

Impact of Microfinance on Women Empowerment : A Study from the Decision - Making Perspective

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Abstract

Microfinance is considered as finance for the poor. The objective of the study was to evaluate the impact of microfinance on women empowerment from the decision-making perspective. The study was conducted on 512 SHG members belonging to the Aravalli and Mehsana districts of North Gujarat in 2019. The respondents from 12 villages of Bayad, Bhiloda, Kadi, and Mehsana talukas of North Gujarat participated in the study. The study was performed using paired sample *t*-test and empowerment index. The results of paired sample *t*-test revealed that after joining the SHGs, the decision-making ability of women was empowered significantly. Furthermore, it was observed that those women who participated in SHGs for longer duration and attended more meetings in a year were more empowered as compared to other women. The study has implications for SHG members. More women should be encouraged to join the SHGs as it empowers women on their decision-making ability. The members should conduct regular meetings by fixing a common time so that all the members can attend the meetings. The SHGs should focus on the sustainability of the women to continue as members.

Keywords : microfinance, women, decision-making, empowerment

JEL Codes : C12, D63, G21

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Microfinance services are specific in nature. The concept of microfinance in India came in the early 1970s when the Self Employed Women's Association ("SEWA") was formed in Ahmedabad, Gujarat. The SEWA was set-up with the objective of providing banking services to poor women employed in the unorganized sector in Ahmedabad city of Gujarat. The National Bank for Agriculture and Rural Development (NABARD) looked at several models for offering financial services to the unbanked, especially women, and decided to experiment with a very different model, now popularly known as self-help groups (SHGs).

Microfinance refers to the offering of financial services to poor and low-income people (Watkins, 2018). Microfinance is finance for the poor and managed by a group of people to meet their financial needs. In India, the concept of microfinance services remains important for women. Microfinance is one of the key elements in women empowerment and rural development (Patel, Patel, & Patel, 2018).

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Moser (1989) defined empowerment 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. Das and Bhowal (2013) studied the role of SHGs as financial intermediaries for increasing women empowerment. The study displayed that the SHG – bank linkage of any microfinance programme influenced the economic status, knowledge, self-worthiness, decision-making power of women participants. The women SHGs have increased the status of women on the democratic, economic, social, and cultural spheres of life.

Literature Review

The concept of microfinance and women empowerment is studied in many countries. Many researchers have found a positive impact of microfinance on women empowerment.

Swain and Wallentin (2009) studied the impact of SHG based microfinance on women empowerment in India and found that microfinance improved the social and economic standards of women. Ashraf, Karlan, and Yin (2010) evaluated women's empowerment from the economic perspective through microfinance considering 3125 respondents from the Philippines. The study considered the decision-making power of women about household expenses and access to assets. The outcome of the study found positive and significant impact on women empowerment about decision-making.

Li, Gan, and Hu (2011) assessed women's empowerment from a socioeconomic perspective through microfinance. The outcome of the study revealed that microfinance has a positive and significant impact on income generation, assets purchase and access, decision making regarding income and expenses, etc. Habib and Jubb (2012) studied the socio-political empowerment of women through microfinance on 297 households of Bangladesh. The outcomes of the study revealed that microfinance had a significant and positive impact on the socio-political empowerment of women. Microfinance improves the political participation of women. Mahmood, Hussain, and Matlay (2014) examined the impact of microfinance on women empowerment from an economic perspective. The outcomes of the study found that microfinance had a positive and significant impact on the economic empowerment of women. Bayulgen (2015) evaluated women's empowerment from socioeconomic and political perspectives in Azerbaijan and Kazakhstan. The outcomes of the study found that microfinance led to modest empowerment from the socioeconomic perspective, but did not provide any political empowerment. Othman (2015) studied the economic empowerment of women with respect to microfinance services in Malaysia. The study found that microfinance had a positive impact on entrepreneurship development. Mohapatra and Sahoo (2016) found a positive and significant impact of microfinance on women empowerment. Hassan and Saleem (2017) studied the socioeconomic well-being of women through microfinance in Bangladesh. The study found that microfinance had a positive and significant impact on the social and economic empowerment of women. Murshid and Ball (2018) found that participants of microfinance programmes had better physical mobility and health care services as compared to non-members. Patel, Patel, and Patel (2018) found a positive impact of microfinance on women's empowerment and decision-making skills. Kapiga et al. (2019) studied the impact of microfinance on the intervention to prevent intimate partner violence against women in Tanzania. The study found that the microfinance programme led to a reduction in partner violence. Saha and Sangwan (2019) evaluated the impact of microfinance on women's empowerment in a North Indian village and found positive impact on the economic, social, interpersonal, and political grounds. Huis, Lensink, Vu, and Hansen (2019) studied the impact of microfinance on 187 women in Vietnam using the regression analysis. The study found that microfinance empowered women in terms of credit availability and training for conducting business.

Few studies observed that microfinance had a negative impact on women empowerment. Barman, Mathur,

and Kalra (2009) found that microfinance increased the debt burden on the borrower and the client faced difficulties in the payment of a loan. Such type of difficulty was mainly found in the loan taken for unproductive financial requirements. Ukanwa, Xiong, and Anderson (2018) found that for the poor women, meeting financial requirements of households were a priority and not business growth. Thus, microfinance did not lead to any empowerment for women from the economic perspective. On the contrary, after taking loans, women looked at microcredit as debt and risk. Bulte and Lensink (2019) examined the impact of microfinance on women empowerment with respect to domestic abuse and violence in Vietnam. The study found that increased income of women led to abuse and domestic violence, which further revealed that microfinance backfired for women empowerment.

Few studies found a mixed impact of microfinance on women empowerment. Kumar (2013) found a positive impact on women empowerment from microfinance services. However, it was not clear about the sustainability of such empowerment. Overall, the study found mixed evidence. Banerjee, Karlan, and Zinman (2015) studied the impact of microfinance on women empowerment in India. The study concluded that microfinance might improve the economic situation and social status of women.

Uniqueness of the Study and Research Gap

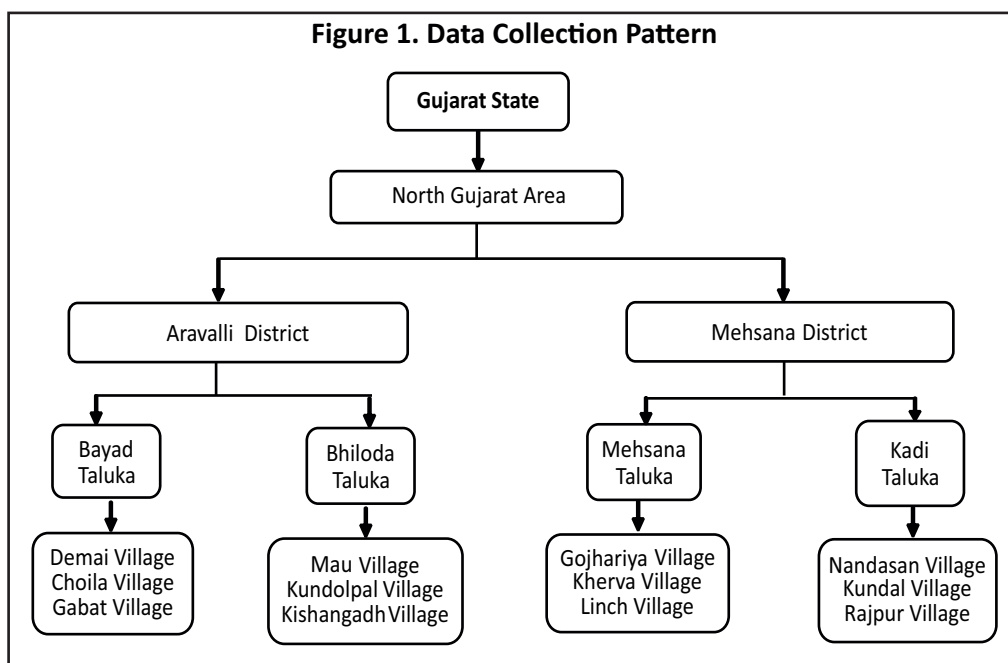
Till date, many studies have been conducted in the area of impact of microfinance on women empowerment in various countries. However, few areas in research methodology and empowerment measurements were not considered in past studies.

The say or participation of women in decision-making is an important part of women empowerment at household and society levels. Decision-making is one of the important criteria for increasing the say of women. Considering this, the present study focuses on participation of women in the decision-making about social-familial, economic, and other decisions. The participation time is a very important component for women empowerment. None of the past studies considered the impact of participation time on women empowerment. Considering this, the present study also examines the impact of microfinance on women empowerment with respect to participation time.

Research Methodology

Scope and Data Collection Pattern

Microfinance is considered as finance for the poor. In rural areas, where the financial services are not easily available, unlike urban areas, people adopt the option of microfinance as a financial service. The primary objective of this study is to assess the performance of microfinance in rural areas of North Gujarat. This study focuses on women empowerment from the decision-making perspective. The study is conducted using a descriptive research design, which assists the decision maker in determining and selecting the best course of action to be taken in a given situation. The study was conducted through interviews using a structured questionnaire. The study was conducted in two districts, namely, Aravalli and Mehsana of North Gujarat. The reason to select Aravalli and Mehsana only is that, among all the districts, these two districts have the highest percentage of rural female population and lowest percentage of rural male population, respectively. From Aravalli, Bayad and Bhiloda talukas were selected as among all talukas, these two talukas have the highest percentage of rural women population. From the Mehsana district, Kadi and Mehsana talukas were selected as these two talukas have the highest percentage of the rural women population. Furthermore, the villages were



selected based on the highest rural women population. The respondents were selected based on two criteria : (a) the respondent should be from the Aravalli and Mehsana districts, and (b) the respondent should be a part of a SHG based microfinance programme.

Bartlett, Kotrlik, and Higgins (2001) and The Research Advisors (2006) provided an adequate sample size at a 95% confidence level with a 0.05 margin of error for above one lakh population to be 384. However, for better representation, this study is conducted with a sample size of 512 respondents using the judgmental sampling method. Here, the sample size is taken using a sample determination method suggested by Kothari (2004). The data collection pattern is shown in Figure 1. This study was conducted during end of 2019.

Variables Used

Here, the Women Empowerment Index is constructed by considering the variables given by Hashemi, Schuler, and Riley (1996) and Hoque (2005).

The following criteria is used to decide the level of empowerment for all the following variables :

A respondent who secures a score more than average is treated as “empowered” ; whereas, the respondent with score less than mean score or zero is considered as “lacking empowerment.”

(1) Role in Decision-Making : The involvement of women in decision-making is examined based on two decisions, that is, financial decisions and social decisions.

✍ **Financial Decisions :** The economic empowerment of women is measured with reference to two factors, that is, decision on taking loan facility and use of the loan taken. If a woman took a decision of taking loan for household and business purposes, she gets one point, otherwise zero. If a woman took a decision on the use of the loan, she gets one point. Furthermore, the decision taken by women on the use of the loan is considered to be important on the dimension of decision-making. If the respondent made a financial decision on the usage of loan

(alone/with husband), she gets one point. If the respondent took a loan from SHG instead of moneylenders, she scores two points.

✍ **Social Decisions** : The education of children is one of the important variables to measure the human progress in a nation (Sinha, 1998). During the literature review, it was observed that many researchers have taken child education decision as a variable to study women empowerment, but looking at the present scenario, the decision of the education of a female child is considered. The male child gets preference for education as compared to female child in Gujarat state¹. The respondent scores one point if she was making social decisions such as :

- ✍ The decision regarding education of children,
- ✍ The decision regarding the education of female children,
- ✍ Participation of women in the decision - making about family matters or problems,
- ✍ Decision on children's marriage,
- ✍ Decision on medical treatment.

✍ **Household Decisions** : The respondent gets one point for each of the following variables, if she was able to take decisions for :

- ✍ What item to cook,
- ✍ Getting health care services for family,
- ✍ Staying with parents and family members,
- ✍ Decision on household budget.

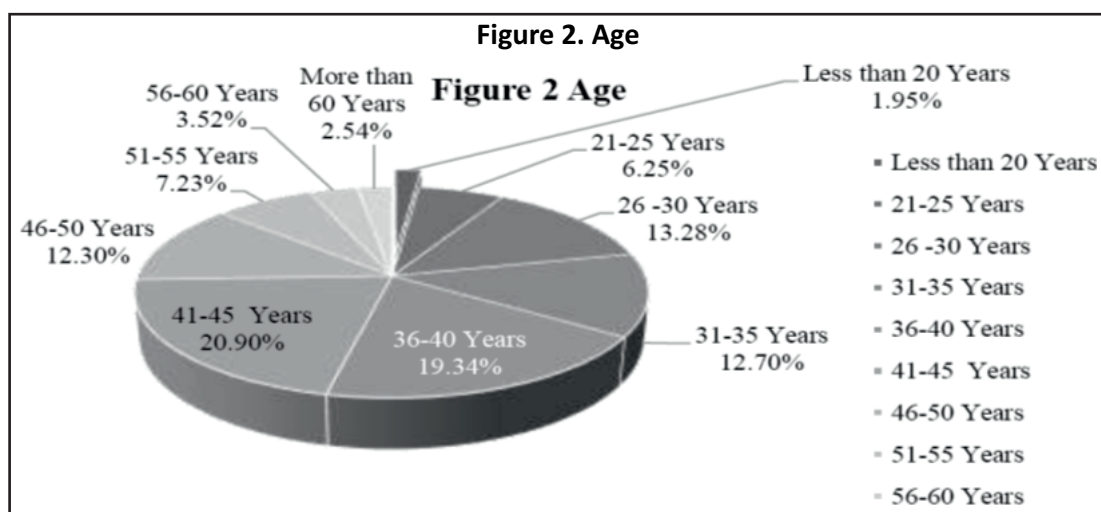
(2) Statistical Tools Used : The reliability of the data is measured using Cronbach's alpha. The paired sample *t*-test is applied to measure the empowerment of women with respect to decision-making. The involvement of women in decision-making is examined using paired sample *t*-test. Based on various parameters, the empowerment score is calculated and Empowerment Index is constructed. The Empowerment Index is measured with respect to participation time of the women to check whether the Empowerment Index improves by the participation time or not. Attending SHG meetings by women is measured with the Women Empowerment Index to check whether the Empowerment Index improves with the attending of meetings by the women respondents.

Data Analysis and Results

Profile of the Respondents

Figure 2 shows the age profile of the respondents. Ten respondents (1.95%) were less than 20 years of age. Likewise, 32 respondents (6.25%) were in the age range of 21 – 25 years. Out of 512 respondents, 68 respondents (13.28%) belonged to the age group of 26 – 30 years ; 65 respondents (12.70%) belonged to the age group of 31 – 35 years. Among all, 99 respondents (19.34%) were in the age group of 36 – 40 years ; 107 respondents

¹ According to the Census 2011, the literacy rate in the State of Gujarat was 78.03%. The male literacy rate was 85.75% and female literacy rate was 69.68 % (<https://www.census2011.co.in/census/state/gujarat.html>).



(20.90%) belonged to the age group of 41 – 45 years ; 63 respondents (12.30%) belonged to the age group of 46 – 50 years ; 37 respondents (7.23%) were from the age group of 51 – 55 years ; 18 respondents (3.52%) were in the age range of 56 – 60 years. Only 13 respondents (2.54%) had age of more than 60 years.

Figure 3 shows the educational profile of the respondents. Here, out of 512 respondents, 103 respondents (20.12%) were illiterate ; 42 respondents (8.20%) did not have any educational background and they could only write their signature ; 95 respondents (18.55%) were educated up to the fifth standard ; 110 (21.48%) respondents were educated upto the primary level ; 125 respondents (24.41%) were educated up to high school, that is, till 12th standard ; 29 respondents (5.66%) were graduates by their education qualification. Only eight respondents (1.56%) possessed post-graduation as their educational qualification.

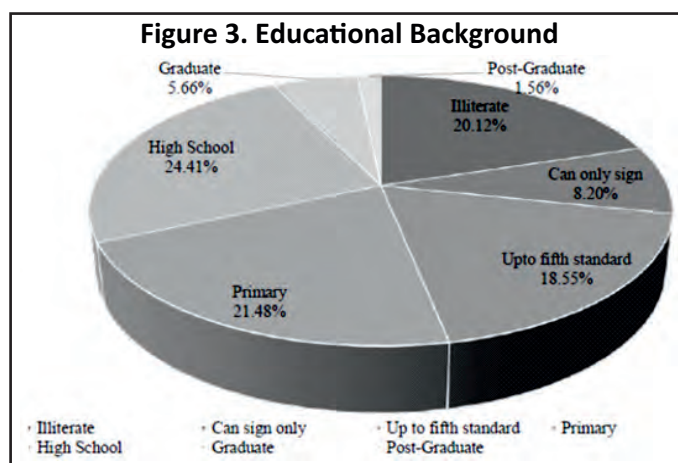
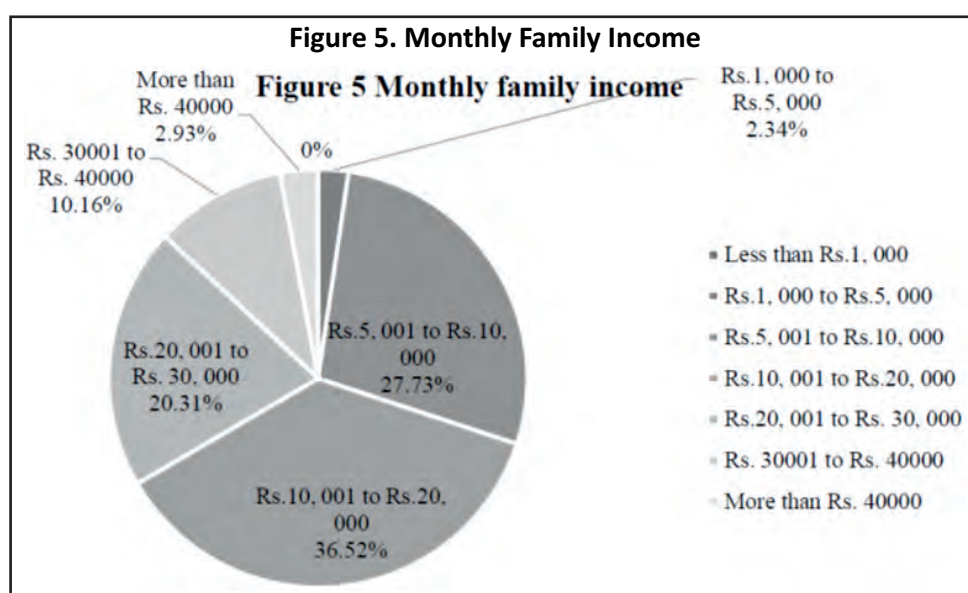
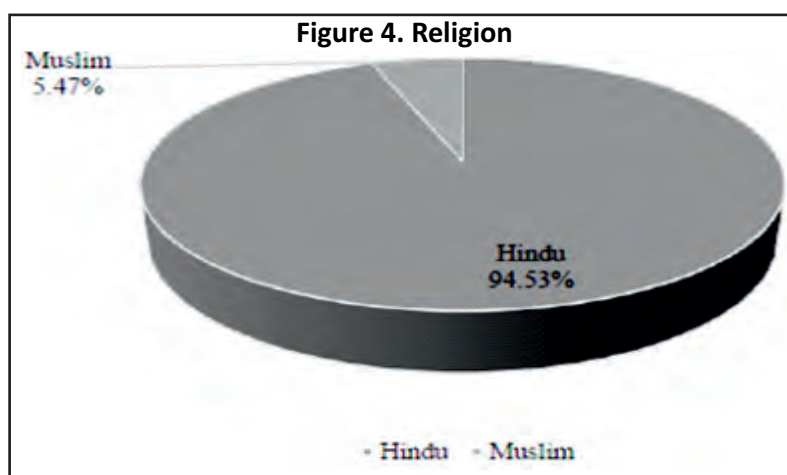


Figure 4 shows the religious profile of the respondents. Among 512 respondents, 484 respondents (94.53%) were Hindus and 28 respondents (5.47%) belonged to the Muslim religion.

Figure 5 shows the monthly family income of the respondents. Here, none of the respondents had a monthly family income of less than ₹ 1,000. Out of 512 respondents, 12 respondents (2.34%) had a monthly family income



in the range of ₹ 1,000 – ₹ 5,000 ; 142 respondents (27.73%) had a monthly family income between ₹ 5,001 – ₹ 10,000 ; 187 respondents (36.52%) had a monthly family income in the range of ₹ 10,001 – ₹ 20,000 ; 104 respondents (20.31%) had monthly family income between ₹ 20,001 – ₹ 30,000 ; 52 respondents (10.16%) had monthly family income between ₹ 30,001 – ₹ 40,000. Only 15 respondents (2.93%) had a monthly family income of more than ₹ 40,000.

Figure 6 shows the marital status of the respondents. It can be seen from the Figure that 455 respondents (88.87%) were married ; 20 respondents (3.91%) were unmarried ; 36 respondents (7.03%) were widows. Only one respondent (0.20%) was divorced. Those respondents who belonged to married and widow categories had high responsibility of their families to meet with the financial requirements.

Figure 7 shows the family structure of the respondents. The respondents had two types of family structures, namely joint family structure and nuclear structure. Out of 512 respondents, 426 respondents (83.20%) had joint family structure, and 86 respondents (16.80%) belonged to the nuclear family structure.

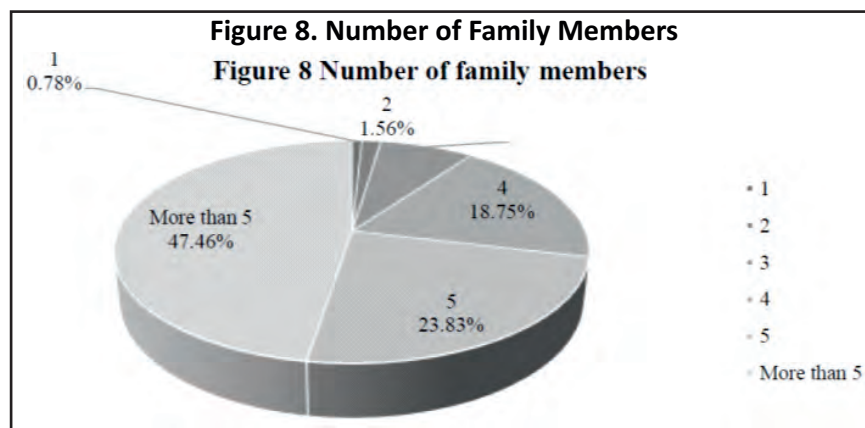
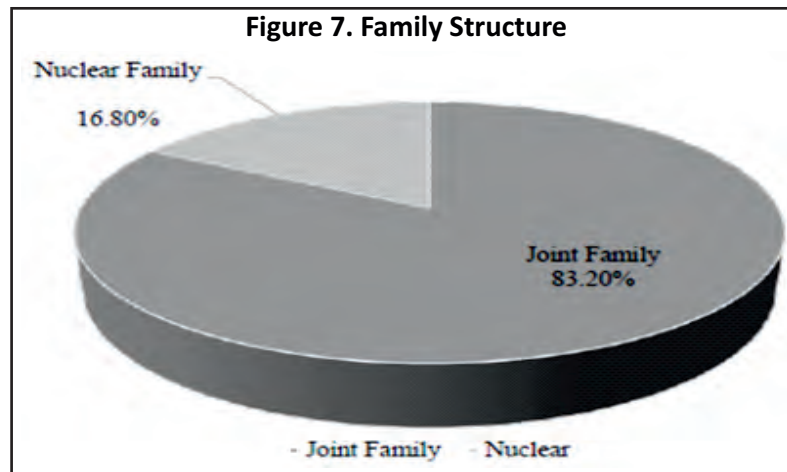
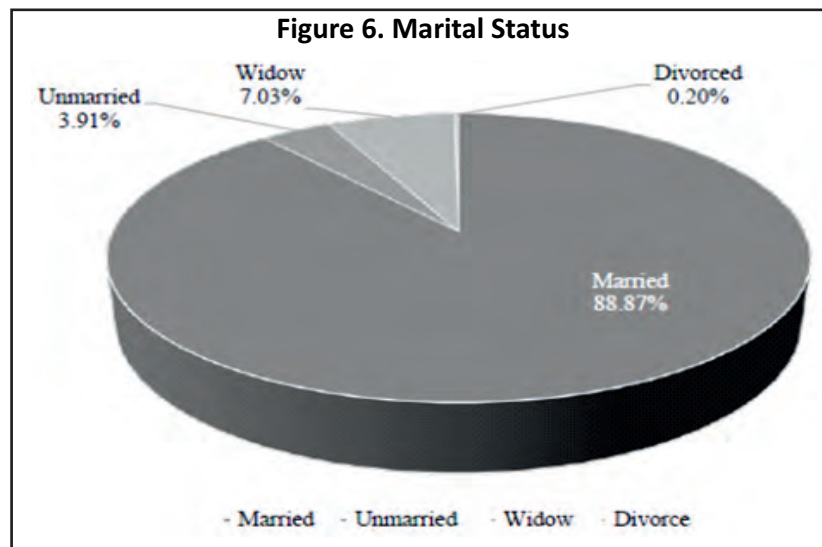
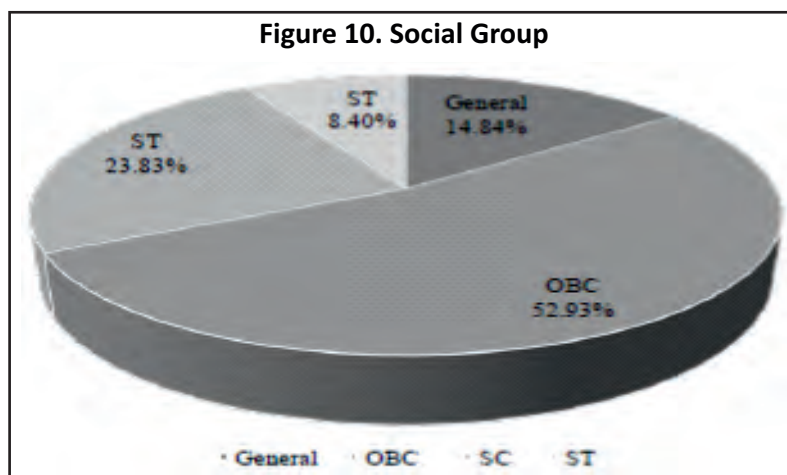
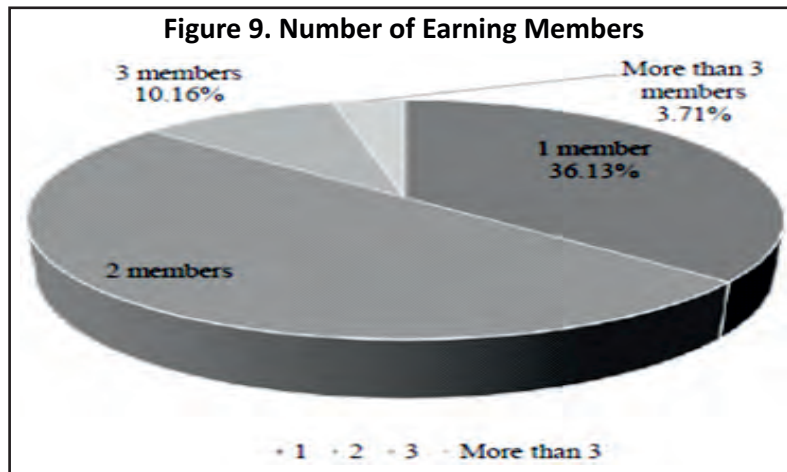


Figure 8 shows the number of family members of the respondents. Out of 512 respondents, 4 respondents (0.78%) had only one family member in their family ; 8 respondents (1.56%) had two family members ; 39 respondents (7.62%) had a family of three members. Among all, 96 respondents (18.75%) had four family members ; 122 respondents (23.83%) had five members in their family ; and 243 respondents (47.46%) had more than five family members.

Figure 9 shows the number of earning members in the family of the respondents. Here, out of 512 respondents, 185 respondents (36.13%) had only one earning member in their family, which means that the family of such respondents was dependent only on the income of one member. Among all, 256 respondents (50%) had two earning members in their family, which reveals the dependency of the entire family on the income of two family members. Out of 512 respondents, 52 respondents (10.16%) were dependent on the income of three earning members in the family. Only 19 respondents (3.71%) had more than three earning members in their family.

Figure 10 shows the social group of the members. Out of the total respondents, 76 respondents (14.84%) belonged to the General category. Among all, 271 respondents (52.93%) belonged to the OBC category ; 122 respondents (23.83%) had SC category as their social group ; and 43 respondents (8.40%) had ST category as their social group.



Reliability Analysis

Table 1 shows the reliability analysis results. Here, the Cronbach's alpha values of 0.752 (Economic Empowerment) and 0.900 (Social Empowerment) are more than the required level of 0.6 (Cronbach, 1951). Furthermore, the values of 0.752 and 0.900 reveal the Cronbach's alpha results as acceptable and excellent, respectively (Cronbach, 1951 ; Hair, Black, Babin, Anderson, & Tatham, 1998). The results of reliability analysis reveal the data to be fit for further analysis.

Table 1. Reliability Analysis

Dimension	Cronbach's Alpha	Number of Statements
Economic Empowerment	0.752	8
Social Empowerment	0.900	20

Paired Sample t-test

(1) Economic Empowerment : Table 2 shows the results of paired sample *t*-test for the economic empowerment of women with respect to before and after joining the SHGs. The results of paired sample *t*-test reveal that after joining the SHGs, the respondents' ability to take decisions on loan taking facility, to take decisions on the use of the loan taken, and to take decisions on the use of loan taken (alone or with husband) increased significantly. After joining the SHGs, the respondents' preference to take decisions regarding taking loans from SHGs instead of from moneylenders increased significantly. Before joining the SHGs, all respondents were taking loans from moneylenders, but after joining the SHGs, they preferred to take loans from the SHGs instead of from moneylenders.

Table 2. Paired Sample *t* - test : Economic Empowerment

Statement	Before Joining SHG		After Joining SHG		t-Value	Sig.
	Mean	S.D.	Mean	S.D.		
I am taking a decision on availing loan facility.	4	1.253	1.37	0.993	39.18	0.000
I am taking a decision on the usage of the loan taken.	4.05	1.188	1.71	0.935	38.43	0.000
I am taking a decision of the usage of the loan taken (alone/ with husband).	4.01	1.200	1.51	0.909	39.89	0.000
I am taking a loan from SHG instead of from money lenders.	4.26	0.440	1.51	0.500	94.50	0.000

(2) Social Empowerment : Table 3 shows the results of paired sample *t*-test for the social empowerment of women. After joining the SHGs, the respondents' ability to take decisions regarding the education of children and education of daughters increased significantly. More respondents were involved in taking decisions regarding the education of children and daughters after joining the SHGs. After joining the SHGs, the respondents' participation in the decision making about family matters or problems increased significantly. The respondents' ability to take decisions regarding cooking enhanced significantly after joining the SHGs, that is, women were able to take

Table 3. Paired Sample t-test : Social Empowerment

Statement	Before Joining SHG		After Joining SHG		t-value	Sig.
	Mean	S.D.	Mean	S.D.		
I am able to take a decision regarding the education of children.	3.62	1.447	2.05	1.561	1.898	0.000
I am able to take a decision regarding the education of daughter.	3.61	1.454	2.14	1.528	20.856	0.000
I am participating in the decision-making about family matters or problems.	3.77	1.53	2.35	1.666	20.770	0.000
I take decisions regarding what to cook.	2.33	1.192	2.28	1.197	2.589	0.010
I am able to take a decision on getting health care services for family.	1.68	1.214	1.67	1.206	1.416	0.158
I am able to take a decision on staying with parents and family members.	1.25	0.614	1.24	0.588	1.636	0.103
I am able to take a decision on household budget.	3.11	1.902	3.09	1.904	1.864	0.063
I can take decisions on visiting relatives.	2.55	1.158	1.88	1.117	13.372	0.000
I am able to take a decision on children's marriage.	4.08	1.356	2.48	1.343	25.914	0.000
I am able to take a decision on medical treatment.	2.82	1.193	2.81	1.194	1.388	0.166

decisions on what to cook for the family independently. However, the respondents' ability to take decisions on getting health care services for family did not increase significantly after joining the SHGs. This is because a majority of the respondents were getting health care services for their family before joining the SHGs. The respondents' ability to take a decision on staying with parents and family members also did not increase significantly after joining the SHGs. This is because majority of the respondents were already taking decisions on staying with parents and family members before joining the SHGs. There is no significant difference in respondents' ability to take decisions on household budget before and after joining the SHGs. This is because many respondents were involved in the decision - making regarding household budget before joining the SHGs. After joining the SHGs, the respondents' ability to take decisions on visiting relatives and freedom to go to festivals and ceremonies increased significantly. The respondents' ability to take decisions on the marriage of children also increased significantly after joining SHGs. However, the respondents' ability to take decisions on medical treatment did not increase significantly after joining the SHGs.

(3) Women's Involvement in Decision-Making : Table 4 shows the respondents' involvement in decision - making with respect to SHGs. Before joining SHGs, 26 respondents (5.08%) were *very often* involved in the decision-making. Out of 512, 233 respondents (45.51%) were *sometimes* involved in the decision-making and 253 respondents (49.41%) were *never* involved in the decision-making. After joining SHGs, 450 respondents (87.89%) were *very often* involved in the decision-making. Out of 512, 60 respondents (11.72%) were *sometimes* involved in the decision-making and two respondents (0.39%) were *never* involved in the decision-making. Overall, after joining the SHGs, involvement of the respondents in the decision-making increased. The reason for an increase in the involvement in the decision-making was due an increase in the earnings of the respondents and their loan taking ability.

A paired-sample *t*-test was conducted to compare the respondents' involvement in the decision-making before

Table 4. Involvement in Decision-Making

Involvement in Decision - Making	Before Joining SHG		After Joining SHG	
	Respondent	%	Respondent	%
<i>Very often</i>	26	5.08%	450	87.89%
<i>Sometimes</i>	233	45.51%	60	11.72%
<i>Never</i>	253	49.41%	2	0.39%
Total	512	100.00%	512	100.00%

Table 5. Paired Sample t-test : Involvement in Decision Making

Factor	Before Joining SHG		After Joining SHG		t-value	Sig.
	Mean	S.D.	Mean	S.D.		
Involvement in decision-making	2.44	0.591	1.13	0.343	40.364	0.000

joining a SHG ($M = 2.44$, $SD = 0.591$) and after joining a SHG ($M = 1.13$, $SD = 0.343$). The t -value (40.364) (see Table 5) and the significance value (0.000) reveal that the respondents' involvement in decision-making increased significantly after joining SHGs. The reason for increase of involvement in decision-making is increase in women's capacity to take loan facility and their earnings also increased through various activities.

(4) Empowerment Index and Participation Analysis : The empowerment score analysis is presented in Table 6 with respect to the participation duration of the respondents. The objective of this analysis is to check whether the empowerment index improves by the participation time or not. Table 6 shows the empowerment score with respect to the respondents' participation duration. The economic empowerment score is 0.977 for those respondents who were members of SHGs from 0 – 5 months. Those respondents who were members of SHGs from 6 – 12 months and 1 – 2 years, their empowerment score is 0.973 and 0.926, respectively. Those respondents who were members of SHGs for 3 or more years, their empowerment score is more than one. It can be seen that the economic empowerment score improves if the women were participating in the SHGs since a long duration.

The social empowerment score is 0.650 for those respondents who were members of SHGs from 0–5 months. Those respondents who were members of SHGs from 6–12 months and 1–2 years, their empowerment score is 0.667 and 0.625, respectively. Those respondents who were members of SHGs for 3 or more years, their empowerment score is higher as compared to other members. Hence, it can be seen that women who were members of SHGs since a long duration have better social empowerment score.

Table 6. Empowerment Index and Participation Analysis

Duration	Economic Empowerment	Social Empowerment	Political Empowerment
	Score	Score	Score
0–5 months	0.977	0.650	0.500
6–12 months	0.973	0.667	0.313
1–2 years	0.926	0.625	0.276
3–4 years	1.038	0.676	0.278
More than 4 years	1.053	0.692	0.333

The participation duration does not have much effect on the political empowerment. Further, as seen in the political empowerment score index, the women were not much empowered after joining the SHGs on political grounds.

Overall, based on the analysis, it can be concluded that the women were more empowered if they were members of SHGs for a longer duration. Thus, efforts should be made for continuation of members in groups for longer duration, which can empower them on various fronts.

(5) Empowerment Analysis and Attending Meeting Analysis : Here, the empowerment score analysis is presented in Table 7 with respect to attending the meetings. The objective of this analysis is to check whether the empowerment index improves with the attending of meetings by the respondents. Table 7 shows the empowerment score with respect to the respondents' presence in the SHG meetings. The economic empowerment score is 0.960 for those respondents who were attending 1–3 meetings in a year. Those respondents who were attending 4–6 and 7–9 meetings in a year, their empowerment score is 0.967. Those respondents who were attending 10–12 meetings or more than 12 meetings in a year, their economic empowerment score is 0.971 and 1.023, respectively. It can be seen that the economic empowerment score improves if the women were attending more meetings in a year.

Table 7. Empowerment Analysis and Attending Meeting Analysis

Meetings	Economic Empowerment Score	Social Empowerment Score	Political Empowerment Score
1–3 meetings	0.960	0.598	0.297
4–6 meetings	0.967	0.632	0.298
7–9 meetings	0.967	0.636	0.305
10–12 meetings	0.971	0.672	0.300
More than 12 meetings	1.023	0.705	0.372

The social empowerment score is 0.598 for those respondents who were attending 1–3 meetings in a year. Those respondents who were attending 4–6 and 7–9 meetings a year, their empowerment score is 0.632 and 0.636, respectively. Those respondents who were attending 10–12 meetings or more than 12 meetings a year, their economic empowerment score is 0.672 and 0.705, respectively. The social empowerment score improves if the women were attending more meetings in a year.

The political empowerment score is 0.297 for those respondents who were attending 1–3 meetings in a year. Those respondents who were attending 4–6 and 7–9 meetings a year, their empowerment score is 0.298 and 0.305, respectively. Those respondents who were attending 10–12 meetings or more than 12 meetings a year, their economic empowerment score is 0.300 and 0.372, respectively. The political empowerment score improves if the women were attending more meetings in a year.

Overall, it is found that the women were actively involved in the SHGs if they were attending more meetings. Thus, the SHGs should arrange at least one meeting in a month. Further, the SHG members should fix the meeting in such a way that more and more women can attend the meetings.

Conclusion and Implications

The primary objective of this study is to assess the performance of microfinance in rural areas of North Gujarat.

This study focuses on the women empowerment from the decision-making perspective. The study was conducted with 512 SHG members belonging from the Aravalli and Mehsana districts of North Gujarat. The reliability analysis proves the data to be fit to perform further tests. The paired sample *t*-test is calculated for various economic and social decisions. The results of the paired sample *t*-test show that the decision-making ability of women increased significantly after joining the SHGs. The women were able to take decisions regarding loan taking facility, use of the loan taken, use of the loan taking (alone/ with husband), and taking a loan from SHGs instead of moneylenders. After joining the SHGs, the women were able to take various social decisions. After joining the SHGs, the decision-taking ability of women increased significantly. The women were able to take decisions regarding the education of children, the education of daughters, family matters or problems, cooking, visiting relatives, and children's marriage. However, the women were not able to take decisions regarding getting health care services for family, staying with parents and family members, household budget, and medical treatment. Furthermore, it is observed that those women who participated in SHGs for longer duration and attended more meetings in a year, they were more empowered as compared to other women.

Based on the outcomes of the study, the implications are suggested for the SHG members. Efforts should be made for the stabilization and sustainability of the members in the SHGs. Other members should sort out the problems and the issues of the SHG members so that the members can continue in the groups for longer duration, which can empower them on various fronts. The SHG meetings should be organized on a regular basis as the active involvement of women in the SHGs will affect their empowerment positively. The SHGs can fix a common time (which is suitable to all the members) for meetings so that the members can meet on a regular basis. If the members attend one meeting at least in a month, this can lead to active involvement of women in the SHGs, which will affect their empowerment positively.

Limitations of the Study and Scope for Further Research

The present study is limited to North Gujarat area, that is, to Aravalli and Mehsana districts. The study covers 512 respondents from 12 villages of six talukas. The study has limitations in terms of geographical area. In the future, researchers can consider other regions of Gujarat state such as Kutchh, Saurashtra, Middle Gujarat, and South Gujarat to examine women empowerment with respect to microfinance services. Furthermore, a study can also be conducted (with relatively large sample size) for the whole Gujarat state to examine the impact of microfinance on women empowerment.

Authors' Contribution

Dr. Ritesh Patel generated the idea of assessing the impact of microfinance on women empowerment and worked on the introduction, literature review, and research methodology. Both the authors worked on the data collection with two research associates. Dr. Ritesh Patel worked on the data analysis, interpretation, and conclusion.

Conflict of Interest

The authors certify that they have no affiliations with or involvement in any organization or entity with any financial interest, or non-financial interest in the subject matter, or materials discussed in this manuscript.

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