



## Microcredit and Women's Empowerment



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### Abstract

This paper aims to examine whether the microcredit (MC) programme, a financial mechanism to provide small amount of credit to the poor, had improved the status of poor women in the family as well as in society i.e. empowerment status of women. The research is based on primary survey of three settlements in the periphery of Bandipur Municipality of Tanahun district. For survey, a sample of 30 women were selected which represented 15 percent women beneficiaries of microcredit from the study area. The respondents were selected by using systematic random sampling. In addition to questionnaire survey, KII with six local persons and two FGDs were also conducted. The paper has used the conceptual framework of Sara Longwe (1990) to examine women empowerment. The findings are derived by comparing the position of women in various family affairs such as access to finance, control over income and expenditure, children's education and participation in social meetings etc., prior to and after participation in MC programmes. The results showed that most of the females who received microcredit reported socioeconomic empowerment through access to capital, control over resources, decision making power, etc. The findings, however, varied with regard to Dalit, Janajati and

Brahmin/Chhetri women and those women in hard core poverty and landless families are still out of the reach of MC programmes. Those who are engaged in income earning activities with the MC need to be supported financially and technically to upscale their business so that the cumulative effect would also contribute to the improving various macro-economic indicators of the economy.

**Keywords:** *Microcredit; empowerment; access to capital; control over resources*

## Introduction

Microcredit (MC) is claimed to be one of the best financial mechanisms to provide small amount of credit to the poor, particularly women who have no collateral to pledge for obtaining loan from formal financial institutions. It has been shown by Bangladesh that even with a small amount of money the poor can utilize their skill to operate small enterprises for earning additional income.

The concept of microcredit originated in Bangladesh in 1976 when Muhammad Yunus an economics' Professor, introduced experimental credit programme with personal funding to the poor women without physical collateral, using a group based lending and group guaranteed repayment mechanism (Shil, 2009). This programme was expanded in many parts of Bangladesh and in October 1983, the government of Bangladesh passed a national legislation to operate the programme as Grameen Bank (Khander et al., 1995). Moreover, the central bank of Bangladesh arranged fund to the Grameen Bank from the International Fund for Agriculture Development. The Grameen Bank's success in credit delivery to the poor and timely recovery of loans attracted other International Financial Institutions like the World Bank, and the Asian Development Bank. Many less developed countries in Asia and Africa (e.g. Indonesia, Israel, Vietnam,

Ethiopia, Guinea etc.) have replicated the Grameen Bank's group lending approach for poverty reduction and gained significant achievement in lifting the poor out of poverty.

The size of the loans funded is usually small and repaid through regular repayment schedules beginning shortly after the loan is agreed (Morduch, 1999). Microcredit often carries lower interest rates than those of the market and rarely requires collateral. This shows microcredit is a major component of microfinance, so the poor can access capital increasing credit, to increase their productivity. These poor have previously been excluded from the formal banking sector due to high costs, high risks, low savings propensities and little by way of collateral (Morduch, 1999). It is widely accepted that a lack of access to credit inhibits the ability of those in developing countries to move out of poverty (Hermes & Lensink, 2007).

Microcredit not only enables poor women to earn income but also contributes to empower them. When women start earning income, their dependency on male household members reduced. This psychologically boosts their self-esteem and confidence. Moreover, they become more active in household decision making, have greater social networks and greater freedom of

mobility. Narayan-Parker (2002) collates empowerment with the terms like self-direction, agency, liberation, autonomy, self-determination, life of dignity in accordance with one's values, capacity to fight for one's rights, independence, own decision making, being free, awakening, self-strength, capability participation, control, own choice, self-confidence and mobilization. Furthermore, Batliwala (1994) defines empowerment as the process by which the powerless gain greater control over resources (physical, human, intellectual, financial) and over ideology (beliefs, values and attitudes). According to Kabeer (2001), the core elements of empowerment consists of agency (the ability to define one's goals and act upon them), awareness of gendered power structures, self-esteem and self-confidence. The United Nations (UN) also stresses on investing in women's capabilities and their empowerment not only for raising their socio-economic status but also promoting economic growth and overall development (UN, 1995).

### **Microcredit Practices in Nepal**

Microcredit practice in Nepal has originated from traditional practices of co-operatives like Guthi, Dhikuri, Dharma Bhakari etc, at present there are numerous cooperative societies, Non-Governmental Organization (NGOs), International Non-Government Organization (INGOs) and Governmental Organizations (GOs) working under this sector.

The issue of women's empowerment has become one of the high agendas of development discourse since the fourth UN

Women Conference held in Beijing in 1995. The Government of Nepal (GoN) has, over the years, given persistent emphasis in it. The annual budget of GoN, for example, has started to allocate budget dedicated for women's empowerment. Donor agencies, INGO and other government institutions are also contributing in this endeavour. GoN has been trying to operate various poverty alleviation programmes since the first development plan in order to alleviate rural poverty but many rural poor people specially women have not benefitted from traditional development programmes and policies (Acharya, 2000). Different tools are introduced for the empowerment of women. Among them, microcredit has the prominent role.

The government of Nepal had attempted to promote microfinance services dates back to 1975. It was recognized as an official poverty alleviation tool only in the country's Sixth Plan (1980/81-1984/85). The 10th plan (2002-07) identified 12 areas to allocate the budget of which women's empowerment is one of them. The 11th Plan (2007- 2009) also followed the inclusive approach in development and launch targeted programme. For that objective, GoN emphasized the programme of various social classes, communities and regions which are unable to join mainstream of development due to economic, social and cultural resources for backwardness targeted programmes that cover women, Dalits, indigenous people, Madhesis and backward societies, MC targeted to poor rural women. Thus is an important development intervention in contemporary Nepal. Nepalese rural women are poorer citizen

among the poor. It is assumed that microcredit facilities provided to the deprived and disadvantaged rural poor women would help break the vicious circle of poverty. Microcredit programmes have been taken as the remedial tool to remove this poverty and empower them.

In the past two decades, Nepal introduced various microcredit programmes with diversified methods and modalities including: public vs. private sector modality, project based modality, wholesale lending based modality, community and deprived sector based modality, etc. The programmes such as Production Credit for Rural Women (PCRW), Micro Credit Project for Women (MCPW), Grameen Bikash Banks (GBBs), et cetera come under gender-based programmes. Likewise, the programmes namely Programme in Western Terai (PAPWT), Third Livestock Development Project (TLDP), Community Ground water Irrigation Sector Project (CGISP) etcetera come under project based micro credit programmes. The activities of Rural Self Reliance Fund (RSRF), Rural Microfinance Development Centre (RMDC), Sana Kisan Bikas Bank (SKBB), etc. are solely based on wholesale microcredit modality. Likewise, the microcredit activities of Saving and Credit programme (SACCOs) and Financial Intermediary NGOs (FINGOs) fall under the modality of community/rural based.

### **Objectives and Conceptual Framework**

Historically, women in Nepal are deprived socially and economically compared to men. Needless to say, disparities between men and

women prevail in all spheres of family activities (education, health, employment and income opportunities, control over assets, personal security) and participation in the social as well as political process. Equal participation of women in the decision-making process with regard to expenditure of certain resources is more important for empowering them than equal access to resources; and neither participation nor access is as important as equal control. In view of this, the present paper uses participation and control as two indicators of women empowerment. Control over the income, expenditure, fixed assets will be examined. Participation in household affairs (child education, health regarded decision) and social decision (policy making and planning in community level) making will be examined.

The paper uses the conceptual framework of Sara Longwe (1990) to examine women empowerment through microcredit in Nepal. Longwe argues that women's development can be viewed in terms of five levels of equality in which empowerment is an essential element at each level. These levels may be described as follows:

#### *Welfare*

Longwe defines this as the level of women's material welfare, relative to men in terms of equal access to resources such as food supply, income and, medical care.

#### *Access*

This is defined as women's access to the factors of production on an equal basis with men; equal access to land, labor, credit,

training, marketing facilities, and all public services and benefits. Longwe points out that equality of access is obtained by applying the principle of equality of opportunity, which typically entails the reform of the law and administrative practice to remove all forms of discrimination against women.

### *Conscientisation*

This is understood as a conscious understanding of the difference between sex and gender, and an awareness that gender roles are cultural and can be changed. 'Conscientisation' also involves a belief that the sexual division of labor should be fair and agreeable to both sides and not involve the economic or political domination of one sex by the other.

### *Participation*

This is described as women's equal participation in the decision-making process, in policy-making, planning, and administration. It is a particularly important aspect of development projects, where participation means involvement in needs-assessment, project formulation, implementation, and evaluation. Equality of participation means involving women in making the decisions by which their community will be affected, in a proportion which matches their proportion in the wider community.

### *Control*

This denotes women's control over the decision-making process through conscientisation and mobilisation, to achieve equality of control over the factors of

production and the distribution of benefits. Equality of control means a balance of control between men and women, so that neither side dominates.

## **Literature Review**

There exist a vast literature and country studies on empowerment of women through microcredit programme. It may not, therefore, be possible to review all the available literature here. Hence, only those literatures relevant to the topic of the paper are reviewed with the objectives of gaining a broad insight on the issue.

Littlefield, Murdugh, and Hashemi (2003) state that access to micro finance institutions can empower women to become more confident, more assertive, more likely to take part in family and community decisions and better able to confront gender inequities. However, they also state that just because women are clients of MFIs does not mean they will automatically become empowered. Hulme and Mosley (1996) also make this point when they refer to the "naivety of the belief that every loan made to a woman contributes to the strengthening of the economic and social position of women". However, with careful planning and design women's position in the household and community can indeed be improved. According to Littlefield et al. (2003), the Women's Empowerment Programme in Nepal found that 68% of its members were making decisions on buying and selling property, sending their daughters to school and planning their family, all decisions that in the past were made by husbands.

Microcredit strategies may also be considered as important institution. Research shows that programmes that have gender equality at the heart of their strategy are more successful in enhancing women's earnings and their decision-making power within the household than other programmes (Ackerly, 1995). For example, Goetz and Gupta (1996) noted that women surrender their loans for men's use. In order to understand the results of microfinance programmes, it is therefore important to not only study their economic functioning but to look upon them from an institutional point of view (Folmer, 2009).

A study in Bangladesh by Pitt, Khandker, and Cartwright (2006) shows that women's participation in microcredit programmes helps to increase women's empowerment. Credit programmes lead to women taking a greater role in household decision making, having greater access to financial and economic resources, having greater social networks, having greater bargaining power vis-a-vis their husbands, and having greater freedom of mobility.

In the case of India, Microfinance has played the meaningful role in empowering the women by using different models and indicators. The study of Puhazhendhi and Satyasai (2002) found that microfinance programme in India have positively contributed for the economic and social empowerment of rural poor. It is found that there is a significant improvement in overall economic empowerment index of MFI's clients after joining the microfinance programme. It is also found that social empowerment index of sample SHG members is significantly increased after

joining the microfinance programme. Clients of MFIs in India have organized rallies for better wages, female worker rights, and legal changes (Littlefield et al., 2003).

Kabeer (1994) focuses that empowerment deals with ability to control resources and to determine agendas and make decisions. Narayan-Parker (2002) empowerment is about "...increasing one's authority and control over the resources and decisions that affect one's life". The views of Kabeer (1994), Foucault (1998), and Narayan-Parker (2002) are within the Longwe's equality frame work. It shows Longwe's empowerment framework has covered the development of the women empowerment study.

A sociological understanding of power relates it to one's own ability to make others do what we want, regardless of their own wishes or interests (Weber 1946). The word ability is concerned with capability. Sen (2009) argues that, in analyzing well-being, we should shift our focus from 'the means of living', such as income, to the 'actual opportunities a person has', namely their functioning and capabilities.

According to Foucault (1980) every ruler enjoys ruling the states by using power. If a person has power h\she can do everything. Foucault argues: where there is power, there is resistance (Deveaux 1994). Foucault challenges the idea that the power is wielded by people or groups by way of episodic or sovereign acts of domination or coercion, seeing it instead and pervasive. 'Power is everywhere' and 'comes from everywhere'

so in this sense is neither an agency nor a structure (Foucault, 1998).

Empowerment is sometimes described as being about the ability to make choices, but it must also involve being able to shape what choices are on offer. Empowerment corresponds to women challenging existing power structures which subordinate women. As such, what is seen as empowering in one context may not be in another. When we talk about power patriarchy comes along with it. The exercise of power has been practiced by patriarchy system in most part of the world. When we talk about women's empowerment, gender relations appear as one of the main domains affecting the level of power women enjoy. Feminist scholars are very concerned that women's empowerment is hindered because of patriarchal power structure in the society including household.

Patriarchy is the social system in which male domination over women exists. Patriarchy has been used to refer to male domination and to the power relationships by which men dominate women (Millett, 1969, as cited in Beechey, 1979). In the process of human civilization, different kinds of social structure and order have been established. "Patriarchy is a historic creation formed by men and women in a process which took nearly 2500 years to its completion" (Lerner, 1986). Patriarchy is an authoritative male-dominated social system that is both oppressive and discriminatory. It is oppressive in social, political, economic, and cultural environments. It is discriminatory in its control of access to power, management of resources and benefits, and manipulation of public and private power structures. The

notion of patriarchy refers to the power of men over women but historically. Patriarchies involve the ranking of men within and across families and generations.

In the case of household, we can see often a situation where a man dominates in the household affairs. Our norms and values also give more authority to male. Nepalese law also follows the patriarchal transmission of property and reflects the discriminatory conception of women. Some limitations on equality between men and women still exist, and control over the acquired property remains under male authority (either to father or brother or to a son). Nepal's current legal framework disfavours women in inheriting ancestral property. This legal provision has made women vulnerable in economic terms. Economic status is one of the main indicators in measuring empowerment.

In patriarchal society, control over assets, allocation of resources and decision in allocation of resources are often determined by male head of the family. Even societal level decisions are made by men and this will have impacts in turn at family level gender relationships. Gerda Lerner (1986), another leading academician in the debate of patriarchy, argues that "male family heads allocated the resources of society to their families the way the state allocated the resources of society to them" (Lerner, 1986). Where women have relatively more economic power, they are able to have somewhat more control over their lives than in societies where they have no economic power.

The United Nations General Assembly proclaimed 2005 as the year of International Microcredit to recognize microcredit's contribution to poverty alleviation (Sharma, 2011). The United Nations' Millennium Development Goals (MDG's) have galvanized the development committee with an urgent challenge to improve the welfare of the world's neediest people. Empowerment is one of four important pillars of human development approach. It was also one of the important elements of the Poverty Reduction Strategy Paper that shaped Nepal's development priority during and after the Tenth Plan. Hence, it is highly imperative that we examine whether and to what extent women in rural Nepal have been empowered through various ways. This research plans to take microcredit as a case in point to examine women's empowerment initiatives.

### **Research Methodology**

The research employs both descriptive as well as explanatory methods to fulfil the objectives of the study. The major purpose of descriptive research is to provide the description of the state of affairs as it exists at present. It helps to understand the nature and pattern of women status of the study area. The main reason of using explanatory research is to explore the causal factors that link microcredit with women empowerment.

This research is based mainly on primary data and information collected from field survey using household questionnaires, focus group discussion (FGD), and key informants interview (KII). Secondary data and information are collected from various

published documents, journal articles, and previous research reports.

The primary research is conducted in three settlements of Bandipur Municipality. The settlements selected are Mohoria, Bhaisekhar and Jumdada which are peripheries of Bandipur bazaar. Bandipur bazaar is linked by Prithvi highway towards south at a distance of 7 kilometre from the highway. The bazaar is at an altitude of 1030m from the sea level and was previously the headquarter of Tanahun district. The bazaar still is a business centre and has developed into a tourist hub during the past one decade. As a result, several homestay facilities have been established to both the domestic and foreign tourist.

The selected settlements represent three distinct ethnic communities; Dalit community in Mohoria, Janajati community in Jumdanda and Brahmin/Chhetri community in Bhesekhar.

The total population of women of the 3 settlements is 271. Out of them 200 women are the beneficiaries who have taken loan from the MC institutions. Of the total 200 beneficiaries, a sample of 30 women has been selected which represents 15 percent women beneficiaries of each settlements. The respondents were selected by using systematic random sampling. Likewise, six local persons consisting teachers, local leaders, social activists including two women were selected for KII and interviewed with them. In addition, two FGDs were conducted with 5/6 participants among Dalit women and other caste group women (Brahmin, Newar, Gurung and Magar).



The qualitative data have been analysed by coding, recoding and classifying data, also referred to as categorising and indexing and aiming to make sense of the data collected and to highlight the important messages, features or findings. A close reading of a text, becoming immersed in the data, reading and re-reading notes, sample interviews, FGD reports, case studies, key informants' interview, reflecting on the data and writing down interpretations have been done. Along with this calculation of percentage and comparison has also been made to analyse the status of women prior to and after joining the microcredit programme.

Since the research questions of my study are concentrated on economic and social empowerment of women through microcredit and it is measured in the basis of control and participation dimensions of Sara Longwe's empowerment framework. To measure the economic empowerment; access to capital and control over resources of women has been assessed. To assess the access to capital of women their ownership of house, land, loan frequency has been enquired in the time of structured interview. To measure the women's control over resources buying daily consumables, livestock rearing, buying jewellerys, buying and selling of fixed assets and decision on borrowing loan have been measured. It has provided the proof of economic empowerment of sample women.

There decision making role within the house has been assessed by questioning regarding decision on children's education and health, attending social meeting and microcredit meeting. To verify the responses of the respondents'; outcome of FGD and key

informants' views have been compared with the respondents' answer. Women's participation in various local organizations and their role in these institutions have also been assessed. And lastly, besides the microcredit, role of other empowering elements have also been assessed.

## Findings

Most of the respondents understood empowerment as earning by themselves, access to capital, control over the use of capital, making argument with others without hesitation and participation in the decision making process in households as well as community affairs. This has covered the measures of empowerment of Sara Longwe's indicators of control and participation which have been taken to examine the empowerment indicators of the study. In their previous life they didn't have role in making decision in household as well as community affairs. Even, they could not argue with others in the society. But now they are able to earn, participate in decision making inside the home and in community level, and argue and their voices are listened. They think that all these traits were due to their participation in the microcredit programmes. To measure the empowerment status; the study uses 'access to capital', 'control over resources', 'decision making in household affairs' and participation in societal activities'.

### Access to Capital

In the study area 53.3 percent women didn't have either land or house in their ownership to offer as collateral for obtaining loans from the formal financial institutions. Only 20

percent respondents had land and house, 10 percent had only house and 16.7 percent had only land in their ownership. But because of microcredit programmes all 30 respondents could have access to credit facilities. They had borrowed loan from more than one institution and more than one time. Loan amount is in ascending order: usually starting from Rs. 5,000, the loan amount was up to Rs. 90,000. The study findings corroborates with national data which reported that only 10.7 percent women had only house while Nine percent had only land in their ownership and 79.5 percent women had neither land nor house (Central Bureau of Statistics, 2011).

### Control Over Resources

Another most important element of empowerment is control over capital. Here, control over capital indicates the decision making regarding use and investment of money. Some indicators have been examined to know the women's role in making decisions. The increasing role of women on decision making on economic activities showed that the women's control on resources. The data presented in Table 1 shows a comparative picture of women's decision making role in the family prior to participation in microcredit and at present.

*Table 1: Decision Making in Household Activities Before and After Joining Microcredit*

Indicators	Before joining MC			After joining MC		
	Self	jointly	Husband/Father	Self	Jointly	Husband/Father
Buying daily consumables	15	13	2	26	4	0
Livestock rearing	7	14	9	16	13	1
Buying jewellers	2	14	14	15	15	0
Buy/Sale assets	0	11	19	3	25	2
Borrowing loan from MC	0	0	0	10	17	3

(Source: Field study, 2072)

Decision making is an important feature of women empowerment. The table shows decision making in three categories: independently by women, jointly with husband and by husband/father. Research findings have showed a strong link between social exclusion, as defined by caste-hierarchy and economic poverty (Haltebakk,

2008, as cited in Pyakural, 2015). Caste-wise, the findings can be explained as follows:

- All the 11 Dalit women reported joint decision with husband in buying or selling assets. Likewise, women's participation in decisions on buying consumables, type of livestock to be

reared and purchase of jewelleries had improved.

- In case of Janajati women, decision on buying and selling assets was nil before but now 3 out of 11 women decided solely and remaining 8 decide jointly. Similarly, decision on buying daily consumables and livestock rearing had also improved.
- Only 3 Brahmin/Chhetri women out of 8 had joint decision on buying and selling assets before but now 6 women participate in the decision making.

### Loan Utilization Pattern

Among Dalit women only one out of 11 was found to be using the loan for the purpose stated at the time of taking loan. Some women had spent the loan to send husbands abroad particularly Gulf countries. In the case of Janajati women, only 7 out of 11 had utilized loan amount as mentioned in the time of borrowing loan and in the case of Brahmin/Chhetri all 8 women were found utilizing the loan for the purpose it was taken.

### Income Pattern

More than 45 percent women were found not utilizing the loan amount according to the objectives of loan. Although it seems frustrating for MC institutions, the changing scenario of income pattern shows entrepreneurship development among women.

*Table 2: Sources of Income Before and After Joining the Microcredit*

Source of income	Before	After
Agricultural production	9	10
Small scale business	6	8
Sale of livestock products	4	7
Daily labour work	11	5
Total	30	30

(Source: Field study, 2072BS)

Analysis of the income sources among the respondents showed a significant change from daily wage labours to self-employment in agriculture, livestock and business. Daily wage earning and agricultural production were the main source of income before joining the programme but at present the sources of income shifted to small scale business, sales of livestock and agricultural products. Involvement in daily labour work for income was reduced by more than 50 percent. All these imply that women are increasingly attracted towards self-employment income generating activities. The findings of the FGDs also showed that major income source was labour work followed by traditional farming prior to microcredit programmes but this has changed towards market oriented productions and small trading activities. As Fulmati Nepali, one of the FGD participants said, "We used to expect and wait husband's mercy for a single rupee but now we can spend as we wish because we make profit".

## Household Dynamics of Women's Public Participation

Apart from the household decision making in resource mobilization, decision making regarding participation in societal affairs had also improved contributing to women empowerment. Prior to participation in

microcredit programmes women were prohibited in decision making with regard to economic as well as other family affairs and involvement in social activities (Table 3).

Table 3: Decisions Making at Household Level

Indicators	Before joining MC			After joining MC		
	Self	jointly	Husband/Father	Self	Jointly	Husband/Father
Children's education / health	3	10	17	15	15	0
Attending social meeting	2	5	23	10	14	6

(Source: Field Study, 2072BS)

Regarding children's education/health, sole decision by husband/father is nil now as compared to 56.7 percent (17 out of 30) earlier. The joint decision making increased to 50 percent from 33.3 percent earlier. Similarly, self-decision making by women increased to 50 percent from only ten percent before. The table shows that participation in MC has led to a dramatic change in women's decision making regarding 'attending social meetings' -- as against 76.7 percent (23 out of 30 households) husband/father taking the decision, it is now reduced to 20 percent (6 out of 30). Joint decision was 16.7 percent (5 out of 30) which increased to nearly 50 percent (14 out of 30). However, the results showed a different picture with regard to Dalit, Brahmin/Chhetri and Janajati women, which is presented below:

- Decisions on children's education and health treatment and attending social

meetings was found to be higher among Dalits: 3 of 11 Dalit women decided solely and 4 decided jointly on 'attending social meeting' which was nil before. Likewise, 8 out of 11 Dalits decided solely or jointly regarding 'borrowing loan'. Surprisingly, three reported that the decision on taking loan from MC was solely decided by husband/father.

- With regard to 'attending social meetings', the Janajati women showed an improvement in their participation in social meetings. Regarding decision on borrowing loan from MC, nearly 50 percent reported sole decision and remaining 50 percent decided jointly. In the case of 'attending microcredit meetings' all Janajati women decided themselves.

- In the case of Brahmin/Chhetri, women rarely participated in deciding household affairs prior to loan, but they reported some improvement in their involvement in the decision making.

The FGD findings showed that women had formed various groups by type of activity operated by them in order to exchange experiences, problem faced and draw the attention of concerned authorities to their needs and concerns. They also were engaged in organizing sanitation programme, cultural shows, etcetera in the local area so as to increase the awareness of the villagers and also provide the entertainment. Bikram Piya, principal of Bandipur campus and a key informant of my survey revealed that women's representation in public sphere is increasing and it is because of their economic independence. However, women were found to be weaker to raise their voices in decision makings/societal meetings owing to their inadequate knowledge and information as compared to male counterparts.

### **Conclusion**

Findings of the research show an increase in women's access to and control over resources. Their role in decision making on household activities, meeting and social participation has improved. Furthermore, women are getting organized in groups and have started collective farming of vegetables, and organizing sanitation as well as cultural programmes. Dalit women have become able to provide money to their husbands and this has helped them in reducing subordinate position in the family. This corroborates with

the study of Batliwala and Kabeer as described in the literature review section.

Women now felt an improvement in their ability to speak in the group, to make argument, to organize, to share their feelings and problems within the groups, to attend women's meeting etc. This implies that women are now more empowered than before participation in MC programmes. They expressed their satisfaction on these improvements.

Women's ability to generate regular income from the activities operated with microcredit has reduced their dependency on male family members for money. This has led to an increase in their status in the family as well as in the society. There is still however the need to enhance women's empowerment by increasing their role in the household and in community organizations. The women entrepreneurs in farming, livestock rearing, small trading activities etc. need to be provided required financial as well as technical assistance by the MCIs to help them move to a higher scale in the operation of these activities. There is still a need to give specific attention to ultra-poor Dalit and other caste women trapped in the vicious circle of poverty to enable them to get out of the poverty situation. This is particularly necessary in the case of families having no assets like land, house etc.

### **Competing Interests**

The author declares that no competing interests exist.

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