

MICRO CREDIT, EMPOWERMENT AND DIVERSION OF LOAN USE

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ABSTRACT

Micro credit or extending small loans for income generating activities to the poor, particularly women in predominantly developing countries has become one of the most popular development strategies of the last few years. Despite the fact that micro credit has liberated the women from poverty and enhanced their empowerment to some extent, it has been seen that, many women are unable to use the loan for income generating activities. Rather they are forced to divert the use of their loans for other purposes. It is also seen that women loss direct control of the loan taken in their name. But very little has been written on these aspects i.e., diversion of loan use, loss of direct control of loans and empowerment. These aspects have to be systematically and empirically examined. Hence, in this paper an attempt has been made to find out the diversion of loan use, loss of control of loan and empowerment of women on the basis of data collected from an NGO, Trivandrum Social Service Society in Kerala, India.

Women comprise 50 per cent of the world's total population, perform two-third of the world's work hours, receive 10 per cent of world's income and own less than one per cent of total assets. All this is because of an accident of birth. As regards India, they constitute 50 per cent of the total population i.e., one half of the country's human resources. As citizens, workers and mothers, they contribute greatly to the economic development and progress of the country. Yet, they form the largest disadvantaged group in the country.

Presently, the development of women has become the prime concern of each and every government of the low income countries. This is also true of India. Over the decades of planned development, the shift in emphasis of women's programmes from a welfare oriented approach to a more pragmatic and development oriented approach has acknowledged women as a productive worker and contributor to the economy. There has been an increased concern for developing the skills of women.

Many factors can contribute to the socio- economic development of women such as land, technology, credit, employment etc. Of these various factors, access to credit constitutes the crucial input for their ability to earn an income, leading to an increase in their status and autonomy (Mayoux, 1995a). In short, it contributes to their holistic development. In any country, there are mainly two sources of credit for any production activity. They are the owned sources and debt sources of finance.

But the owned sources of finance have been very meager due to low income and low savings of the people of India. In India poverty is a chronic problem and it still persists, as 260 million people (out of a population of 1027 million) are surviving on less than a dollar a day, the World Bank's classic measure of absolute poverty. Poverty in India has a predominantly female face. Many studies confirm this fact. Women's access to financial resources is greatly constrained due to cultural, traditional and sociological factors. Traditional inheritance and land tenure laws restrict women's ownership and use of land. This leads to their inability to obtain finance. Though we have a large net work of banks and other financial institutions in the country, they are less inclined to give credit to women due to the lack of collateral security. Hence a significant number of women remain out side the ambit of institutional finance. The non- institutional source consisting of money lenders, traders, merchants, commission agents, relatives and friends pursue multiple kinds of exploitative practices, like charging an exorbitant rate of interest, grabbing the assets of the clients etc. Under these circumstances, the development of women has been impeded.

Micro credit or extension of small loans for income generating activities to the poor, particularly the women in predominantly developing countries has become one of the most popular development strategies of the last few years. They are promoted as a strategy for poverty alleviation and women's empowerment (RESULTS, 1997). There is a growing body of literature (Mayoux, 1995a, Pitt and Khandker 1995) which argues that credit programmes empower women by strengthening their economic roles, enhancing their capacity to contribute to their family's income, helping them establish their identity outside the family and giving them experience and self confidence in the public sphere. Many studies have been made to investigate whether self-help groups and micro credit programmes have been efficacious in the empowerment of women.

REVIEW OF LITERATURE

A review of the existing literature shows the significance of the micro credit programme for empowering women. For Bangladesh, Hashemi *et al* (1996) showed that participation in Grameen Bank and BRAC is positively associated with a woman's level of empowerment. It enhanced her relative physical mobility, economic security, and ability to make various purchases of her own, their ownership of productive assets, and involvement in major household decisions, relative freedom from family domination, political and legal awareness, and participation in political action of various kinds.

In India, the micro finance movement was formally launched in 1992 with the National Bank for Agriculture and Rural Development (NABARD) launching the Pilot Project for linking Self Help Groups (SHGs) with banks. Although its growth was cautious and erratic in the initial years, in the last-half decade, the micro- finance sector has grown at a fairly significant. A number of studies conducted in India found the positive effects of micro credit. For instance, the study by Shibalal (2006) came to the conclusion that economic, social and political empowerment of the women has increased as a result of participation in micro credit programme. Women have proved that if given the opportunity, they know how to wisely invest their money for economically viable and environmentally sustainable income generating activities, repay their loans with almost a 100 per cent repayment rate and become the masters of their own destiny without the interference of their men. V.Harikumar and B.Vijayachandran Pillai, (2006) in their article Self Help Groups in Kerala states that the very existence of SHGs is highly relevant to make the people of below poverty line hopeful and self reliant. SHGs enable them to increase their income, improve their standard of living and status in society. It acts as a catalyst for bringing this section of the society to the mainstream. A study by Lakshmy Devi.K.R(2006) examines the role of micro credit programmes in creating income generating activities for women and how far they have been successful in the empowerment of the beneficiary women. The study arrived at the conclusion that the micro credit based income generating activities initiated by the NGO Society for Rural Improvement (SRI) have clearly helped in poverty alleviation and empowerment of the rural women. These activities made a difference in the lives of the poor women by providing them with economic independence and the self esteem, self confidence and autonomy that it brought along. Prof.Violet and Sr. Rosaline noted in their paper "Self- Help Groups (SHG) - A Strategy for Women Empowerment" (2007) that due to massive self-help movement, there is perceptible improvement in socio-economic status of rural women. Due to the efforts taken by the government, women have become very active, assertive and are concerned with issues relating to them and their surroundings.

But some other studies have expressed doubts about the flow of automatic programme benefits to women (notably Ackerley, 1995; Montgomery et al 1996; Goetz and Sen Gupta, 1996). According to them the patriarchal social structure in mostly developing countries impedes women's empowerment through provision of credit and under some circumstances, may even exacerbate their situations. Ackerley's (1995) study of 826 loans to 613 women borrowers in the Grameen Bank, Save the Children Fund (USA) and BRAC shows loss of direct control over loans. She used accounting knowledge as the indicator of empowerment.

Sen and Gupta (1996) employed a five point index of loan control, as full, significant, partial, very limited and no involvement as their indicator of empowerment. In 37 per cent of the cases, women retained full or significant control i.e., control over the entire productive process, whereas in 22 per cent of the cases women had no managerial involvement or women stated that they were unaware of how their husbands or other male members had used loans. Further, they had provided no labour for the productive process. The study found that majority of women particularly married women exercised little or no control over their loans. Sen and Gupta identified three possible repayment scenarios, all with negative implications for women. In the first place, the male family member who is using the loan supplies the installments regularly. This is welcomed by some women. But it has a negative implication according to the authors as the developmental objectives of targeting credit to women can be eroded. In the second place men may not supply the installments; instead women may substitute funds from their regular savings or by selling things like eggs, fruits, vegetables etc. Here women have to bear the responsibility of repayment but they have no control over loans. Besides, this results in the depletion of daily consumption resources in the household. In the third place men were reluctant to repay the loans resulting in escalating tensions within the family, which often ends in violence.

According to the findings of Montgomery, Bhattacharya and Hulme (1996), only 9 per cent of first time female borrowers were primary managers of loan- funded activities while 87 per cent described their role in terms of "family partnerships." By contrast, 33 per cent of first-time male borrowers had sole authority over the loan assisted activity while 56 per cent described it as a family partnership. They also found that access to loans had done nothing to alter the management of cash within the household for either female or male loanees. One Indian study particularly Rajasekhar's (2002) study of NGOs in Andhra Pradesh and Credit Unions in Kerala found that no attempt was done to support women's economic activities and the majority of credit was given for household crop production. Although women played a role in production, men controlled decision making and the income. In some cases women had been pressurized into taking loans by their husbands and handed the loans directly over to them. The men used the majority of the loan for cultivation and gave women the money for the repayments. For instance, one woman received a loan for a poultry unit but it was taken by her husband for cultivation and the rest was used for meeting household needs. There was a lot of pressure on her from the group on account of diverting the loan. With great difficulty she repaid the loan out of wages from her labour (Rajasekhar, 2000). After that she was hesitant to borrow from the group. She also rejected the request of her husband to borrow for cultivation purposes. This high level of usage of loans accessed by women for agricultural activities conducted by men is also typical of many

of the NGOs involved in the CASHE project in West Bengal, Orissa and Andhra Pradesh. This use of loans accessed by women for economic activities by men is occurring in both female- targeted programmes and mixed sex programmes. In another case, a loan was taken for goat-fattening. Just one month after the purchase, the woman's husband sold the goat to pay for alcohol when she was away. The responsibility of repaying the loan thus fell on her shoulders. It thus becomes important to know whether women has benefitted from participation in micro credit programmes, whether they really enjoy control over loan use, or whether any diversion of the use of loans has taken place. These things have to be systematically and empirically examined. Therefore, the present study attempts to examine the following.

Objectives of the study

- 1) To examine the extent of women's control over loan use
- 2) To examine the diversion of loan use
- 3) To examine the level of empowerment of women.

Methodology

The study is based exclusively on primary data collected from a selected sample of beneficiaries of the micro- credit programme initiated by an NGO-Trivandrum Social Service Society (TSSS), in Valiyathura region of Trivandrum district in Kerala. Data from 100 purposively selected women beneficiaries of TSSS were gathered using a well structured pre-tested questionnaire during April- May 2008. The data were then classified and analysed.

Trivandrum Social Service Society (TSSS): An Over view of its Functioning

Trivandrum Social Service Society (TSSS) is a non-governmental organization, registered under the Travancore Cochin Literary, Scientific and Charitable Societies Registration Act of 1955. It was established in 1960 and functions as the social action wing of the Arch Diocese of Trivandrum.

The vision of the organization is the 'creation of a just society' based on love, peace, truth, equality and justice and the mission is empowerment of marginalized communities towards sustainable and participatory development process.

TSSS has the following objectives.

*To organize the communities and to facilitate formation and strengthening of local leadership.

*To build up capacity of the people for sustainable livelihood.

*To facilitate creative participation of women in socio-economic and political processes.

*To improve health status of the poor by promoting community health.

Operational Area

The operational area of TSSS spreads over 686 sq. kilometers mostly in the coastal belt from Ayroor in Kerala to Eryamenthurai in Tamil Nadu. It consists of eighty four villages in Thiruvananthapuram district of Kerala and Vilavancode Taluk of Kanyakumari District in Tamil Nadu. The population consists of fish workers, marginal farmers, agricultural and casual labourers. It includes Dalits and other backward communities.

Organizational setup of TSSS

TSSS' vision regarding SHGs was that they are the building blocks of community development. Realizing the potentiality in tapping resources for the self- reliance of its members, TSSS had formed the first Self Help Group called Mythry Self Help Group in the narrow lane of Karumpallykkara in Vizhinjam in the year 2000. It is running a margin free shop with the aid from Vizhinjam Grama Panchayat. Now TSSS has 450 SHGs in its jurisdiction (Annual Report, 2005). There is no SHG which does not have a single income generation programme. 7650 families are involved in the direct community development scenario linking with Panchayati raj institutions, banks etc.

The SHGs functioning under TSSS are organized into federations. These federations are set up in parishes. Each federation has a President, a Secretary and a Cashier. Below the federation there are the SHGs. The president and secretary of each Self Help Group constitute the members of the federation. Seven parishes constitute one Forane. Meeting of the federation is conducted once in a month, usually the third Saturday of the month.

Area of study

The Valiyathura Region of Thiruvananthapuram district was selected as the study area. It includes seven parishes, such as Kochuthope, Vettucadu, Valiyathura, Kannamthura, Kochuveli, Puthenthope and St.Xaviers. This region was chosen mainly because of two reasons: - 1) Most of the SHGs of TSSS are functioning here 2) the fisher folk live in these areas. In the Valiyathura region 102 SHGs are functioning. From these 102 groups, 20 groups have been chosen for the study.

Selection of SHGs for the study

Given the time constraint and the exploratory nature of the study, it was decided to focus on only a few selected SHGs. The SHGs have been functioning at least for 3 years. This selection was preceded by a pilot study of an SHG functioning since January 2004. The pilot study gave very useful insights about the functioning of the SHGs.

Each SHG has a President, a Secretary and a Cashier. The office bearers are elected normally for two years but in actuality not much rotation takes place in these groups. The President is usually a senior member of the group. The Secretary is responsible for managing the activities of the group. The SHGs keep books like passbook, report book, accounts book and attendance book.

SHG meetings are held once in a week in the house of members. The members are required to pay Rs.25 per week as savings. The members have to attend the meetings regularly. If any member fails to attend the meeting she will have to pay a fine of Rs.5. The imposition of the fine ensures the presence of the members in the meeting. This fine amount is usually utilized for meeting the expenses of the group.

SOCIO- ECONOMIC PROFILE

The purposively chosen 100 beneficiaries represent a heterogeneous group in terms of age, educational attainments, and living conditions. The age of the women respondents ranged between 26 and 65.

An overwhelming majority i.e., 34% of the respondents were 46-55 years old. It is surprising to note that 62% of the respondents are in the age group 26-45. The aged constitute barely four per cent of the total women surveyed.

Caste

As TSSS is functioning under the Archdiocese of Thiruvananthapuram District, majority of the SHG members belonged to the Latin- Catholic community. Only two per cent of the members are from the Hindu community. The predominant occupation of the Latin Catholic community is fishing.

Educational Status

Education plays a crucial role in the selection of the job of the respondents. The education wise distribution of the total sample shows that majority of the women respondents (52%) had secondary education, i.e., they have either studied up to the tenth standard or passed SSLC(Secondary School Leaving Certificate). The percentage of respondents having Higher Secondary Education is 10% while those having graduation is very small -4%.It is surprising to note that 4% of the respondents in the sample are illiterates in a state which claims to have attained cent per cent literacy.

Marital status

All the women respondents selected for the study include only married women with their husbands living with them. This is mainly with a view to understand the degree of control enjoyed by the women in the utilization of loan, income generated etc. All the widowed, separated and divorced women were excluded from the purview of the study because it is evident that they hold full control over loan use.

Living conditions

Details were gathered pertaining to the housing conditions. These include items like type of the structure of the house, provision of amenities like water supply, electricity etc, type of fuel used. The type of structure of house was divided into two broad categories, viz., pucca and kutcha. 61 per cent of them were living in pucca houses and the remaining 39 per cent in kutcha houses. 43 per cent of the respondents had provisions for wells while 57 per cent of respondents had no access to drinking water and depended on public taps. With regard to the type of fuel used we found that 46 per cent use firewood for cooking purposes and the remaining 54 percent use both firewood and cooking gas. No one was found to be using cooking gas only. 91 per cent had toilet facilities while nine per cent had no such provision. 93 per cent of the respondents had electricity in their houses while seven per cent used kerosene lamps.

Size of the family

Though majority (67%) had nuclear families, joint families did exist (33%).This is a situation which is rarely found in other parts of Thiruvananthapuram district. This shows that women show great love, respect and concern for their parents/ in-laws. 94 % the respondents have two children, four per cent have three children and two per cent do not have any children.

47% of the women do not have any land in their name. 28% have land less than three cents and 20% have between 3-5 cents of land. Five per cent women live in purampokku land, i.e., land owned by the government. All the respondents live very close to the sea. This poses a threat to their life and property. During the rainy season, their dwellings are often left at the mercy of the sea.

Occupation of the respondents

82% of the husbands of the respondents are fisherman, while five per cent are working as auto drivers. Ten people (10%) are unemployed and the remaining three are serving as security staff in some private firms. As regards the occupation of the respondents, majority of the respondents (44%) are engaged in the selling of fish. 10% are running provision shops. 22% of the women are involved in the sale of clothes. 11% women are engaged in cottage industries like pickle and curry powder making, candle and umbrella making. Sewing is done by seven women and six women engaged in the manufacture of soaps.

LOAN CONTROL AND DIVERSION OF LOAN USE

Evidence from India and some other countries show that even in financially successful micro finance programmes, women are not necessarily the actual users of loans accessed in their names (Mayoux, 2003). Even where women use loans for their own economic activities, most women remain confined to a narrow range of female low income activities. Increasing access to loans cannot therefore be taken as an automatic indication of benefit to women. This depends upon what the services are used for and by whom. The appearance of a woman in the loan register as beneficiary does not imply that she actually uses the loan for the purpose for which it was sanctioned. Even in SEWA (Self Employed Women's Association- basically a trade union of self employed women), where there was found to be a fairly high level of control by women over loan use, 6-7 per cent said their husbands made the decision without consulting them.

Women's control over loan use

An important objective of the paper was to examine the extent of women's control over the loan obtained through the micro credit programme of TSSS. During the course of the interview of the respondents, the researcher posed a number of questions to them about women's control over the loan use. For example, they were asked about the activity they invested in, the source of the inputs and productive assets, the expenditure incurred, how they were put to use, where outputs were marketed,

at what price, what were the problems involved in the productive process, who was the main user of the loan, who controlled the accounts and who is in charge of general management etc. These questions were asked in order to check whether women have actually obtained managerial control over the productive activity from the initial loan proposal to investment in productive assets, marketing and use of profits.

Majority of the respondents, i.e., 79 per cent reported that they had complete control over the loans. Their husbands did not ask them about the loan to be given to them. Rather they helped their wives in their activities and encouraged them to make use of the loans properly. Some of their husbands even helped them in taking the finished products to the market. They also helped their wives by taking care of the children or assisting them in the household chores. But 14 per cent of women enjoyed only partial control. This was because of the drinking habit of their husbands. Their men demanded money for alcohol, smoking and other kinds of expenses. Due to this the women could not invest the loan fully in the income generating activity, which she was pursuing. Women had to pay money to their husbands, otherwise they would be subjected to some kind of verbal abuse, physical torture etc. Alcoholism is rampant among the fisher folk, though the women say that their husbands drink only during Christmas or Onam (the state festival of Kerala) or once in a while. They are generally reluctant to disclose their husbands' faults to an outsider. In this case women have to find out the money for repayment of loan. Seven per cent women reported that they have no control over the loan taken. Their husbands generally pressurize them to take the loans so as to finance their business. They (male members in the family) think that SHGs are an easy and cheap source from which they can access funds. They encourage the women to attend the group meeting regularly and supply the money to their wives for repayment. So though the loan is taken in the name of the woman it is used by their husbands for activities. Micro credit is provided to the women with the noble purpose of facilitating income generating activities among women so as to enhance their economic and social empowerment. The very purpose of micro credit is defeated. Here is a good example.

Case I

Irene, aged 32 years had studied up to higher secondary level. She is giving tuition to some students. She is also doing some tailoring activities, i.e., taking orders from the people and supplying dresses to them. Her husband does catering work. During the festival season he gets more orders than in other seasons. So in order to invest money in his business he had prompted her to take a loan of Rs.5000 and the money was used by him. She could not use single paise to promote her tailoring work.

He pays the money regularly to repay the installment. What is the use of providing credit to a woman if a man enjoys control over that?

Diversion of loan use

Diversion of the use of loan is also found among the women. While interacting with the respondents the women reported that they never liked to divert the loan for any other use than was specified in the loan application. But circumstances compel them to utilize the loan in different ways. To some, it may be due to acute poverty. To others, illness of the husband, educational needs of the children, sickness of the respondent herself, and unemployment of the husband or some other needs. It is quite relevant to mention that during the monsoon season, when the sea is turbulent, the fishermen cannot go to the sea for catching fish. During this season, it is the women who meet the day to day expenses of the household either by borrowing money from the self help group or by managing to obtain funds from other persons like friends or relatives or even from the moneylenders. I would like to refer some cases of loan diversion.

Case II

Wilma Fernandez, aged 55, is living with her husband in the coastal area of Thiruvananthapuram. Her husband is mentally unsound. Her only son had died at the age of 18 under suspicious circumstances. One day his body was found in the railway track. Her husband who is mentally disordered very often becomes violent and he was put in chains in the house. She herself is suffering from acute respiratory problem. The responsibility of looking after her husband fell on her shoulders. In order to meet both ends, she had started the business of selling dry fish. She purchases fresh fish from the sea side market and dries it the sun with the help of her sister. Once she had taken a loan for Rs. 2000 from the group with the hope of using it productively in the business. But as her health deteriorated, she was forced to spend the money completely for her own treatment. In this way, disease acted as a villain in the diversion of loan use.

Case III

Catherine, a resident of Valiyathura is the mother of two children, a boy and a girl. She is 29 years old. Her son is studying in Std. V and daughter in Std. II. Catherine's husband is a fisherman who toils hard to earn their bread. She had taken a loan for Rs. 5000. During the course of the interview she told me that she had used the money for paying tuition fees of her children who were studying in a

private school following CBSE syllabus. She thinks that providing good education to her children is more important than anything else. In this way she had diverted the use of the loan. Actually the loan was given for taking up some kind of income generating activity .She had engaged herself in the sale of candle sticks, books and such other stationary items. With regard to the repayment of the loan she is very punctual. As she is very punctual she has no problem with the group.

Case IV

Aleena is a woman of 46. She is living with her husband and two sons. From the group to which she belongs, she had secured a loan for Rs. 5000. Aleena's husband was a fisherman. She is very busy in the sale of fish. Her work starts early in the morning and ends in the noon. The income from her business is just sufficient to meet her daily needs. So when her son needed a passport to obtain a job in the Gulf, she had no alternative but only to approach the self help group. So the loan was used for securing the passport. She has not utilised the loan for expanding her business. But now she is very happy because she thinks that it was the loan which had enabled her to send her son to the Gulf.

Case V

Linda had taken a loan of Rs.3000 from the group with the intention of investing in her business namely washing soap manufacturing. By that time her husband fell ill. He was admitted in a government hospital. In order to meet the expenses in the hospital she had to pledge her gold chain. But her husband's condition became worse and he was admitted in a private hospital for more care. This time she had no other means, so she was forced to utilize the entire amount for paying the hospital bill, even after borrowing from her relatives. It was not a case of compulsion from her husband that prevented her from investing the money in her activity. Her business was closed for a few days. Even then she managed to repay the monthly installment in the group.

EMPOWERMENT

Empowerment is a multifaceted process which encompasses many aspects enhancing awareness, increasing access to resources -economic, social, and political, but of which an equally important component is the mobilization and organization into groups because these groups form the basis for solidarity, strength and collective action. Empowerment is a process by which individuals, groups and communities become able to take control of their circumstances and achieve their goals, thereby being able to work towards maximizing the quality of their lives. Empowerment commonly

means becoming powerful; self- help may thus be viewed as one of the forms of empowerment (Visweswara, 2007).

Much has been written on the impact of micro credit programme on the empowerment of women. Different individuals have used different methodologies of empowerment. Reddy (1987) suggested a triangular model of empowerment. Mayoux(1998) objected the conventional methodology of empowerment and suggested a frame work for analyzing women’s empowerment. These studies indicate that empowerment encompassed a wide variety of factors- economic, political and social. Hence it is pertinent to know whether the micro credit programme of TSSS has enhanced the economic, social and political empowerment of women. Economic empowerment is analysed by examining variables like reduction in the dependence on money lenders, change in income, and savings.

Reduced dependence on money lenders

Before the setting up of the SHGs by the TSSS, the women in the coastal areas have largely depended on money lenders to meet their urgent and immediate credit needs. These greedy money lenders charged an exorbitant rate of interest which these people could not afford to pay. For example when a woman is given Rs. 100 in the morning, she will have to return Rs. 110 in the evening amounting to an interest rate of 3650%.But with the setting up of the SHGs the dependence of the women on the money lenders have been significantly less though not absolutely reduced.

The SHGs of TSSSS have given loans to the poor women to help them take up and manage on their own productive activities which would enable them to earn income. Some of them (8%) have taken loans even three times. After repaying the loan fully a second or third loan is sanctioned. The peer monitoring, resulting from group liability guarantees better utilization and recovery of loan.

All of them except seven have utilized the loan for productive purposes. Seven percent of women had not utilized the loan for the purpose for which it was allotted. Rather we could see a diversion of the fund. Table.1 furnishes details about the loan availed by the respondents.

Table. I Amount of loan availed by respondents

Loan (Rs.)	Respondents (%)
0-1000	18
1001-5000	43

5001-10000	31
10001-15000	8
Total	100

Source: Primary data

While 43% women had accessed loans up to Rs. 5000, eight per cent have borrowed up to Rs. 15000 one after the other from the group. The proper functioning of the group has reduced their dependence on money lenders, although they cannot claim complete freedom from the clutches of the money lenders.

Success story

Case I- Rani aged 27 is an active member of an SHG. She had obtained a loan amounting to Rs. 5000 for carrying out business, namely sale of readymade garments. She buys nighties from Singapore, where her sister-in law lives. The nighties have great demand in the coastal region as it is made in Singapore. She is getting Rs.1000 as profit after making repayment of the loan every month. Rani is very happy with her business.

Income position

In order to find out the extent of economic empowerment brought out by the micro credit programme of TSSS, we have to examine the income of the respondents at two time points namely pre-SHG income level and the current income level- i.e., the income level reported to the researcher by the respondent during the survey period. Table II shows the levels of income earned by the respondents before and after their entry into the SHG.

Table- II Income of the respondents pre-SHG and post SHG

Monthly Income(in Rs.)	Pre-SHG stage(%)	Post-SHG stage (%)
No income	24	-
Up to 1000	49	30
1001-1500	14	38
1501-2000	10	18
2001-2500	3	10
2501 and above	-	4

TOTAL	100	100
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Source: Primary data

Before joining the SHG, 24 per cent of the women were not able to contribute towards their family income except their labour power as they did not have the skills and opportunities for employment. After joining the SHG they have been given training in making umbrellas, soap, candle and embroidery work. This has enabled them to take up activities related with it and hence we could see an improvement in their standard of living.

After becoming members in the SHG, the respondents have taken up activities which give them income. Table -II shows that before joining the SHG, 24 per cent of the respondents had no income and none of the respondents had income above Rs. 2500. After joining the SHG, all the respondents have earned income and four per cent of them have income above Rs. 2500.

Increase in savings

Savings and credit are two important pillars for development. We can not have one with out the other. Positive savings of a group indicate its economic well-being. The saving habits of the members have increased as a result of participation in SHGs. Before joining the groups these women did not have any savings. They said that what ever savings they had at present was solely due to their membership in the group. Each week members are required to contribute Rs. 25, which is entered in their pass book. Table.III furnishes details about the savings of the women. It shows that majority of them (35%) have savings up to Rs.1000, 27% have savings up to Rs.500. Five per cent members have savings above Rs. 4200. None of the women have savings in institutions like LIC, nationalized banks etc. But some women have joined the Jeevan Jyothy policy of the church which is an insurance policy in which women deposit Rs.50 per month. They get insurance coverage against illness.

Table.III Savings of women respondents

Amount (in Rs.)	Respondents (%)
0-500	27
501-1000	35
1001-1500	23
1501-2000	10

2001 and above	5
TOTAL	100

Source: Primary data

Women have used credit to significantly increase income under their control. In some cases income increases were not great but loans had enabled women to keep marginal businesses afloat, without recourse to money lenders. Access to a loan had kept these women from multiplying a debt which would lessen their ability to earn an income.

Social Empowerment

Once economic empowerment is achieved, it has major implications on the overall empowerment of women. Participation of women in SHG enables them to attain holistic social development. SHGs have an in-built mechanism where emphasis has been given over capacity building of women through developing their dialoguing skills. An SHG functions through its regular meetings, where members perform transactional activities and discuss over different related issues. This discussion among the group members is the means through which they give voice to their needs and it proves to be a platform for addressing their social and economic problems and enlightening their inner selves as well. Here is an example of the extent of social empowerment achieved by these women.

The researcher visited the place St. Xaviers, Kurisadi junction. The members of the SHG complained about the water problem. The Valiyathura Sewage Farm is situated very close to this place. Water in that area is contaminated. All the people in that area have wells in their houses. The water in the well cannot be used for cooking or bathing purposes due to the presence of the drainage farm. It creates acute health problem to them. The members have joined together and brought the matter to the notice of the authorities. They say that this type of collective action is the result of SHG formation. Women power has stepped up its involvement in solving community problems.

The variables chosen to test the social empowerment are decision making and mobility. Six variables were used to study decision making. They are i) family budgeting ii) purchase of property iii) purchase of furniture iv) purchase of home appliances v) giving away gifts and vi) personal needs. The extent of empowerment attained is shown in the Table. IV.

Decision making

It is one of the best parameters for measuring the level of empowerment and equality. It implies the ability of women to take control of their lives and situation. When a woman has a higher level of education and economic independence, she tends to have greater say in the decision-making process.

Table. IV Decision-making

Category		Before	After
Family budgeting	A	40	70
	B	25	10
	C	35	20
	T	100	100
Purchase of property	A	-	-
	B	-	-
	C	-	-
	D	-	-
	T	0	0
Purchase of furniture	A	-	25
	B	50	10
	C	5	5
	D	45	60
	T	100	100
Purchase of home appliances	A	15	40
	B	31	7
	C	14	8
	D	40	45

	T	100	100
Giving away gifts	A	10	20
	B	58	32
	C	10	5
	D	22	43
	T	100	100
Personal needs	A	46	85
	B	36	2
	C	8	3
	D	10	10
	T	100	100

Source: Primary data

A = self B = husband C =husband and family members D= myself and husband T = total

Family budgeting represents the various items to be purchased daily, the amount spent for each item, variation in the items of consumption etc. It is seen from the table that after joining the group, the percentage of women taking independent decisions has increased from 40% to 70%.The percentage of cases where decisions were taken solely by the husband had decreased to a minor 10%.

It is seen that no purchase of property had taken place and therefore there was no need to taking decisions regarding the same.

Regarding purchase of furniture, it is found that 25 per cent women took independent decisions after joining the group. Another thing to be noted is that the percentage of joint decisions had increased from 45% to 60% indicating that women's opinions were given weightage.

Purchase of home appliances had increased after joining the income-generating activity under the SHG. In such cases, independent decisions were taken by 40 per cent women as opposed to 15 per cent in the previous period. The percentage of joint decisions had increased from 40% to 45%, while the percentage of decisions taken solely by the husband had reduced from 31% to 7%. This is an indicator of the fact that women's opinion was also being counted.

In case of giving away of gifts, independent decisions by women and joint decisions had increased as against the decisions taken only by husbands before the women joined the groups.

After undertaking income-generating activity, 85% of the women could satisfy their personal needs without consulting their husbands. The increase in number of women taking independent decisions was more than double.

Mobility

The level of mobility of the respondents were examined after considering variables like freedom to go to relatives' house, Panchayat offices, theatre, bank and market.

Table. V Mobility

Category		Before	After
Relatives' house	R	18	52
	O	42	30
	N	40	18
Panchayat Office	R	18	28
	O	24	52
	N	58	20
Theatre	R	-	-
	O	1	3
	N	99	97
Bank	R	18	39
	O	36	41
	N	46	20
Market	R	50	70
	O	35	25
	N	15	5

Source: Primary data

R = Regular O = Occasional N =Never

It is seen that after joining the SHG they are able to go on their own and carry out transactions. It is also found that they go to government offices like Panchayats independently. They

also go to the market regularly. It is seen that membership of SHGs has brought about a visible increase in their mobility. They are found to be independent, self-reliant etc. But one thing to be noted with regard to mobility is that there is no visible change in the percentage of women going to theatres. This is because of the attitude of the society. Those women who go to the theatres all alone are still treated with contempt. This shows that freedom of mobility of women is denied even now in certain cases.

Thus SHGs have enabled women to break the isolation which is socially structured into their lives by providing them an opportunity to meet other women and learn collectively rather than learn simply as individuals. While interacting with other women, they were able to acquire more skills. These skills enhanced their capacity to tackle family problems. All the women have expressed that their confidence, their ability to solve social issues, participation in charitable activities, ability to mingle with other people have increased. The role of women in decision making in their household affairs has increased. In short participation in SHGs have enhanced their self- confidence and contributed to their personality development.

Political Empowerment

Political empowerment refers to the equitable representation of women in decision making structures both formal and informal, and their voice in the formation of policies affecting their society. The political system should reflect their aspirations and ambitions.

As regards political empowerment the data collected showed that all the hundred women have exercised their votes according to their own will. They said that no one had influenced them in casting their votes. Even if any one (husband or male member in the family) attempted to influence them in voting, they cast their votes in accordance with their will as it was a secret ballot system. But casting votes alone does not imply political empowerment. It requires women to become decision makers in the political process. From among the 100 women surveyed, we found that only one woman had been chosen as the ward member through the election process. To the question why more women are not represented from the SHGs, they replied that they are not interested much in political activities. "We do not want to indulge in the corrupt politics. We want to spend that time in prayer or charitable activities of the Church. Besides, contesting elections require a lot of money, which we don't possess. We are poor people trying to eke out a living."

CONCLUSION

Micro credit through SHGs is now a vital weapon for the rural poor to fight against poverty. Now both Government and Non-Governmental Organisations are working extensively in this field. This paper addressed three main issues- control of loan, diversion of the use of loan and the extent of empowerment gained by women. The study found out loss of control of women over loan and diversion of loan. Credit alone is useless unless packaged with training, marketing, transportation facilities, technology, education etc. With appropriate market support strategies the members could effectively build enterprises as a source of their employment and income.

Chronic poverty has a crippling effect on the mind and aspirations of the poor women and this chains them to lower levels of living. The consumption and social needs are so pressing that any loan will be diverted from production requirements for satisfying consumption needs. So loans should be arranged by the NGOs to satisfy the consumption and social needs of women.

The impact of the programme on women empowerment is great. Mobility of the women has increased considerably with the exception of going to the theatres. Yet we found some flaws in the functioning of the microcredit programme. Usually no rotation of leaders takes place in the SHGs. In order to maintain a balance between knowledge and confidence of members there is need to rotate leadership roles among group members. Therefore, training to potential leaders must be imparted with focus on developing leadership skills, group dynamics and group conflicts. Then only can these programmes make a difference in the long run.

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