban areas of Patna district, that totally constitute 200 beneficiaries, the more number of samples could have given better outcome.
- Samples are selected from primary source rural & urban areas of Patna randomly which might not be truly representative of the overall population.
- Micro finance institutions are very less in numbers and most of the institutions are located at urban areas, it has an extreme need to increase the microfinance institutions and must be located at rural areas.

6.4 Suggestions for Future Research

The following suggestions have emerged from the study to strengthen microfinance initiatives for empowerment of women in Patna district:

- Presently, there is no distinctive regulatory framework for the MFIs in India. Regulation of the MFIs is largely in the purview of the state governments. So there is a need of an exclusive regulation to regulate to MFIs in India.
- Ensure the quality of MFIs in an environment of exponential growth. Due to fast growth of SHG-Bank Linkage Programme, the quality of MFIs comes under stress. This is reflected particularly in indicators such as the poor maintenance of books and accounts etc.
- Proper training for the clients should be organized in an effective way so that they could know each other and every small thing about their dept.
- Ensure the uniform distribution of micro financing in both rural and urban areas of each states of India.
- Most of the population living in the villages and are illiterate they don't have the knowledge about microfinance therefore, a special campaign must be started to familiarize the poor people about this facility.
- Micro finance institutions are very less in numbers and most of the institutions are located at urban areas, it has an extreme need to increase the microfinance institutions and must be located at rural areas.

To make their life and living more better definitely microfinance help them a lot but still there is long way to go so that they can feel empowered in real sense of the term. Undoubtedly microfinance has succeeded in making a dent but there is the need for much more help to make them empowered from all levels.

Family Case Studies

Four families, all of them long term beneficiaries of MFIs were selected and studied from rural and urban areas of Patna District. The case studies were not selected randomly, instead, during group discussions and meetings in different regions, some ‘stories’ were found to be peculiar and they were picked up as a case and studied in detail. Primarily, the notion of success and failure was applied while doing such a selection. For instance, two families had self proclaimed ‘success’ stories and the rest two had ‘failure’ stories or hadn’t received satisfactory outputs from microfinance services.

Instead of posing readymade questions from the socio-demographic data sheet and structured schedule, observation and open discussions were prioritized and a special emphasis was given to the fact that how some beneficiaries are able to get significant benefits from microfinance services and others are trapped in a loan cycle leading to further desperation and powerlessness.

They were also asked about their experiences as a long term microfinance beneficiary and how this fact had brought change in their individual and family life and how their roles were changing in different spheres.

Findings from the case studies suggest that families who already have some economic base or the women who come from comparatively better off families are more likely to get beneficial results than the women from very poor families who are likely to face several risks, and often the fear of risks causes ‘start and stay smaller’ mentality thereby hindering the way of economic possibilities.

On the other hand, it was also observed that in the absence of safety net programmes, small changes brought about were likely to be swept away or

were easily undone if the family was hit by a natural disaster or other family crisis such as an illness or the death of a family member.

❖ **Case study one:**

M. Devi, 38years, is a mother of three children and a long term microfinance beneficiary of Saija microfinance. She does not remember the exact year when she started receiving loans, but she believes that was more than fifteen years ago. In total, she has received credit fifteen times for several purposes and believes that she will continue doing so also in the future. Her first loan was 4000 Rupees which she accrued to buy a goat; whereas, her recent amount of credit were 10000. The amount was meant to buy a cow and some of the money was used for that purpose. The family's main profession is farming. She and her husband spend a substantial amount of time working in the field every day. They grow paddy, vegetables, jute and wheat. They have three children and all of them go to school.

Her husband is the main earner in the family, but she also makes a significant amount of money, up to 400 per day, selling cow milk. The family has two cows which were bought using microcredit received from Saija microfinance.

However, she is not happy about the fact that there is not an opportunity to get more credit in order to expand her IGAs. She wants to have more loans, lease a piece of land, and cultivate some cash crop in the area. Not being able to get the amount she wants can be seen as an obstacle to opportunities and possibilities. This has limited her choices also and affected the positive contribution to the empowerment process. She applied for credit from another MFI, but as that was again another bureaucratic work, more papers, additional

meetings, new repayment dates, she felt that the option of another MFI was an unnecessary burden.

She takes part in the weekly group meetings and believes that they have been helpful in many ways. She says that microcredit has given more economic possibilities and ‘something different to do’, but has not changed the traditional ways of doing things and making decisions. For instance, it is still her husband who is responsible for making important decisions about the family. The Indian culture which stems from the traditional roots, gives many privileges to men and the husband is regarded as a guardian who needs to be respected and obeyed. Women’s meagre economic contribution to the household does not seem to be shifting this reality.

Her husband is happy about his wife’s involvement in microfinance schemes and financial contribution she makes. However, when it comes to practicing equality in making decisions, and representing family, he believes that he naturally has that role as the head of the family. And even when she has to get credit, there is always her husband who signs as a guarantee and only after that the credit is issued. In that sense, even if women do progress, it remains men controlled and men have virtually *persuaded* women to be subjugated in the name of guardianship and culture. Marriages are not based on equality, but on domination and superiority of the husband.

She, as a microfinance beneficiary, has participated in microfinance group meetings, but going outside home, in gatherings, meetings, to the market is still extremely limited. Though controlled by the husband as a ‘guardian’, her interaction and mobility at the micro (household) level seems to be quite active. However, her access and interaction to societal level is extremely limited and that of macro (national) level is almost nonexistent.

There has been some increment in the choices available to her, for instance, she can choose to spend some money on her own to buy some

clothes and simple jwelleries, she can attend weekly meetings and interact with other women like her, but still her role in decision making is minimal and she is not equal to her husband.

❖ Case study two:

For the first time, when we went to meet B. Devi, 35years, a microfinance beneficiary of CDOT, she was not at home. Her seven year old daughter was feeding the poultry outside. We peeped inside the home, nobody was there. It was a single room home with kitchen and sleeping place for the family of five in the same room. They had a few utensils, some clothes, and a few pots filled with corn grains which would tangibly show the financial hardships of the family. After a few minutes B. came home.

We knew that she had been to a nearby shop in order to buy some salt and sugar. B. is a visually disabled person her one eye being completely dysfunctional and the other partially. Visual disability has made her life always difficult since her childhood. She feels that she has always been discriminated as a woman in general and as a disabled person in particular. She has never been able to attend a school or any educational programmes and being illiterate has made things worse.

She is married and has three daughters who go to school almost regularly. However, sending them to school has been often a difficult choice because of financial hardships. Her husband works as a wage labourer and sometimes as a rickshaw puller as the family does not have any land to farm. The government has categorized them as 'landless marginalized' and gives some food support every month which is not enough even for a week.

About three years ago, when microcredit schemes were spreading like whims in the locality, she also got an invitation from a microfinance group and

quickly decided to join. She received 5000 Rupees as her first loan and decided to invest into poultry.

Unfortunately, when her poultry business was still at fledgling stage, bird flu spread and all the chickens died. It was a period of big shock, frustration, desperation and uncertainty.

Though illiterate, she knew that there are always risks in entrepreneurial efforts. Though she couldn't repay the first loan, she applied for another loan demonstrating valid reasons. Her second loan was invested into two IGAs, poultry and goat rearing. By now, she had been able to recognize the risks and find the possible ways to avoid them. Due to the presence of CDOT staff, she was hesitant in the beginning, but later disclosed that she had been receiving loans from another MFI as well.

At the moment she has 4 goats, 250 chickens and a fishpond with hundreds of fish. Recently there was a 'pond robbery' where a gang of thieves came at night and took a large amount of fish from the pond. These are really challenging and frustrating situations, but her willingness to thrive is unwavering.

She has already started earning some money, but most of that goes to loan instalment repayment. However, in the near future, when all the repayment will be finished, she will start earning money regularly. In the future, she hopes to make a better house for the family and have electricity connected to her house. Though there is electricity available in the locality, they have not been able to connect it so far because they do not have sufficient money to pay the bills.

B. case is peculiarly different from other microfinance beneficiaries met during the study. Unlike others, she is imbued with a sense of entrepreneurship and knows that risk taking is a part of it. She is dedicated and hardworking. Her case would be a good example to prove that, if

entrepreneurial skills and genuine motivation are missing, capital input which is given in the form of microcredit is not enough for a microenterprise or other income generating activities to flourish.

She does not have that many choices at the moment and apart from little financial strength, others domains of empowerment are still seem to be weak. Her social interaction is extremely limited and is unaware of her political and legal rights as a citizen. However, the only thing she wants to be focused on is her IGA and if things go as she has planned, at least her economic future will be promising and fulfilling.

❖ Case study three:

S. a 35 years old mother of two teenagers regards herself as a housewife, but her activities surpass her self-definition. Born in a remote area of Patna district, she was married off when she was studying at the eighth standard. She couldn't complete her high school education, but the opportunity to study up to the eighth itself was a privilege that many girls rarely enjoyed during those days. Her husband was a high-school graduate and later started working as a farmer as the family had ample ancestral land and resources. S. was entirely a housewife till her two children were small and needed more care and close attention. However, when her children started going to school, the thought of doing something productive overpowered her. In 2001, she joined Arohan microfinance Pvt. Ltd. and started cow rearing. Since 2001 she has been receiving loan every year, a recent loan being 20,000 Rupees for the same purpose- cow rearing. She has four cows and has sold up to 14 litres milk per day exceeding her earning 500 Rupees a day. She has opened a bank account to deposit money for the future of her kids where she puts 500 Rupees per month and she wants to spend that money for her children's university

education in the years to come. The family also sells paddy and jute making substantial amount of money for their daily expenses.

S. thinks that microfinance has made things easier for her and, in her own words, has worked as a 'good friend'. She believes that her schooling, the supportive husband and the stable family background, too, have played an important role in her success.

Her level of awareness and involvement in different activities were significantly better than other microfinance beneficiaries met during the study. She was familiar with the concept of gender equality and like her son; her daughter was also attending a private school.

Microcredit has certainly helped her economically as she is earning money by selling milk, but she believes that being literate has been more important than being able to receive a loan and participate in group meetings. Her husband has also been supportive in her endeavours because, being an educated person; he believes that he and his wife are equals. It is apparent that she has more choices and higher risk bearing capacity compared to the other beneficiaries met during the study.

❖ Case study four:

Till two years ago, R., 35year, had a happy family. They had always been poor, but things were getting better as her husband, Shankar, was a laborious man who worked in a stone crossing industry. She, too, was generating little income as she would rear cattle and cultivate vegetables in a little land they had, and she had been in microfinance groups for more than 15 years.

Their little happy world started crumbling down when s. was diagnosed of brain cancer two years ago. They did everything possible to save him. They sold all of their lands, the house, cattle everything. They got help from a few

(poor) relatives they had, the neighbours raised funds and she got some more loan from microfinance institutions. From all those activities they collected almost 150000 Rupees and all the money was spent on Shankar's unsuccessful treatment.

After her husband's death, R. herself started working as a labourer, but the children continued to go to school. However, after a few months, she herself became sick. When she went to the doctor, she got a reply that she had a cancerous tumour inside her stomach and that should be removed as soon as possible. This was, obviously, another big shock to the family.

R. tried her best to get some money for her treatment, but it was not possible. All the assets of the family had been sold for her husband's treatment and nobody gave her a loan because she was not regarded as credit-worthy anymore. R. has been the client of four microfinance institutions (MFIs) for more than a decade, but what she was getting from them were constant reminders and messages to 'repay her loan as soon as possible'. Many MFIs do have the provision of 'acquittal' and assurance of another soft-loan to come out of crisis situations, but it was not practiced in her case. Government has categorized her as a 'vulnerable poor' and all that she gets from the government is a few kilos of wheat grains every month. There is no any free medical help available. Her fourteen year old son, S., left his school and started working as a labourer hoping that he would be able to save little by little from his earning and one day he would be able to treat her mother. His earnings are as low as 150-200 rupees/day and his dream is almost impossible to achieve.

Many of R. dreams have already been shattered, but still she has one dream left. She wants to survive not for herself, but for her children's future. She wants to get cured, start working as a labourer and wants S. back to school again.

R. case is an example of ‘disempowerment’ but not of empowerment. When she faced a series of family crises, her choices gradually became narrow and the opportunity structure also shrank. MFIs do promise that their clients are given support to bounce back to normalcy when they face a crisis situation, but none of the MFIs she was affiliated with offered her support or help.

She has been using microcredit for more than fifteen years, but the choices available to her are rather nonexistent. She used to participate in group meetings and her social interaction at the societal level used to be remarkable, but at present her inability to pay her loans back has secluded her from the meetings and her interaction at the neighbourhood and societal level is extremely limited. Nowadays, she does not attend weekly group meetings, instead, she sends her teenage daughter to represent her.