

Impact of Microcredit on Women Empowerment Indicators: An empirical reserach in the state of Uttarakhand

Priya samant, Anurupa B.Singh, Richa Misra, Ritesh Dwivedi



Abstract: Women Empowerment has been on national agenda of every government. In developing nation women comprises fifty percent of the population so empowering them is crucial for development and nation building. Various Microfinance Institutions (MFIs) extends microcredit/loan via group model (Self Help Groups and Joint Liability Groups) to the marginalised segment particularly women groups and minorities primarily residing in rural areas with an aim to empower them and foster their socio-economic development. Previous studies have shown that microcredit has positive impact, but providing credit alone does not guarantee empowerment of the member beneficiaries. From past studies it can be concluded that empowerment demand an integrated approach from all the participating bodies/institutions involved, only then can be the objective of socio-economic development be accomplished. Since today very limited literature is available on microcredit and its impact. The current research examines the impact of microcredit on women empowerment indicators (decision making, awareness and psychological factors) of member beneficiaries in Haridwar district of Uttarakand. Women are organized into groups (Joint Liability Groups) and provided microcredit /loan. Non Probability sampling (Convenience Sampling) technique is adopted in sample selection where access to microcredit serves as independent variable and women empowerment indicators serves as dependent variables. The study consists of sample size of 362 member beneficiaries. Hypothesis testing is applied to find the significant association between the dependent and independent variables. Inferential statistics i.e Chi sq test is used to find the association/relationship between access to microcredit and empowerment indicators. Results indicate that there is no association between access to microcredit and women empowerment indicators. The results indicate that microcredit via JLGs makes no impact on the empowerment indicators, making no improvement in the lives of its beneficiaries. There is need of regular and continuous impact assessment by credit institutions, participation from states and local bodies, must be analysis of socio-cultural factors and formation of women self administered system are some of the recommendations of the study. The results can be used by various stakeholders in designing better approach and as it provides them information on the areas which needs improvement so that microcredit can bring positive difference in the lives of beneficiaries.

Also, it opens doors for further research in order to explore the socio-cultural factors which influence women empowerment.

Keywords: Empowerment Indicators. Joint Liability Groups, Microcredit, Non-Banking Financial Companies-Microfinance Institutions

I. INTRODUCTION

The term *empowerment* has varied definitions and facets attached to it but all have a unanimous goal of making the fruits of development reach marginalised and poor segment especially women and minority groups.

Empowerment generally means the power within. The power which motivate the individuals to do such things which they never thought they were capable of, the power to make life choices independently, to realize the self worth and work for self development in order to lead a better life. *Women empowerment* is a pre requisite for nation building and economic development as women constitute half of of the population but they do not enjoy the same status as that of their counterparts. *Microcredit* is small amount of capital/money given to the borrowers without collateral with an objective to bring about socio-economic change in their lives [Latifee,2003]. *Microcredit* has been associated with the empowerment process since last decade as many researches have shown mixed results on women empowerment [Varghese,2011; Husain & Luqman,2005;. Mohan & Sarumathi, 2011; Karnani,2011]. Various *microfinance institutions* are delivering microcredit via *Joint Liability Groups [JLGs]*. These MFIs operating in the rural areas have large borrower base having women groups as borrowers. Since women are sincere and repayment rate of women groups is high these institutions are reaching out to them. Since social context plays a significant role in rural context it is important to study whether this small amount has empowered its borrowers or not?

A study by found that there are certain constraints which hinders empowerment of women in rural areas [Sarania,2015]. These include social & cultural norms, family structure and status of women in the society. Thus it cannot be said that microcredit has similar impact in all rural regions of the same state. Specifically there exist no such studies which measure the impact of microcredit via Joint Liability Groups on Women empowerment. This is surprising because Self Help Group model have attained much attention of the researchers while measuring the women empowerment.

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The present study will contribute towards the little literature on credit delivered through Joint Liability Groups. The present study aims to contribute to the growing literature on empowerment via Joint Liability Groups by investigating its impact on women empowerment in rural areas of Uttarakhand

A. Microcredit

Microcredit emerged in India in late 1980s to bridge the financial divide which was created by formal financial system as large percentage of rural population could have access to finance. 'Credit' forms an integral part of economy especially rural economy as it serves as a tool which helps them to become self sustainable. The institutions providing credit are called microfinance institutions (MFIs). This small collateral free sum of capital is provided with an objective of socio-economic development of its borrowers. With this philosophy MFIs provided credit to the small and marginalised segment preferably women who are denied credit by formal financial institutions. MFIs were established to supplement the efforts of formal banking system and to provide financial services to the masses [Satyasi, 2008]. As per the data the loan amount disbursed in the last three consecutive years is Rs 23682 Cr, Rs. 37599 Cr and Rs.61860 cr [¹MFIN Report, 2015-16]. Thus microcredit is considered to play a key role in rural development since last four decades as in many countries microfinance has proved a tool for rural enhancement and poverty alleviation [Aruna & Jyothimayi, 2011]. The stakeholder's which are actively in providing microfinance include financial institutions, NGO (Non – government institutions), Self Help Groups, Cooperatives, Farmers Club and various donor agencies [Anjugam & Ramaswamy, 2007]. New microfinance concepts targets rural women, by provision of financial service for asset creation and brining quality financial services which they need [Microsummit Report,1997]. The success of Grameen Bank in Bangladesh has led to worldwide adoption of these types of credit institutions which places poor at the centre [Anjugam & Ramaswamy,2007].

- a. **Microcredit Delivery Models:** The methodology or the structure which is followed to extend credit to the target beneficiaries/borrowers is called as delivery model. Microcredit reaches the borrowers through various channels or models. The major models are Self Help Groups (SHGs), Joint Liability Groups (JLGs) and Grameen Model. Microfinance institutions in India have widely adopted Self Help Group model to reach the borrowers. The concept of Self Help Groups began with the project of ²NABARD on the savings and credit management of Self Help Group of MYRADA (Mysore Resettlement and Development Agency) in 1986-87 [Murugan & Balaramurugan, 2014]. In this paper we will discuss about the microcredit delivered through Joint Liability Groups.
- b. **Joint Liability Group:** Women who are need of fund and fail to avail credit through formal financial

arrangements come together, form groups and sign the agreement in which they not only agree to be accountable for their loans but also for the loan of the group members, thus such groups are called as 'Joint Liability Groups'. In 2004-05 NABARD (National Bank for Agricultural and Rural Development) started the concept of *Joint Liability Group* as a pilot project [Pareek,2015].JLGs are groups with 5-10 members who come together and participate in the microcredit program. The group members have similar socio economic background as they come from the same vicinity or village.

The major difference between the SHGs and JLGs is that in the latter the members of the group share the liability i.e. if any member do not make the timely repayment of credit instalment then group members pool the money and repay the amount. This ensures the better accountability and security of the MFIs involved in lending. Also SHGs encourages saving habit among borrowers whereas JLGs believe in credit disbursement.

NBFC-MFIs hold market share of 37% followed by commercial banks with 33% of share in microcredit.[Sridhar, 2018].The various benefits which group lending has over other forms of lending include-more people availing credit, peer pressure which ensures repayment, no need of collateral and cost effective in comparison to other lending mechanisms [Padma et al. 2013].

II. LITERATURE REVIEW

Empowerment refers to 'process to increase the capacity of individuals to make choices and to translate these choices into desired action' [World Bank Report, 2009]. It means an increased power of an individual and group. Empowerment is a broader concept which refers to internal changes within in individual and external changes in the social status as well. Empowerment is also directly related with gender equality. Therefore, *empowerment* holds different meaning for different people. But the common notions of empowerment are freedom of choices, liberty, self worth, self confidence, control over resources etc. Thus, while understanding empowerment the socio cultural context should not be neglected. Social structure/system are prerequisite for empowerment to occur [Yadav,2018].

A. Women Empowerment

According to Human development Report [³HDR Report, 2008], seventy percent of world's population surviving on 1USD per day are women [⁴UNDP Report, 2008]. Women are still considered to be weak and do not enjoy the equal rights as their male counterparts. The conditions of women are challenging especially in rural areas where the influence of socio-cultural influence can be directly seen in the form

³ HDR-Human Development Report published annually by UNDP on human development indicators

⁴ UNDP-United Nations Development Programme help counties to fight poverty by expanding assess economic opportunities and linking poverty programmes across countries

¹ MFIN- Microfinance Institution Network is Self Regulatory organization for Non Banking Financial Company

² NABARD-Apex institutions coordinating rural and agricultural financing activities with Govt of India.

of lack of education, restriction on their mobility, low participation in decision making, low self confidence etc. To improve the situations of women in the society it is important to empower them and make them self dependent. . *Women empowerment* is defined as the process by which they take control and ownership of their lives by exercising their choices [Hussain & Luqman, 2005]. Women empowerment has become national priority (Yadav,2018) as it has been adopted as the third objective of Millennium Development Goals [⁵MDG]. The framework suggests that empowerment takes place along following dimensions: economic, socio-cultural, interpersonal legal, political and psychological [Varghese, 2011]. Empowerment of women play crucial role in bringing transformation\ in their lives and make their life better.

Empowered women tend to make better decisions, are aware about their rights and duties have freedom of mobility and realize the self worth. Merely economic participation does not result in empowerment; it has to be overall in all aspects. Empowered women will not only work for self development but will also bring change in the lives of their families. The larger impact of women empowerment will be felt by their increasing participation in income generation activities, decision making, community activities etc. When talking of nation's health, women empowered should also be used as an indicator.

B. Microcredit and Women Empowerment

The concept of empowerment can be understood by three interrelated dimensions: *agency, resources and achievements* [Kabeer,2015]. Agency refers to process to make life choices, resources are medium through which agency work and achievements are agency outcomes. Empowerment is not external rather it is something which comes from within, it not only refers to decision making but how these women borrowers perceive themselves (self worth). Female credit has resulted in reducing poverty [Khandekar & Samad, 2014]. Female clients are targeted by MFI to make them financially and socially empowered as majority of poor population comprises of women [Ghaia & Kulkarni, 2013]. But access to credit does not guarantee empowerment rather act as the means to empower. Empowering these women would help them carve a new structure not only for themselves but also for generations to come. A system where they enjoy equal rights, realize self worth, become independent, feel confident, make their choices and create an environment which is progressive and contributes to nation building. *Microcredit* plays an important role in economic development primarily in rural economy. The microcredit intervention has bridged the divide between credit recipient and provider under single platform. *Women Empowerment* has become one of the major objectives of these microcredit institutions.

But has microcredit been successful in empowering its borrowers? In the search of the answer to this, the literature consists of mixed results. Some are of the opinion that credit

has empowered women [Hashemi et al, 1996; Hussain & Luqman, 2005; Varghese, 2011; K.Mohan,2011]. However others argue that merely credit disbursal does not lead to empowerment, other aspects needs to be explored [Khandekar & Samad, 2014]. A study in rural areas of Bangladesh established the relationship between men's violence on women, women economic dependence on men and micro credit [Schuler, Hashemi et al & Badal, 1998]. It was seen that violence can be reduced once women are made economically empowered, stable and independent. It will not be incorrect that first step towards empowerment is financial dependency. In order to minimise the social pressure the public representation of women should be encouraged. The public role of women must be increased in order to change the social norms. In another study it was observed that impact of the micro credit varies with the length of the time women are associated with the microcredit programme [Hashemi et al. 1996]. Women with longer participation experience larger impact in comparison with those with short participation period.

In a similar study in Oman impact of microcredit was observed on various parameters i.e household, economic and social[Varghese,2011].The study concluded that income, status of women, educational qualification and assets possession has positive relation with empowerment. It is believed that microcredit intervention has resulted in empowering women by making them economically, politically and socially strong [Hussain & Luqman, 2005]. The role of women is not restricted within household but women's active participation can be seen in the society. Microcredit effect social, psychological and economical well being of women and helps them to gain control over the resources for development [Mohan & Sarumathi, 2011]. Microcredit intervention has brought self confidence, developed skills, improved awareness level and reduced poverty levels amongst the families.

Microcredit helps in graduating women from positions of marginalization in household decision making to greater centrality, inclusion and voice [Karnani, 2007]. It strengthens the social and political dimensions of women. Microcredit has lowered the level of poverty amongst participants and non participants but the decrease in more in the former [Khandekar & Samad, 2014]. Impact can be seen in the form of increase in income & expenditure of the household, increase in the labour supply, increase school enrolment of children, non land asset and net worth. Group lending model has positive impacts in raising the level of household welfare. Micro credit participation has increased awareness on health and education amongst women borrowers [Steele Amin & Naved, 1998]. Women who availed micro credit show increased participation in decision making in intra household activities and are more aware about their rights. Micro credit thus improves the social situation, improves self confidence and expands the capacity to play more important role in the society [Dobra, 2011].

Past Studies have proved that microcredit has brought significant changes in the lives of women borrower by empowering them.

⁵ MDG-Millennium Development Goals which needs to be accomplished this millennium

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But till date the evidences of social or individual benefits of various empowerment interventions are limited. Also it cannot be concluded that if microcredit made positive impact in one region it may have similar impact in another region too especially in rural context. Thus socio-cultural elements plays crucial role on impact.

Credit alone cannot result in empowerment there are other elements which also play major role. A study by on microcredit and its impact on poverty in Bangladesh suggests that borrowers have to participate in the micro credit programs for longer time period, only then the positive impact can be seen [Ghaia & Kulkarni, 2013]. The framework suggests that empowerment takes place along following dimensions: economic, socio-cultural, interpersonal, legal, political and psychological [Varghese, 2011].

Thus, the studies to measure the impact are few and the model under Self Help Group model. There is need of more micro level studies to measure the impact of micro credit [Mallick,2002].Against this backdrop present research studies the impact of microcredit delivered through Joint Liability Groups on women empowerment indicators

C. Women Empowerment Indicators

Three indicators decision making, social awareness and psychological indicators are taken for the current study.

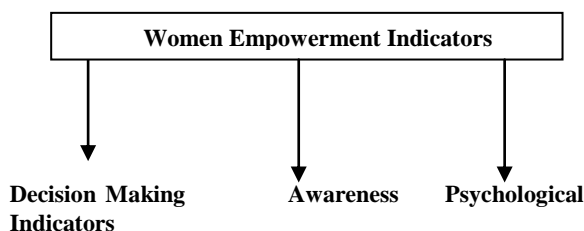


Figure 1. Women empowerment Indicators

D. Research Objectives

The general objective of the present study is: To study the perceived impact of microcredit on women empowerment indicators In order to accomplish the above objective it has been broken down further into sub objectives. These objectives are:

- a. To study the perceived impact of microcredit on the decision making of the member beneficiary.
- b. To study the perceived impact of microcredit on awareness of the member beneficiary.
- c. To study the perceived impact of microcredit on psychological indicators of the member beneficiary.

III. RESEARCH METHODOLOGY

Research methodology is defined as a scientific ay of conducting research by applying logic in selection of each component and techniques applied to accomplish the objectives. In the present study a systematic approach is adopted to study the impact of microcredit participation on empowerment indicators. Since empowerment cannot be measure directly proxies are used to measure it. In the current study it is measured via-Decision making, awareness and psychological indicators.

The decision making is measured on following issues- Household expenditure, children education, children marriage, purchase of livestock, use of loan amount, attending public events, savings, land/property, construction/renovation of house and employment related decisions.

Awareness is measured on –social issues, benefits of savings, procedure to avail credit/loan and repayment, government programs for women, employment opportunities, women rights, hygiene and sanitation and educating girl child.

Psychological Indicators are measured by-increase in self confidence, able to solve the problems independently, financial independence, earned respects from family and friends, freedom to visit the branch and communicate with the male officials, able to express views and opinions to others and freedom to participate in community activities.

A. Research Questions

In the past various microfinance institutions are involved in taking credit at the door step of the borrower. This is done through Self Help Group Bank Linkage programme [SHGBL] and Group Lending Model i.e Joint Liability Group [JLG]. Various research and reports in the past shows that majority of these microcredit borrowers are women who are either denied credit through formal arrangement or are the ones who fall in the marginalised segment. Small sum of money often called as '*Microcredit*' is given with an intent of uplifting them from poverty and making them self sustainable. But the research is still lacking the evidence on whether this small sum of money brings any improvement in the lives of the borrowers or not? Thus it brings the research to a very important question: Does access to microcredit makes any impact on women empowerment indicators?

1. Does access to microcredit have an impact on decision making of member beneficiary?
2. Does access to microcredit have an impact on the awareness of the member beneficiary?
3. Does access to microcredit have an impact on the psychological indicators of member beneficiary?

B. Research Hypothesis

Once the research objectives are formed the next step to formulate the hypothesis which is tested by using the statistical tests. Hypothesis is assumption by the researcher in order to validate the results obtained.

Framing of hypothesis depends on research objectives, design of the study and context of the programme. In his study [Sebstad,1998] suggested that selection of small set of hypothesis and variables can be made from previous studies that have already been proved valid, though some of them would differ based of the objectives of the study.

To find the relationship between access to microcredit and women empowerment indicators we formulate the hypothesis.

The broad research hypothesis formulated for the study is-

H0 (Null Hypothesis): There is no association between access to microcredit and women empowerment indicators.

H1 (Alternative Hypothesis): There is significant association between access to microcredit.

C. Research approach

Research approach is the way to proceed further to accomplish the stated objective. It the research approach which finds the relevance of the various research hypothesis. The present study has adopted a deductive approach to test the hypothesis statistically with an objective to study the impact of microcredit on member beneficiary under three empowerment indicators which are drawn from existing literature review- Decision making, Awareness and Psychological indicators.

D. Research Design

Research design is based on the framework within which the research is conducted. It provides direction to the researcher to conduct the investigation in the most efficient way. It can also be understood as the framework created to provide answers to the research questions.

A research design must have three basic prerequisite:

- Conversion of research questions and hypothesis into workable variables in order to be measured.

- Lay down the process which will be followed to complete the above task economically and efficiently.

- Specify the control mechanism to minimise the impact of other variables on the outcome. The present research follows a particular research design to find the relation between the microcredit intervention and whether it brought change in the lives of the beneficiaries. Thus through the present study it is studied that whether there is association between access to microcredit and resultant empowerment indicators on its beneficiaries.

Level of assessment- Whenever a change is there it is felt at every level of a system, if a level changes it automatically alters other levels too. The impact of microcredit can be seen at different levels-individual level, household level and Group level. In the present study we are assessing the impact of microcredit on beneficiaries i.e. level of assessment is individual level.

Population Sample and Sampling Technique: The population for the present study includes all the women borrowers of NBFC-MFIs of Haridwar district of Uttarakhand as in these institutions are the largest microcredit provider particularly to women groups in rural areas with market share of 37% [Sridhar,2018].

Non probability sampling technique is used for sample selection. Four villages from the district were selected for the study. Women borrowers group from these selected villages served as the *sample* for the study. Each member of the group was the *sampling unit* for the study. 400 questionnaires were filled through face to face interview with the group members of which 362 were used for analysis. SPSS was used to test the hypothesis formulated in order to find the association between the variables under study.

E. Sampling Design

Universe: The population or universe is defined as the group of units which is the focus of a particular study. Therefore population consists of all persons in a country, or in a particular geographical location, people belonging to an economic group, depending on the purpose and range of study. For the present research study all the member beneficiaries of Joint Liability Group who take credit from NBFC-MFIs of the country forms the universe.

Sampling Unit and Sample size: It is a defined as a single member of the sample . The aim of the present study is to find the impact of the microcredit on the empowerment indicators and the impact is always at individual level therefore individual member beneficiaries of JLG are chosen as sampling unit. The study also finds the problems faced by member beneficiaries in availing credit through JLG.

Selection of appropriate sample size is critical to quantitative research as it helps in arriving at reliable and valid conclusions. Sample size depends upon the characteristics of the population and it is different for different research. General rule of thumb state that the size of sample for such studies should be large enough to allow for the issues with data collection and also should be economical. This trade off is most critical in determining the sample size of a research study [Barnes & Sebstad, 2000].

In the present research sample size of 400 JLG member beneficiaries is taken so that it provides scope for managing the dropout and other sampling errors.

Sampling Technique/methodology: The present study employs Non Probability Convenience Sampling technique for data collection as it helps to obtain the information quickly and inexpensively. Since NBFC-MFIs are largest are largest microcredit provider especially in rural regions, they were approached for permission to survey there member beneficiaries. in rural regions of Haridwar district of Uttarakhand

Research Instrument: Standardized questionnaire were used in the present study to collect the responses from the group members. The questionnaires were translated in hindi so that the members understand it easily. The variables taken in the study from the following literature- [Ghaia & Kulkarni,2013;Sarumathi & Mohan,2011].

Dependent and Independent variables: Access to microcredit is Independent Variable and Women Empowerment Indicators are Dependent variable.

IV. DATA ANALYSIS AND FINDINGS

The data collected was then analysed to know whether it follows normal distribution or not. By using SPSS it was found that the do not follow normal distribution. Thus Non parametric tests i.e Chi square test was applied. This test is adopted to find the association between the dependent and independent variable.

In the present study chi square test is run to find whether access to microcredit has made impact on the empowerment indicators of the member beneficiaries.

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1. Association between access of microcredit and increased participation in decision making of member beneficiaries

Table I. Chi square Results on decision making [N=362]

S.No	Increased participation in decisions on	Pearson's Chi sq value	Degrees of freedom (Df)	Asymp. Sig. (2-sided) p-value
1	Household Expenditure	3.047 ^a	4	.218
2	Children Marriage	4.869 ^a	4	.301
3	Children Education	2.937 ^a	4	.568
4	Purchase of Livestock	.492 ^a	4	.782
5	Use of Loan amount	2.990 ^a	4	.560
6	Attend public events	8.021 ^a	4	.091
7	Savings	1.633 ^a	4	.803
8	Land/Property	4.948 ^a	4	.293
9	Renovation/Construction of house	.770 ^a	2	.680
10	Employment related issues	2.375 ^a	4	.667

- 0 cells (0.0%) have expected count less than 5.
- Notes : *p =.05

The Chi square statistic on association between microcredit and decision making is given in the table [See Table 1]. It is observed Chi square statistic [p value>.05] for all statements on decision which means that null hypothesis (H0) i.e there is no association between access to microcredit and increased participation in decision making of member beneficiaries is accepted.

Association between access to microcredit and increased awareness of member beneficiaries.

Table II. Chi square test results on awareness (N=362)

S.No	Increased awareness on	Pearson's Chi sq value	Degrees of freedom (Df)	Asymp. Sig. (2-sided) p-value
1	Social issues	2.015 ^a	4	.733
2	Benefits of savings	2.912 ^a	2	.233
3	Procedure to avail credit/loan and its repayment	3.253 ^a	4	.516
4	Government programmes for women	4.592 ^a	4	.332
5	Employment opportunities	2.117 ^a	2	.347
6	Women rights	2.548 ^a	2	.280
7	Hygiene and Sanitation	1.314 ^a	2	.518
8	Educating girl child	3.047 ^a	2	.218

- 0 cells (0.0%) have expected count less than 5.

The Chi square statistic on association between microcredit and increased awareness of member beneficiaries is given in the table [See Table II]. It is observed that Chi square statistic [p value>.05] for all variables on which implies that null hypothesis (H0) i.e there is no association between access to microcredit and increased awareness among member beneficiaries is accepted.

Association between access to microcredit and increase in psychological indicators.

Table III. Chi square results of Psychological Indicators (N=362)

S.No	Increase in Psychological indicator	Pearson's Chi sq value	Degrees of freedom (Df)	Asymp. Sig. (2-sided) p-value
1	Increased self confidence	6.664 ^a	4	.155
2	Able to solve my problems independently	2.912 ^a	2	.233
3	Financial independence	10.736 ^a	4	.060
4	Earned respects from family and friends	1.126 ^a	4	.890
5	Freedom to visit branch and communicate with male officials	6.076 ^a	4	.194
6	Express my views and opinions to others	6.743 ^a	4	.150
7	Freedom to participate in community activities	1.306 ^a	2	.520

- 0 cells (0.0%) have expected count less than 5.

It is observed [See Table 3] that Chi square statistic [p value>.05] for all statements on psychological indicators which implies that null hypothesis (H0) holds true which implies that there is no association between access to microcredit and increase in psychological indicators. Thus, null hypothesis is accepted.

V. DISCUSSION OF RESULTS

The results of the study show that there is no association between the access to microcredit and women empowerment indicators. Thus, the study do not support the literature available on the impact of microcredit on women empowerment. One reason could be attributed to delivery model in past studies were Self Help Group (SHG) model which works on different philosophy of savings. On the other the present study studied the impact on women beneficiaries in rural areas receiving credit through Joint Liability Groups which works on philosophy of credit disbursal. From the result it would not be incorrect if we say that these microcredit provider are forming women groups merely to provide credit, there seems to be less focus on empowering the member beneficiaries. The credit provided is fulfilling the short term need of these women beneficiaries. As per the government report in 2009 the participation of women in decision making is very less as compared to the male counterparts [Poojari,2015].

The study also supports it and reveals that the women beneficiaries do not have control use of credit amount as p-value was 0.560 which is greater than .05 the significance level. The women borrowers take the loan amount and their spouse use it or have control over it. Control over financial resources is a pre requisite for empowerment. Access to microcredit through JLGs do not increase the awareness level of the member beneficiaries which an area to be looked upon. Participation is required from various other⁶ stakeholders [NGOs, Women Organizations, Cooperative societies, local bodies] which are engaged in task of increasing the awareness of member beneficiaries regarding various issues which affects them. It should be understood that empowerment is a system consisting to various components where each components needs to be worked upon and improved. If economic independence and awareness level of member beneficiaries are improved it will result positive impact on the psychological indicators. Also the support of family members and positive response from the society will further be added advantage for member beneficiaries. Thus not only the member beneficiaries but the socio-cultural environment needs proper analysis as it plays major role in empowerment of women in rural areas. The microcredit institutions have been providing credit through JLGs in Haridwar district for more than five years but the question-has the credit empowered the member beneficiaries?, still is unanswered and do have enough empirical evidence. Thus continuous and regular impact studies are very important for all the stakeholders.

Recommendations: The results from the present study provide insights on impact of microcredit on women beneficiaries of Joint Liability Groups in rural areas of Haridwar district. There are certain constraints which hinders empowerment of women in rural areas. These include social & cultural norms, family structure and status of women in the society [Saranaia, 2015]. The following are the suggestions to increase the impact of microcredit:

Generating employment opportunities: Providing microcredit does not result in empowerment until the beneficiaries are made economically independent. Along with *credit*, employment avenues should be opened for member beneficiaries in rural areas as majority of these women beneficiaries are not allowed to go out of the village.

Participation of Non Government Organizations (NGOs) and various Women Organizations: Along with credit member beneficiaries also needs regular counselling sessions and various camps organised so that they are aware on various issues which affect them and also discuss the problems which they face. Not only the member beneficiaries but the family members should also be encouraged to support her.

Understanding Socio-cultural context: Socio-culture plays significant role in rural context. The impact of microcredit may differ across similar regions too. Thus, it becomes important that socio-cultural aspect of rural regions because

they directly or indirectly influence the member beneficiary, thus hindering the empowerment process. Domestic inclination and social power play important role as they act as barriers to empowerment (Varghese, 2011).

Regular impact assessment: There is need for regular impact assessment programs of the member beneficiaries. Impact studies will also bring out the areas which need to be worked upon.

Involvement of State: It is also the responsibility of the various state governments to provide assistance to these microcredit institutions in the regions. State should develop a '*Women self administered system*' run by women beneficiaries which would perform the task of conducting various impact studies, counselling session for women borrowers in rural areas, arranging for various awareness camps on regular basis etc whose aim will be to empower the women.

Involvement of Village Panchayat and local bodies: Village panchayat and community organizations play major role in rural areas, these bodies can work along with the credit institutions in improving the well being of the member beneficiaries.

Improvement in credit delivery model: The delivery model in the present study was Joint Liability Groups which differ in approach from SHG. Delivery mechanism also affect the impact made in borrowers, thus the mechanism should be made effective enough that it results in positive change in member beneficiaries.

VI. CONCLUSION

Microcredit intervention is playing major role in women empowerment by providing small amount of money which can further be invested in income generation. NBFC-MFIs have been delivering microcredit at the doorstep of these women via Joint Liability Groups. The findings show that microcredit participation do not have any impact on empowerment indicators of the member beneficiaries as calculated p values > 0.05. Merely providing credit do not result in empowerment thus there is need for an integrated approach as empowerment is a broad system

The importance of women empowerment can be explained in the words of former secretary, United nations:

'There is no tool for development more effective than the empowerment of Women'.

- Kofi Annan, Former Secretary General, United Nations

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⁶ Stakeholders- The agencies/individuals which are directly or indirectly affected by microcredit.

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