

Microfinance, NGO capability building and poverty: A study of poor
women in India

by

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ABSTRACT

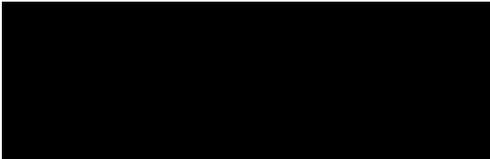
This study set out to identify the specific success factors and impacts microfinance has for poor women who predominate in microfinance programs and to articulate policies to raise poor women above subsistence level in India. The study collected data from 200 poor female member of two organisations Vagad Region Service Research Organisation and Self Employed Women's Cooperative Bank in India. The three data sets from surveys, case studies of selected members and interviews with staff from the respective organisations were triangulated. The results indicate membership of SEWA and VLSSS, gives members access to financial and non-financial products and services which enable them to improve their general standard of living. The poor female members predominate in microfinance because they value access to credit have high repayment rates, invest in the family, and use credit to escape social restrictions. Policies that can assist poor women to rise above subsistence level include providing access to decent health care, vocational training, and functioning education system, investment in public transport and road infrastructure and licences to run a business.

STUDENT DECLARATION

I, Robert Mackenzie, declare that the DBA thesis titled 'Microfinance, NGO capability building and poverty: A study of poor women in India' is no more than 61,000 words in length including quotes and exclusive of tables, figures, appendices, bibliography, references and footnotes. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work". This thesis has not been checked by a professional editor.

Signature:

Date: 22/03/2019



ACKNOWLEDGEMENTS

I was born and was raised in India and have a deep affection for the country of my birth and its myriad cultures. Unfortunately India is beset with poverty due to poor governance and an uncaring wealthy minority. My first contact with the poor was initiated by my mother. She regularly gave food to the poor on our doorstep, living out her Christian belief of respect for all human beings.

Her actions sparked my interest in the poor and poverty but more importantly what could be done to solve the scourge of inequality. Organisations like the Self Employed Women's Association and the Vagad Region Service Research Organisation that have freed scores of families from poverty are the shining light in the developing world. I was honoured to be hosted by both organisations and privileged to meet their once impoverished clients who by their own humble efforts today live in modest dwellings and have livelihoods that allow them a decent standard of living. I dedicate this thesis to the staff and clients of these superlative organisations.

I would also like to thank the staff in the College of Business in particular the then Dean Professor Colin Clark who expedited the proposal that started me on my thesis journey. My principal supervisor Dr. Segu Zuhair who has guided, counselled, encouraged me and without whom I would not have succeeded in this enterprise. Dr. George Messinis who gave me sound advice and encouragement at a critical juncture.

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Chapter 1 Introduction and Overview of the thesis

1.1 Introduction

Microfinance has played an active part in reducing poverty and liberating the poor at subsistence level in rural and urban locations in the developing world. Microfinance can be defined as ‘the provision of thrift, credit and other financial services such as money transfer and micro-insurance products for the poor at subsistence level, to enable them to raise their income levels and improve their living standards’ (Karmakar 2008). A microfinance organisation (MFO) is an organization that manages micro lending to the poor.

Microfinance organisations have now expanded their services to include wider financial and other needs of the rural population and some have adopted a commercial profit oriented focus. This research aims to develop an understanding of the way MFOs are now engaging with the poor and propose how this success can not only be used to inform failures in microfinance initiatives for the poor but how governments can utilise these success factors to develop policies to alleviate poverty.

1.2 Background and purpose of the research

Economic development involves the transformation of both environment – improved infrastructure - and the living standard of people through education, health, nutrition, housing, employment, and access to finance and savings (World Bank, 2017). Poverty, according to Islam (2006), has many dimensions including limited access to health, nutrition and education services leading to short life expectancy, child mortality and illiteracy. This lack of choice and opportunity leads to disempowerment and thus an inability to influence the decision-making process affecting their livelihoods and well-being. Poor women are especially vulnerable at the bottom of the social hierarchy being responsible for income generation and maintenance of large families without a regular source of income and very few assets. They are usually self-employed in a variety of activities: within the household, as sharecroppers in the villages or as wage labourers in microenterprises. A further outcome of the above deficiencies among the poor is how easily they become vulnerable and get pushed into deeper endemic poverty (Chowdhury, 2009; Todaro and Smith, 2012).

Sen (1999b) distinguishes between the ‘entitlement’ aspects of poverty i.e. food and other necessities of life and ‘capability’ aspects i.e. education and health services. Human

development for him is important for its instrumental and intrinsic values i.e. being educated and in good health. According to (Sen 2000a) development involves social, political and cultural freedoms for their own sake and to enable individual income growth. Education, public health, and infrastructure provide employment for increasing their income and well-being (Sen 2000a). These services may be delivered as part of government policy or by the active intervention of the public to give the poor the capabilities they need in order to rise above their marginalised status.

Finance or access to credit is vital for both consumption and to sustain livelihoods for the poor engaged in farm and non-farm activities but lack the requirement to obtain credit via conventional mechanisms. Microfinance organizations such as the Grameen Bank in Bangladesh have been able to overcome and transform the lives of the poor who can now borrow for education, housing, health and setting up micro businesses (Chowdhury 2009).

Microfinance however is not always a panacea for poverty, as women need the experience of running a business, budgeting skills, access to markets, suppliers they can negotiate with fairly and a working knowledge of the marketing process (Chowdhury 2009). Micro businesses are more likely to lose than turn a profit in an over competitive market, high interest rates only making the position worse (Bateman & Chang 2012).

Armendáriz de Aghion and Morduch (2005) argue that poor women are ideal borrowers, due to their low risk investments, the influence of group pressure and are more sensitive to the interventions of loan officers. Thus women can be more reliable repayers than men and through them, microfinance can be used to supplement family expenditure on health, education, and emergencies.

However, this is not always the case, microfinance lenders in Tanzania used progressive borrowing to assess creditworthiness of poor women in Tanzania, but progressive borrowing in Malawi was unsuccessful for poor female entrepreneurs' who exited their livelihoods due to a lack of management expertise and decreased profits (Charles & Mori 2017; Johnson 2005)

Females with micro businesses in Ethiopia, had unchanged lives repaying their borrowings and maintaining businesses. However, poor women microcredit borrowers in Zimbabwe, despite poor economic conditions, had Z\$1,380 more monthly than non-clients did (Barnes, Keogh & Nemarundwe 2001; Belwal, Tamiru & Singh 2012)

1.3 Significance of the research

Morduch (2000) and Armendáriz de Aghion and Morduch (2005) argue that microfinance holds promise of myriad opportunities to alleviate poverty but it is not a panacea for poverty. The microfinance approach is built on the promise that the poor, with access to credit, can lift themselves out of poverty and be catalysts for development. Microfinance and traditional development approaches agree that constraints on credit perpetuates poverty but disagree as to what is the best course of action to remedy these constraints.

This research, examines whether the poorest are advantaged by loans or saving; government subsidies; credit without training; aspects of lending mechanisms producing successful outcomes to inform government policy makers and decision makers on the best strategies to facilitate development.

Morduch (1999) and Armendáriz de Aghion and Morduch (2005) point to methodological difficulties with reliability of studies undertaken in the area of microfinance due to the nature of participation in the study (voluntary) and differences between service use (degree of intensity). In addition differences between the success of clients with access to credit – entrepreneurial spirit, business connections, better focus - and non-participants, may well be due to these unobservable attributes. The research looks at the relationship between borrowing and its effect on household-level variables i.e. income, consumption, health, and schooling, variables that better inform policy issues rather than narrow issues around microenterprise profit.

The research on the socio-economic impact of microfinance will assist organisations to provide better services for their clients. It will also assess innovative utilisation of microfinance. In addition the research will also contribute to the wider debate about the role microfinance can play in the socio-economic development of the rural poor.

Micro entrepreneurs have been identified as ‘essential actors in the process of economic change’ (Arch 2005). Microfinance appears to offer a promising new strategy, but academic and empirical research has been unable to document how microfinance can contribute to economic development and poverty alleviation.

Chowdhury and Mukopadhaya’s (2012) study found that government organisations (GOs) were more effective in improving the ‘economic wellbeing’ of the poor in rural Bangladesh, whereas non-government organisations (NGOs) contribute more to the ‘social’ aspects of

wellbeing. Findings pointed to government agencies performing 42% better than NGOs in improving living standards of the rural poor which went against findings in existing literature of poverty reduction projects in developing countries. This study in addition to examining the contribution of government and non-government organisations will examine the innovation of non-government organisations to improve the living standards of poor women and their families (Morduch, 2000).

A systematic review of microfinance and women's health literature by O'Malley and Burke (2017) concluded that microfinance participation can have a positive impact on a range of women's health, knowledge, behaviours, and outcomes, but supporting evidence was weak. The authors advocate further studies using primary data collection which this study will do.

In both rural Nepal and Zimbabwe, access to credit ensures schooling for children. However in rural Peru, access to financial services increases child employment and decreases schooling (Ersado 2005). Poor women micro-credit clients in Africa investment in children's education may suffer impoverishment (Stewart et al. 2010). In rural Malawi credit adds to child labour and decreases child education (Shimamura & Lastarria-Cornhiel 2010). This study will assist in clarifying the issues involving microfinance and education for poor families.

Rehman, Moazzam and Ansari (2015) and Kabeer (2005) define empowerment for women as having agency or the power to make strategic life choices and access to resources as an independent member of her family, in order to achieve her goals. Women must also have access to education, paid work and political representation at the local level. Microfinance (resources) enables women to invest in microenterprises, earn an income (achievement) contribute to the family and eventually decision making which can lead to gaining some independence (agency) in a household that is usually controlled by the husband (Mayoux, 1995; Rehman, Moazzam and Ansari, 2015). This study will examine how women can be empowered within their families and their communities.

Karlan and Valdivia (2011) found that basic business training of clients in a microcredit program did not lead to higher profits or revenues on average. Clients however reported using some skills taught in the program for example keeping business and household money separate, reinvesting business profits, keeping sales and expenses records, and thinking about new markets and opportunities for profits. This study will look at the role training and capacity building can play in raising the living standards of poor women.

1. 3. 1 The key gaps in the literature

The literature review has identified the following key gaps:

- Lack of knowledge on specific development contributions made to poor female borrowers, due to confusion between governments sponsoring aid programmes and non-government microfinance lending to alleviate poverty.
- The role that microfinance plays in poor women's health outcomes and the education of their families.
- The role of microfinance in the empowerment of poor women when they control the disbursement of borrowings
- The role of training and capacity building on the outcome of microfinance lending in the lives of poor women

This study aims to supply impact assessment information that can be used to better understand the wider impact of microfinance on alleviating poverty and the policy implications for the same.

1. 3. 2 The study designed to fill the gap

This research will investigate how Microfinance Organisations provide services and loans to its clients and how successful the recipients are in utilising these services to improve living standards. The focus will be to look at how the client modifies her business activities to increase income, how the income is spent or saved. How the general welfare and living standard of the family changes over time in regards to housing, nutrition, education, sanitation. What if any are the wider changes in the poor woman's life including participation in the life of the community (Hulme 2000).

1. 4 Research question:

Does the provision of finance alongside government welfare programs and intermediary organisations providing knowhow and access to subsistence level female borrowers, have the potential to alleviate poverty in India?

1. 4. 1 Specific aims:

The specific aims of the thesis:

1. Identify the specific factors that contribute to successful microfinance outcomes for poor women at subsistence level in India
2. Identify the impacts of microfinance for poor women in India
3. Identify the reasons why poor women succeed in using these programs to rise above subsistence level in India
4. Identify policy implications to raise poor women above subsistence level in India

A poor woman by definition is one who earns less than \$1.90 a day, has no access to social services, social capital, is socially excluded and is vulnerable (World Bank 2012). Subsistence is defined as having only just enough to survive on (Chowdhury 2009). Success using microfinance refers to the ability of poor women to achieve their goals of generating an income to contribute to family welfare, make decisions, have choices and be respected by her family and community (Bhatt, 2006). Policy implications refer to the poverty alleviation measures governments can take (Arch, 2005). This study will examine how microfinance can be used to raise poor women above subsistence level.

Table 1.1 Link between research questions and constructs to be measured

Research Questions	Construct to be measured
1. What are the specific factors that contribute to successful microfinance results for poor women at subsistence level?	<ul style="list-style-type: none"> • Membership of NGO • Access to credit • Low interest rates • Avoiding indebtedness • Regular income
2. What are the impacts of microfinance for poor women in India	<ul style="list-style-type: none"> • Borrowing methods and amounts borrowed • Repayment and repeat borrowing • Borrowing and Increase in basic necessities • Borrowing and educational, health, hygiene, housing improvements to family situation
3. Why do poor women succeed in using these programs to rise above subsistence level in India?	<ul style="list-style-type: none"> • Budgeting, saving and repayment • Reliability and gender • Women and family obligations • Gender role and self-employment • Attributes and use of money • Training provided by institution and improvements to skills, knowledge and expertise
4. What can governments do to support successful microfinance initiatives to raise poor women above subsistence level?	<ul style="list-style-type: none"> • Access to government services • Access to finance through the rural banks • Access to government funded health, education, transport, social security

1.5 Methodology

1.5.1 Study sample

The Study used a sample of 200 participants from villages and urban areas in rural India. The study used a variety of data collection methods to investigate the areas designated by researchers as crucial to the success of poor individuals to achieve successful microfinance outcomes. The individuals surveyed fell into two distinct groups, poor women who had been the beneficiaries of government services and microfinance loans and those with patchy access

to government services and recipients of microfinance loans. The respondents came from different language and cultural groups in the north-west of the Indian sub-continent.

The poor women were clients of two organisations the Shri Mahila Sewa Sahakari Bank Ltd (SEWA Bank) in Ahmedabad, Gujarat State and the NGO Vagad Lok Seva Shodh Sansthan (VLSSS) in Dungapur Rajasthan State. Clients were selected by bank managers in and around the bank's branches in Ahmedabad city and by VLSSS Project Officer in and around Dungapur, city who come in to repay their loans and deposit money in their savings accounts at SEWA Bank or for VLSSS clients The Bank of Baroda.

The two organisations were chosen because they have had a well-recognized track record providing programs for and raising poor women and their families out of poverty. Both organisations provide services to their members, poor women in the informal sector, and are structured like other regulated NGO's who provide services to their poor clientele all over India. They are registered in their states of origin and allowed to operate under specific legislation to ensure that the state and federal governments have oversight of their activities and set rules for their engagement with their clients.

1. 5. 2 How was the study sample selected?

The study sample was drawn following a purposive sampling approach. The interview respondents were drawn by individuals who act as bank officers in both institutions over a number of days from borrowers who come in to make payments. These officials provided participants with information on the study and obtained their consent to participate in the study. The officers also administered the surveys and conducted interviews in the local languages Hindi and Gujarati. The procedures are not unusual as comprehensive data is routinely collected by both organisations as a quality measure to improve services rendered by them.

1. 5. 3 Data Collection

The data collection adopted three distinct phases. First surveys reflecting the variables being measured and the relationships between them were administered and the data collected. Second case studies of a small number of clients were assembled to provide insights into the incremental changes microfinance borrowing has made in the lives of the poor individuals surveyed. Finally staff members in both organisations were interviewed by the student researcher using a set of structured questions to provide a staff perspective on the provision of microfinance services to their poor clients. Collectively the data provided a picture of the

interaction of microfinance with the endeavours of the poor to escape poverty. The two organisations were contacted in November 2015 by the student researcher in India, and arrangements made with officials in each state for a future visit to collect primary data. The data was collected in early 2016.

1. 5. 4 Who collected the Data?

Professional local individuals working for two organisations assisted the student researcher. SEWA Bank provides banking products and services to its poor members. SEWA Bank officers interviewed their clients in two languages Gujarati and Hindi using surveys provided by the student researcher. The clients both urban and rural come into the city from their rural environments to make repayments on loans and deposit savings.

The second organisation an NGO in Dungapur, Rajasthan Vagad Lok Seva Shodh Sansthan (VLSSS) registered in the state, provides microfinance services to urban and rural poor women in the state of Rajasthan through the Bank of Baroda and in-house training, seminars in their villages and local trained women who assist borrowers. The organisation's consultant assisted the student researcher with the collection of data using surveys provided by the researcher, interviewing clients in the local language Hindi.

The methodology employed by the study was discussed at length at three levels of the research approval process and was approved in the current state. The discussion centred on the study location, the chosen NGOs, sample selection, data collection method, data analysis, including the survey and the case studies. Victoria University Human Research Ethics committee approved the research and the process approved was followed in conducting the research (Application ID: HRE 15-036).

1. 6 Outline of the thesis

This thesis has five chapters. Chapter 2 provides two views of development, the relationship between economic growth and economic development, and the theories underpinning growth and development. In addition, the relationship between poverty and development is explored as are the prerequisites necessary for development and the obstacles to development. The resources: physical resources, population, education, skills, knowledge, finance, regulation, infrastructure, markets, trade and the importance of each to economic development are examined. A literature review on women and poverty, how microfinance, education, health, infrastructure and non-government organisations can assist the poor and women to negotiate

poverty is provided. Amartya Sen's 'capability theory' is outlined as the conceptual framework for this study. The poor are identified and specific initiatives are presented to create livelihoods and alleviate poverty in the developing world. Finally, the gaps in the literature and how this study was designed to fill those gaps is presented.

Chapter 3 looks at the methodology used in this study. This includes the research sample, the surveys used for borrowers, data collection method and data analysis. Finally, an analysis of the results of the survey using the three objectives of this thesis and a summary of the results for each of the three objectives of this thesis follows. Finally, a discussion of the survey results and a set of policy implications for each objective will be provided.

Chapter 4 provides an analysis of the case studies of selected respondents and the interviews with staff members of the organisations SEWA Bank and VLSSS who provided them with microfinance products and services related to the objectives of the thesis. In addition, the chapter provides the discussion of the results of the survey, case studies of members and interviews with staff and a triangulation of the three sets of results to provide a clearer picture of how microfinance affects the lives of the poor women involved in the SEWA Bank and VLSSS programs. Policy recommendations follow.

Chapter 5 looks at the research question and conceptual framework summarising the main findings, criticisms of the methods used, implications of the study and the conclusions drawn. The chapter also provides recommendations policies to raise poor women above subsistence level and conclusions. In addition the study's limitations are presented and finally recommendations for further research are made.

Chapter 2 Poverty, Women, and Economic Development: A survey

2.1 Introduction

The concept of economic development is the “capacity of the national economy” to provide for the economic well-being of its population (Todaro & Smith 2012). The central role then of economic development should be the eradication of poverty, providing citizens with the means to achieve a decent standard of living (Vandenberg 2006).

This chapter reviews the research: theories relating to economic growth and development; the role economic growth can play in poverty alleviation; how government policies in key areas can alleviate poverty; poverty and women; women and capability building; the theoretical framework for the study; and finally the gaps in the literature and how this study will fill those gaps.

2.2 Two views of development

According to Todaro and Smith (2012) the approach to development focuses only on growth of income per capita so a country has to produce at a faster rate than the growth rate of its population. The economic wellbeing of the average citizen then becomes a monetary measure of growth in Gross National Income minus inflation and the availability of goods and services available for consumption and investment. Growth should take care of employment and provide access to the social and economic benefits it should generate.

Sen (1999b) argues that developing nations with growing economies, have not tackled poverty, inequality, and unemployment. Growth is not the solution but systems within these societies must be responsive to basic needs and capabilities of citizens and their communities. The social structures and national organisations within a society have to focus on removing inequality and poverty

For Sen (1985) well-being refers to citizens being able to get the basic necessities to lead a healthy life as well as being able to participate actively in society and the liberty to choose the life one wants to live.

Todaro and Smith (2012) maintain that at a minimum then a country must achieve the following objectives:

1. *To make available and distribute the basic necessities to sustain life* such as nutrition, housing and security.
2. *To increase standards of living* including, rising wages, employment, better education, humane values, to have a society its citizens can take pride in.
3. *To develop its citizens so they enjoy freedom both nationally and internationally and lead fulfilled lives.* In Sen's (1999) words freeing them from 'capability deprivation' so they can live the lives they choose.

This study will focus on the empowerment of the poor and the steps that both private and public organisations have taken to alleviate poverty and provide livelihoods for the poor to free them from poverty.

2.3 Economic growth and economic development

Growth refers to sustained increase in national income, or the market value of the annual production of a nation. It has three measures: gross domestic product (produced within a country), gross national product (produced by the resources owned by the country, wherever they are produced in the world) and net national product (less depreciation of capital). National income per capita is often compared between nations to establish comparative living standards but is problematic as it is dependent on dissimilar definitions and standards (Nafziger 2006).

Development is concerned with the quality of life. Measures of economic development look at average income, access to education, health care and housing, the state of the environment and longevity. Unlike the measurement of growth, economic development is measured by the criteria set to measure it (Todaro & Smith 2012).

Economic growth does not translate into development as living standards for citizens may vary. Unequal distribution of the benefits of growth and the diversion of national income to projects that do not benefit the population, instead of building social infrastructure, may only benefit a few (Todaro & Smith 2012; World Bank 2016).

There has never been agreement in debates involving economic theory and policy in relation to economic growth, poverty, and inequality. The Keynesians argued that the economies of developing nations could only converge with developed nations through state intervention, industrial policy and redistribution. The monetarists argued that intervention would ultimately

fail, and ‘free market’ policies would better deliver rapid growth and raised living standards for the poor (Saad-Filho 2011).

Up until the early 80’s development was viewed as a sequence of five stages that all countries must traverse. Developing nations, could use a combination of saving, investment, and foreign aid to create an economic growth path, followed in the past by developed countries as a transition through modernization to an ideal type of advanced capitalism (Rostow 1990) (see section 2.4.1 below). Development policy required state coordination of multiple projects in publically owned sectors to provide the infrastructure for private sector managed industrialisation. This would deliver growth, employment, a healthy economy and balance of payments reducing poverty through trickle down employment (Saad-Filho 2011).

However continuing poverty and rising inequality in developing economies continued despite the expectations of structural change and labour mobility in a dual economy, suggested by Lewis (1954) (see section 2.4.2. below). The World Bank (1990) began to focus on farmers in developing countries by providing education and land transfers as well as improvement in the labour and credit markets and providing education, health and food subsidies to the poor. However, these policies were short lived as the focus shifted to the activities of corrupt governments and their inability to follow prescriptive western theories and policies (Saad-Filho 2011).

The Washington Consensus (WC) emerged as an alternative to development economics, dedicated to the operation of the free market as opposed to the interventionist approach of the inefficient corrupt state. Accordingly, the WC prescribed liberalisation of the economy and the privatisation of publically owned assets. The state was encouraged to guarantee private property rights law and order to maintain the ‘market economy’ through the entry of global capital. The inability of governments to influence the economy and the privatisation of public institutions made it impossible to implement welfare policies relying instead on the ‘trickle down’ effect from the economy (Jomo and Fine 2006; Williamson 2009).

According to Saad-Filho (2007), Ravallion (2007) and Dreze and Sen (2006) the state because it represents its citizens should be involved in the production and distribution of goods and services and the distribution of income and assets. The state can set limits on private interests and raise money to invest in economic reforms to benefit the majority. Pro-poor economic strategies are unique because the state coordinates economic activity with a view to redistribution. Growth contributes to redistribution but requires a development strategy. The

political will to tackle opposition to redistribution can be overcome if governments can act in concert with both economists who espouse diverse economic theories and its citizens (see Amartya Sen's Capability approach 2.4.3. and Bhutan's Gross National Happiness Index 2.4.4. below).

2. 4 Theories of economic development

The following section will discuss two theories of development that are based on economic growth and structural change: Rostow's five stage growth model and Lewis' structural change model and two theories of development that are based on empowering citizens: Amartya Sen's capability approach and Bhutan's Gross National Happiness approach to economic development.

The issue of poverty and how to best tackle it has revolved around those who advocated growth and the trickle-down effect or the market resolving poverty and inequality and redistribution by government through regulated labour, credit, and other markets, that more immediately influence the welfare and productive capacities of the poor, as well as health, education, and other basic services (Saad-Filho 2011). Rostow (1990) viewed development as a movement through five stages that would take a country from an agrarian based economy to a modern inclusive industrial economy. Lewis equally signalled a reduction in inequality through labour mobility from the agrarian economy to the urban industrial economy in his structural change theory (1955).

The prevalence of poverty in developing countries has prompted a move toward redistribution through government intervention and Bhutan's Gross National Happiness concept of development being meaningful only if it puts the 'Collective Happiness' of the people as the end goal of all development policies and plans (Wangyel 2015). Sen's (1999b) capability theory argues that overcoming deprivations should be the central goal of development.

Microfinance is seen as a way to achieve development goals through the provision of credit, capacity building and social services to the poor especially poor women who are often ignored by governments in developing countries (Sengupta and Abuchon 2008). Microfinance services can be provided by governments but are usually provided by NGOs who are better able to access and service the needs of the poor, as well as act as intermediaries to secure social services for their clients (Bhatt 2006).

2. 4. 1 Rostow's five stage growth model

Rostow (1990) views development as a sequence of five stages that all countries must traverse. Developing nations can, can use a combination of saving, investment, and foreign aid to create an economic growth path, followed in the past by developed countries.

Rostow 's (1990) first stage of economic growth involves a shift away from an agriculture based economy which maximises labour and minimises capital investment. Agriculture's share of production and employment is taken up by the manufacturing and service industries. Industrial development then supersedes agriculture and rural development where most people live on what they produce (Rostow 1990;Todaro & Smith 2012). Japan and South Korea were able to through industrial policy developed import replacement automobile and electronic industries that could compete in the global market as well as supporting the agricultural sector (World Bank 1993).

The second 'preconditions' stage must include changes in three nonindustrial areas: increases in investment in logistics to facilitate market and production specialisation; a scientific approach to agriculture to increase yield to feed a growing urban population and finally increasing imports, and natural resource sales. The changes require a political elite whose goal would be economic development to achieve a higher standard of living evidenced in South Korea and Japan with few natural resources but a highly skilled urban population (Nafziger 2006; Rostow 1990).

The third stage 'takeoff' occurring over many decades using investment to foster growth. A fast growing major industry expands its supply chain, resulting in output benefits buyers creating a virtuous cycle of supply and demand (Rostow 1990). Industrialization in India in the mid-50's increased management and technical skills and research through investment in tertiary education resulting in the plentiful availability of highly skilled, cheap labour and self-sufficiency in manufactured goods (Karmakar 2012). However, because of a lack of investment in both technical education and primary education the rural population is unable to participate in the skilled labour market (Dreze and Sen 2002).

Finally an organisational structure is created to expand the economy using capital from retained earnings, and an improved taxation system taxing high earnings; developing banking and capital markets and attracting foreign investment (Rostow 1990). India has developed

institutional frameworks but has not been able to attract high levels of foreign investment or a workable taxation system due to its large informal economy (Kannan 2009).

A drive to maturity stage follows a period of predictable growth supported by an urban labour force that is increasingly skilled, more bureaucratic and dependent on the state for economic security (Rostow 1990). India's workforce is both highly skilled and low skilled due to differentials in training and access to education (Kannan 2009).

Finally in the mass consumption stage growth is enjoyed with the products of modernisation for example the car, suburbanisation, and bountiful durable consumer goods and gadgets. In India 250 million people enjoy the mass consumption stage, the majority of Indians who live in the country have not been the recipients of the basic necessities and democratic rights (Dreze & Sen 2002). Rostow's stage theory does not acknowledge the redistributive role that governments can play, to ensure that the benefits are equitably shared in the new economy. The majority of Indians have some access to mobile phones and consumer goods but do not get a basic education, are poorly nourished, live in inadequate housing with poor sanitation and have little or no access to health care (United Nations 2015).

2. 4. 2 Lewis structural change theory

The Lewis structural change model, views an underdeveloped economy as having the majority of the population on small farms with marginal productivity, classified by Lewis as 'surplus labour' as removing labour makes no difference to output (Lewis 1955; Todaro & Smith 2012).

An efficient city based industrial sector into which labour from the country is drawn leading to employment growth due to increases in output, investment and stored capital. Investment results from profits over wages assuming profits are reinvested (Lewis 1955; Todaro & Smith 2012). The Korean and Japanese governments invested heavily in universal primary, secondary and tertiary education enabling people with the necessary skills in the rural areas to move into and take up jobs in the the industrialised urban areas (World Bank 1993).

Finally, Lewis assumes wage levels in the industrial sector will be sustained as opposed to the fixed average level in the agricultural sector. At the sustained city wage, employment will continue to grow (Lewis 1955; Todaro & Smith 2012). Singapore, Japan and Korea were able to compete in global markets investing in technology and growing their industrial sectors with a flexible labour market to enable growth (World Bank 1993).

This process continues until sufficient labour from the country is employed in the industrial sector. Workers then cannot be taken from the farm sector without losses in food production due to labour shortages or the “Lewis turning point.” Labour supply in the industrial sector is now sufficient for the growth of wages and employment. The economy has changed dramatically with a majority of workers moving from the farming sector to the industrial sector (Lewis 1955; Todaro & Smith 2012). The East Asian economies were able to sustain the growth of populations in the urban areas while maintaining a rural workforce that was better trained and skilled and using more efficient methods to maintain output to feed the urban population (World Bank 1993).

Criticisms of the Lewis Model

The Lewis two-sector development model reflects industrial experience in the west. It does not explain what has happened in the economies of developing nations today.

Employment and labour moving to the industrial sector due to capital investment and therefore increased growth assumes that capital will continue to be invested in labour as opposed to automated production facilities as was the case in India due to an inflexible labour market. Capitalist profits can also be deposited abroad in Western banks by corrupt government officials as is the case in many African and Latin American countries (Todaro & Smith 2012; Nafziger 2006). The East Asian economies on the other hand were able to through investment legal and political institutions encourage production avoid rent-seeking and make efficient use of resources (Quibria 2002).

Development economists disagree with Lewis’s assumption of rural labour being surplus but for seasonal and geographic exceptions to this rule, where land ownership is very unequal (Todaro & Smith 2012; Saad-Filho 2011). India has a vast number of underemployed rural workers who do not have the requisite skills to enter the labour market in the industrial sector due to a lack of investment in basic education and training (Kannan 2009).

Lewis assumes that the industrial sector can provide employment and wages indefinitely. The attraction of affluent metropolitan areas in developing countries has fostered migration to cities where the overwhelming flow of population moving towards metropolitan areas generates new agglomerations of destitute people (Ravallion, Chen & Sangraula 2007).

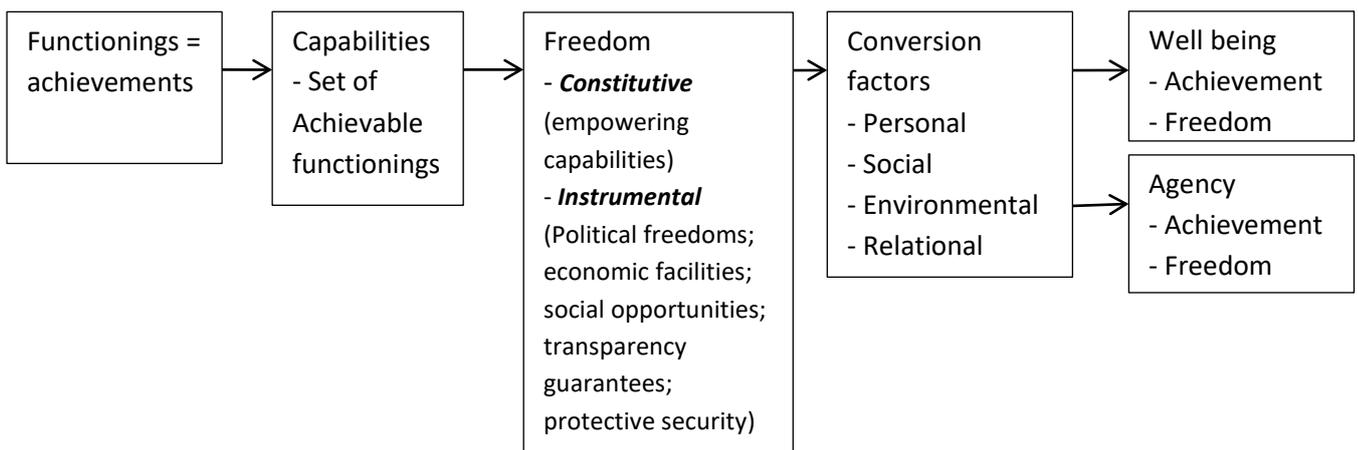
Although the Lewis two-sector model may apply to some developing countries for example China, it does not apply to the rest due to automation in the industrial sector, corrupt

governments secreting money overseas, urban slums and the informal economy (Todaro & Smith 2012; Saad-filho 2011).

The development theories above do not directly tackle the problem of poverty relying on self-regulating market forces setting up a process of development, leading to the expansion of well-being for all sections of the population. The theories ignore investment in the welfare state to ensure that all sections of the population could benefit from health, education, housing, sanitation and facilitating organisations (Sen 1999b).

2. 4. 3 Amartya Sen’s Capability Approach

Sen (1999b) argues that overcoming deprivations should be the central goal of development. ‘Unfreedoms’ include depriving of an individual of the basic necessities of life and the democratic rights to pursue opportunities to enable a standard of living, that suits their capabilities in a secure environment, that a person is ‘entitled’ to .



Adapted from: Dang Ai-Thu, (2014), Amartya Sen's Capability Approach: A Framework for Well-Being Evaluation and Policy Analysis.

Figure 2.1 Framework for well-being analysis and policy evaluation

Sen’s capability approach or the ability of people to live meaningful lives views the development process as expanding capabilities (set of functionings) giving individuals the freedom to realise more and better functionings (achievements) (Dang 2014) . Sen’s capability approach puts the understanding of the determinants of an individual’s well-being at its centre. Individual capabilities such as literacy and social capabilities provided by society include the provision of health care, education and public transport by governments and other organisations (Foster & Handy 2008).

Poverty is not purely economic but multidimensional in that it encompasses a number of factors that impinge on an individual including health, education and standard of living (see section 2.9). Poverty in economic terms is defined as earning less than \$1.90 a day as well as no access to social services, social capital, social exclusion and vulnerability (World Bank 2016). Sen (1999b) then views poverty as a denial of the right to choose from a range of options and the freedom to make that choice. Sen (1999b) includes political freedom and civil rights, economic means including access to credit, social opportunities including access to health, education and social services, honest dealings between people and government, and protective security. Access to these freedoms increase the productivity and employability of the poor, and thus their income and well-being.

Sen (1999b) views freedom as the means for people to take charge of their own development. Constitutive freedom is the ‘primary end’ of development and includes freedoms that enrich human life: access to nutrition, education and political rights. Governments providing cash transfers, publicly funded housing, sanitation and education can alleviate poverty that leads to malnourishment, illiteracy, and vulnerability (Dreze and Sen 2002).

Instrumental freedom being the ‘principal end’ of development is about human rights, including social, political and cultural freedoms, necessary to a person’s prosperity (Sen 2000b, p. 36-37). Microfinance can play a role, providing the poor with basic necessities, rebuilding their lives and helping them to gain acceptance in their communities (Chowdhury 2009). However, the poor also need publically funded training, infrastructure and market linkages to benefit from their borrowed investment and saving facilities to repay their loans (Mahajan 2005).

The social environment tempers freedom. Sen utilises “conversion factors” to refer to this influence of commodities being converted into functionings (achievements) and capabilities (opportunities) (Sen 1992, 1999b, 2011). Conversion factors may be grouped into three categories. Personal to do with age, sex and physical disabilities. Poor women who lack the power and decision-making authority, a male domain, within families and communities are limited in the choices they can make about their lives (Mayoux 1995).

Social, dealing with cultural practises and structures that establish patterns of behaviour that vary and the distribution of power that can exclude the poor. Access to credit and savings accounts can empower the poor especially poor women to acquire assets and gain respect in their communities (Kabeer 1996).

Environmental, focussing on climate and public infrastructure. The provision of public goods such as sanitation, clean water and electricity in addition to microfinance can assist the poor to work more productively and achieve a better standard of living (Bhatt 2006). Conversion of commodities into well-being is thus influenced by personal, social, and environmental factors (Dang 2014).

‘Agency’ is central to the capability approach to enable an individual’s goal fulfilment unconnected to human well-being. For example, voluntary fasting affecting well-being to achieve a political outcome. An individual’s agency can be expressed as ‘agency achievement’ and ‘agency freedom.’ ‘Agency achievement’ refers to an individual’s achievement of all planned goals and objectives (Dang 2014; Sen 1992, p. 56). Access to credit and savings accounts through a microfinance organisation enables the poor to work toward acquiring an income, shelter and adequate nutrition (Chowdhury 2009).

Well-being achievement is an aspect of ‘agency achievement.’ An individual chooses goals and objectives to be achieved as a ‘responsible agent’ (Sen 1985, p. 208). A person’s ‘agency freedom’ relates to freedom to achieve and attempt achievement of what she values (Sen 1992, p. 57). Poor women’s access to credit through a microfinance loan allows them control of money that can be used for household expenditure and a start-up business for example in animal raising or a tea stall, to ensure an income stream for her future (Chliova, Brinckmann & Rosenbusch 2015).

Women’s agency is especially important for social progress. Women’s agency must be distinguished from women’s well-being however it is important to focus on each when examining economic and social change in India. Gender inequality is very noticeable in Indian society and it affects well-being for example the low male-female ratio and the high proportion of ‘missing women’ due to variations in care including medical attention (Sen 1999b).

Women’s agency is important for four reasons. First gender justice is not only dependent on economic growth but also on women establishing careers through access to education, as well as basic human and political rights (Sen 1999b).

Second women’s empowerment can influence the lives of men and children for example educated women reduce mortality rates for boys and girls. Thirdly women have fewer children if they are educated, employed and formally organise impacting the lives of future generations.

Lastly women's agency can profoundly affect public policy thus citizen's lives. Women must have the freedom to use their democratic rights to enable these changes (Sen 1999b).

The capability approach is useful for three reasons. First, the capability approach accepts how differences between humans and individuals affects the way they convert aspects of commodities into functionings (Dang 2014).

Second, the capability approach offers a complex analysis of human well-being. The approach focuses on what a person can achieve - a person's functionings and capabilities. Quality of life is more comprehensive (Dang 2014).

Lastly, the capability approach does not focus on commodities or social services for an individuals' well-being but on the freedom to choose the life they will lead (Dang 2014; Sen 1999b, p. 74). Sen (1999b, p. 11) argues that, given social opportunities not development programs, individuals can both control their lives and help each other.

2. 4. 4 Bhutan - Gross National Happiness Index

The royal monarch of Bhutan in 1972 declared that Gross National Happiness (GNH) was more important than Gross National Product (GDP). It is a multidimensional concept based on the belief that development can only be meaningful if it puts the 'Collective Happiness' of the people as the end goal of all development policies and plans (Wangyel 2015).

According to Wangyel (2015) a planning commission established by the royal government focuses on creating an environment within which people can be happy. The multidimensional Gross National Happiness index includes four broad pillars that every policy or plan must contribute towards achieving:

- Sustainable and fair distribution of the benefits of development, tolerance, peace and unity, protection of rights and a compassionate society.
- Environmental Conservation: to ensure that development will be based on the principles of environmental sustainability to ensure biological diversity and productivity of the environment.
- Preservation and promotion of culture: to recognize, promote and preserve the nation's cultural inheritance heritage, Bhutanese identity and protecting the Bhutanese from negative impacts of modernisation.

- Good governance: developing systems and organisations that are responsive to the needs of its citizens is democratic, open and accountable, protected by the rule of law and expresses the distinctive features of Bhutanese society.

The Centre for Bhutan Studies and GNH Research (2015) takes the four pillars of Gross National Happiness above and operationalises them into nine domains:

- i. **Psychological well-being:** Explores spiritual and emotional health
- ii. **Health:** Includes physical and psychological well-being
- iii. **Time use:** a balance between working and enjoying life.
- iv. **Education:** Includes formal and informal education
- v. **Cultural diversity and resilience:** the importance of traditions
- vi. **Community vitality:** inclusive, empathic communities,
- vii. **Good Governance:** political participation and assessment of government
- viii. **Ecological diversity and resilience:** sustainability and eco-friendly behaviours.
- ix. **Living standards:** financial security, housing and asset ownership.

If a person score highly on two-thirds of the nine domains above, they are considered ‘happy’ in terms of the GNH index (Ura 2015). The GNH Index is a much more comprehensive measurement of the general welfare of the country’s population (Ura 2015). The GNH index above is the ideal for development as development involves both physical and psychological processes to lead a meaningful life.

According to Verma (2017) economists assume that growth produces healthier, happier, and better educated citizens but the evidence is weak. Widening inequalities in wealth, the failure to account for environmental and social and costs are more apparent. The market ignores costs to the socially disadvantaged and the environmental through resource depletion. Development is necessary for engaging in real-life problems of poverty, sustainability and inequality. The Gross National Happiness concept can provide a practical solution. Collective happiness, a focus on public service and respect for the environment should also be a part of a development strategy.

The four pillars of Sustainable and fair distribution of the benefits of development, environmental conservation, preservation and promotion of culture, good governance and the nine domains or indicators personalise the goals and strategies to allow for the development of the needs and aspirations of every citizen in a compassionate and ethical way. The GNH indicators can be used to evaluate planned policies and projects to test consistency with GNH

values. Citizens are encouraged through the states social and developmental services to pursue wellbeing. GNH through international conferences has been introduced to other developing countries (Verma 2017).

According to Lepeley (2017) the World Bank maintains that economies, which depend on the government sector for growth and lack a private sector, or policies, to expand the private sector are less likely to provide economic benefits to their citizens in the long term. In Bhutan dependency on public sector jobs results in unemployment among youth and women. Although there has been some reduction in poverty there are poverty gaps in the rural and urban sector. In addition there is a growing low wage informal economy in the rural areas. Bhutan also has labour and skill shortages due to the lack of adequate education and training opportunities for its population.

2. 4. 5 Conceptual framework for this study

In most developing countries development policies have focussed on economic growth. Both Rostow's five stage growth model and the Lewis structural change model are reflective of the economic development that has occurred in the developed world than in developing countries. These theories are frequently used as theoretical frameworks as economic growth is viewed as the main focus for development. Bhutan's Gross National Happiness Index's development perspective is not as specific as the capability approach which is best suited to the objectives of this thesis.

The capability approach provides a unique development perspective focussing on individual wellbeing in relation to an individual's freedom and choices, not their economic situation. Inequality measured by income earned is acknowledged but the approach also focusses on deprivation due to unemployment, ill health, illiteracy and social exclusion which also affect an individual's capabilities (Sen 1999b). In addition, Sen (1985) argues that freedom is critical as personal, environmental factors and social factors influence an individual's ability to turn commodities into achievements. The capability approach is also critical of social structures viewing the family as a source of both support and oppression of women using cultural values for example denying women access to adequate nutrition, medical services and agency (Kabeer 1996). The capability approach argues that customs should not be allowed to override legal protections. Legal rights are seen as ensuring a set of capabilities for fuller human functioning as they protect human freedoms (Barauh 2003). The role of organisations to assist in this process is vital so that the most vulnerable are able to participate in the life of the community

(Nambiar 2013). Section 2.8 below addresses the case for the Capability Approach as a conceptual framework in more specific detail. The relationship between poverty and development is the subject of the following section.

2.5 Poverty and development

Poor people lack the necessary physical and human capital and savings capacity to take advantage of the jobs, investment, opportunities created by growth, and are more vulnerable to health problems, natural catastrophes and economic crises. Poor people are also unable to influence the organisations that could provide a more equitable distribution of education, health and housing services to alleviate poverty (Nolan & Whelan 2007). According to the UNDP (1997) poverty involves a lack of necessities for material wellbeing due to illiteracy, malnutrition, shorter life span, poor maternal health, and illness from preventable diseases. In addition being deprived of products, information and public services like sanitation, education and clean water in order to live a decent life.

Absolute poverty is the income level insufficient to get the essential goods to secure sustenance (daily calories, safe shelter, clothing and medicine). The World Bank in 1990 created the international poverty line, using minimum cost of living, at \$1.00 a day, corrected to \$1.25 a day for 2005 or \$1.00 a day in 1996 US prices and recently updated the measure to \$1.25 and \$2.50 per day to US equivalence (Farina 2015).

Relative poverty considers the poor as the share of population that is below a relative poverty threshold, defined as those individuals with an income that is lower than 50% or 60% of the mean or median income. This index provides a method to spot people characterised by a wide income distance from the per capita GDP of a country (Farina 2015).

As economic development is fundamentally multidimensional it has two important implications. First, well-being achievements are unevenly distributed affecting sections of the population differentially. Second, it gives rise to different states of well-being. These two main characteristics of development requires a careful evaluation of the progress of well-being overall, and within each dimension in each country year-by-year (Nolan & Whelan 2007).

According to Nafziger (2006), policies to reduce poverty include the provision of finance to provide the investment opportunities for the poor and capacity building especially for women in microenterprises. Public investment in infrastructure in underprivileged areas increase their productivity and provide jobs for them. Education, and health care not only assist human

development and but also assists economic activity and the widespread benefits of the market economy raising living standards (Sen 1999b).

Development planning plays an important role in developing countries and involves a planning authority setting achievable targets over a fixed amount of time in accordance with the resource base of the country concerned. This can ensure proper utilisation of the resources of the country to stimulate the process of economic growth (Jain & Malhotra 2010). The following section examines planning in relation to population, education, skills, knowledge, finance, regulation, infrastructure, markets and trade.

2. 5. 1 Population

Rising population stimulates demand thus increasing investment as the market grows and the wants and needs of the population diversify but can also cause a rise in consumption decline in savings and a resulting decline in capital formation. Rising populations can also cause rising unemployment and poverty as well as affecting the supply of food and the provision of health, sanitation and education services. So proper manpower planning is needed to utilise the human resources to produce economic growth (Jain & Malhotra 2010). Low birth rates increase employment and income so governments can increase expenditure on education and training (Nafziger 2006).

2. 5. 2 Education

Education enables individuals to think and use their skills. It makes people more efficient, healthier improve their diet and have smaller families. Primary education allows the poor to escape poverty and access well-paying jobs (Nafziger 2006). Addison and Rahman (2001) find that public expenditure on education favours the rich who can influence politicians and budgetary decisions. The unorganised rural poor lack the resources to influence the government. Gender discrimination in school enrolments in developing countries is also common when research shows that educating girls improves food quality, birth rate and child deaths (Dreze & Sen 2002). Skills training is another area of national importance.

2. 5. 3 Skills

Nafziger (2006) argues that a developing country needs a wide range of indispensable specialised skills. Skill formation ensures the flow of an efficient and well-trained labour force to service various sectors of the economy, through the provision of general and technical

education and health services to ensure healthy workers. Poverty cannot be eradicated without the development of human capital (Jain & Malhotra 2010). Gupta et al. (2014) argue that 43percent of India's poor who leave agriculture are low-skilled vegetable-sellers food handlers, handcart pullers, shop clerks, maids and drivers who barely maintain a living. They would benefit from skill building to enter the skilled service sector of child care, nursing aides and electricians earning five times more than what they would normally earn. Knowledge is another key area that is vital to economic development.

2. 5. 4 Knowledge

Braunerhjelm (2008) argues that growth is dependent on how a society nurtures the talent in its workforce. He points to knowledge leaps in the past usually followed by economic development that is uncertain, involves market experimentation, redistribution of wealth, and the creation of new structures and industries. The latter is of vital importance in 'dual sector' economies such as India where 53% of the workforce derive income in rural areas from low yield agriculture accounting for only 18% of Gross Domestic Product (GDP) and the services sector with 21% of the workforce accounts for 56% of GDP (Chandler & Zainulbhai 2013). Finance is the lifeblood of the economy and requires careful management to ensure progress.

2. 5. 5 Finance

According to Stiglitz (1998), a healthy stock market and banking system assist economic stability by selecting the health businesses for investment, and monitoring these investments for their productive use. Successful economies control capital outflows and wages to pursue industrialisation, investing in social infrastructure education, housing and health to create a modern workforce and facilitate growth through exports. The capitalisation of small producers must inform monetary policy and development assistance at all levels. Poor households must be financed to ensure steady future growth (Basu 2005; Bhatt 2006). Regulation like finance is critical to the operation of a free market.

2. 5. 6 Regulation

Posner (1974) argues that regulation should operate to correct unsustainable and unfair practices. Governments intervene in the economy to fix irregularities and malpractice in the operation of the free market. According to Bhatt (2006) government policy and regulations usually discriminate against petty vendors dependent on moneylenders and low returns, favouring wealthy business people who operate in wholesale markets with cheap capital

making handsome profits. Infrastructure like regulation is integral to the efficiency in a developing economy.

2. 5. 7 Infrastructure

Sahoo and Dash (2009) note that investing in infrastructure assists economic development creates factories and business activity, reducing business costs, encouraging competition and jobs as well as facilities for the poor. Growth and social welfare is stymied by inadequate infrastructure. Infrastructure particularly communications and logistics is indispensable for business today as well as connecting isolated communities in the developing world. Infrastructure can be provided privately supervised by government regulation and a legal framework (Stiglitz 1998). Markets like infrastructure require government intervention to initiate legal provisions, economic growth and competition.

2. 5. 8 Markets

The state has a direct interest in the operation of the market mechanism. Markets need legal provisions and rights to property and contractual entitlements, as well as legal action that can be taken to ensure the smooth operation of exchange and production. Secondly, governments initiate and facilitate market based economic growth in order to assist in price and production negotiations, economies of scale, technological exchanges and skill formation as was done in post-war South Korea and Japan. Thirdly, governments provide for a competitive environment with a social face to guarantee everybody's rights, this can guarantee a fair deal for the poor to increase their assets (Thirlwall 2006). Trade like markets require governments to negotiate agreements with other economies to ensure growth and rising incomes for all concerned.

2. 5. 9 Trade

The informal sector needs fair terms of trade so that the poor and their enterprises can prosper. Society benefits by supporting the business of the poor and reaping the rewards of higher productivity, income for demand, more savings, healthier families, literate adults and smaller families. The poor invest in their economies purchasing consumer products and services. The viable enterprises of the poor can transform national and global economies (Bhatt 2006). The following section examines gender and poverty.

2.6 Poverty and women

Poverty is usually defined and measured by the economic wellbeing of the family. The economic model measures poverty using income or consumption. Poverty is then measured as relative (in relation to the population median) or absolute (independent of the population distribution) (Farina 2015). Because poverty is multidimensional both economic and social deprivation should be assessed especially in research on gender and poverty where indicators of women's deprivation is influenced by their lack of access to land, agency, legal rights and their vulnerability within families (Chant 2007). Sen's (1999b) capability approach measures poverty by looking at the individual's freedom to achieve thus the position of women in households that can be qualitatively different to that of a man. Poverty can also be viewed as social exclusion a process that is multidimensional, involving isolation from a society as a result of poverty or being part of a specific social group. Women are isolated or treated differentially as a result of customs and prejudices within societies (Quisumbing et. al. 2001).

Families make choices based on the inclinations, rewards, and restrictions affecting each member, mediated by their relative position in the family. Socialisation through rules and customs shapes inclinations. Markets determine rewards through access to work, money and, assets influencing inclinations, and household decisions and investments. Restrictions arise from the interaction of government organisations and markets and the influence of the social environment (World Bank 2012).

The position of family members is defined by their access to resources, their mobility and social norms. In this way, family decision making, markets, government organisations, and the social environment coalesce and interact to decide gender-related outcomes (World Bank 2012). Gender must be assessed in relation to poverty so development policies can benefit the poor. Inequality between the sexes make the experience of poverty more acute for females than males. In developing countries the rules that govern female behaviour, access to assets, division of labour, decision making, reinforce the gender divide. Females who are barely educated, have few assets, and have lower status in their households. Thus they lack the ability to improve their economic position and are limited in their mobility by social conventions to seek employment to improve their lives (Kabeer 1996; Chant 2007; Boudet et.al. 2018).

Developing countries can design policies to get around the social conventions and women's lack of bargaining power by providing water and sanitation connections, and making social welfare payments directly to women (Almeida & Oosterbeek 2016). Women are severely

disadvantaged in the event of the death or separation from their husbands, often losing control over family assets leaving them destitute (Deere, Alvarado & Twyman 2012). Inequalities in education and regular employment for women contribute to gender differences in poverty in Burkina Faso. Gender inequality in Togo is due to women lacking access to assets and credit (Agbodji, Batana and Denis 2013).

Labour markets actively discriminate against women. Women in Latin America have difficulty finding regular work, government jobs with benefits and usually work for lower wages (Costa, Silva & Vaz 2009). Poor women invariably only have access to informal employment due to social restrictions on their mobility and conflict with domestic duties disallowing them from working regular hours. Their informal employment is not covered by labour laws or a social security system and they are not entitled to annual or sick leave (International Labour Organisation 2018). Women also act as carers without pay for the young, the old and the infirm in the family (Boudet 2018).

In Bosnia and Herzegovina there is a sharp divide between male and female education resulting in lower levels of education for females who over their lifetime will earn less than males (Lokshin and Mroz 2003). Males also dominate the job market resulting in young women from disadvantaged families being more likely to descend into poverty. At the same time, single women that come from poor households could be at a greater risk of poverty because of limited access to employment (Rosenzweig & Wolpin 1994).

The differing amounts of time that men and women allocate to care and related household work are one factor driving segregation and the consequent earnings gaps. Even as women take up a bigger share of market work, they remain largely responsible for care and housework restricting their capacity to earn or run a business (Quisumbing 2003).

In agriculture and entrepreneurship, large and significant gender disparities in access to inputs (including land and credit) and in asset ownership are at the root of the gender productivity gap. These constraints mean that women entrepreneurs and farmers are often restricted to subsistence level businesses and activities that are less profitable and less likely to expand (Deere & Doss 2006).

Globally, a substantial minority of 649 million live below the \$1.90 poverty line half in Sub-Saharan Africa and the rest in South Asia poor women (330 million) exceeding poor men (325 million). Gender differences are more pronounced in South Asia for poor women (15.9 percent)

and 14.7 percent for poor men. Internationally 104 women live in poverty as opposed to 100 men. In South Asia, poor women (109) outnumber poor men (100) (Boudet et al. 2018).

Women are trapped in a cycle of poverty due to their inability to influence markets, organisational constraints, and persistent social norms requiring external intervention to remedy (Sen 1999b). Microfinance organisations can provide market linkages, assist in the negotiation with local governments for permits to enable poor women to operate their microbusinesses. As well microfinance organisations can provide training and loans to finance poor women's livelihoods making them valuable members of their communities (Bhatt 2006).

2.7 Women and capability building

Microfinance plays an important role in poverty alleviation. Utilisation of properly managed savings, credit, and insurance services by the poor enables them to better control risks, acquire assets, invest in their livelihoods, improve earning ability and live a better life. Microfinance can assist economic growth and development through improved resource provision, market linkages and well utilised technology (Asian Development Bank 2000).

Poor women are usually illiterate, have very few assets, do not have the influence men have in the marketplace to secure a livelihood (Ganle, Afriyie & Segbefia 2015). In order for poor women to build capabilities they must be educated, healthy and own assets they can use to earn an income in order to sustain their families (Kabeer 1996; Sen 1999b). Kabeer (2005) defines empowerment for women as having agency or the power to make strategic life choices and access to resources as an independent member of her family, in order to achieve her goals.

According to the International Labour Organisation (2018), the self-employed which poor women are part of comprises eighty three percent of the workforce and formal jobs are seventeen percent of the total employed. In India, six per cent of working women work in the formal sector and 94 per cent in the informal or self-employed sector. The self-employed lack legal protection and access to credit is not within their reach but they finance their own businesses (Biyase & Fisher 2017). They are an integral part of the supply chain but are marginalised. Since the workers are unrecognized, unrecorded and unorganised they remain invisible and voiceless (Bhatt 2006).

Microfinance organisations can provide capacity building mechanisms in the form of training and market linkages. Governments can provide educational and health facilities, as well as

infrastructure to increase efficiency and connectivity between enterprises in the informal sector and the wider economy (Bhatt 2001).

2. 7. 1 Access to microfinance by poor women

The poor, who seldom own land as a resource base for production, do not have access to a social welfare system and are in dire need of credit to invest in their livelihoods. Consequently, social banking or the provision of formal banking services to the poor became part of government policy in developing economies. However the initiative faltered due to credit being mainly taken up by clients with land, its poverty alleviation goal was stymied as credit was not granted for consumption, and there were problems with repayment (Chavan and Ramakumar 2002).

Lending to the poor is often difficult as lenders have to target the most needy, those below the poverty line. In addition, ability to repay cannot be assessed in the absence of any documentation regarding business activity or ownership of assets. It is also difficult to ascertain whether the loan will be used gainfully. Finally, in the absence of collateral, legal action to reclaim debt when the borrower defaults is problematic. As a result of these potential costs the poor are denied credit (Yunus 1983; Chavan and Ravakumar 2002).

Microcredit or small loans were made to women in Bangladesh by the Grameen Bank who initiated the concept of Microfinance. These collateral free loans were invested in income generating enterprises by poor women to sustain their families. Attendance at regular meetings was required to discourage the non-poor from borrowing. Poor women were organised into groups with similar social and economic conditions and investment in viable farm activities was arranged to ensure they had a regular income. The bank used group monitoring (social collateral) and the individual investing in a viable project began repayments within a week of the loan being granted. Regular small rather than big repayments ensured the loan was repaid (Yunus 1983; Chavan and Ravakumar 2002).

The breakthroughs provided by the Grameen Bank ensured the spread of microcredit around the world benefiting millions of poor women. Microcredit which is based on trust has developed into Microfinance which provides the same borrowers with savings institutions and insurance as well as services like training and capacity building, education and healthcare (Sengupta and Abuchon 2008).

Poor women in developing countries lack savings and credit stymying gainful employment and small business (Khandker 1998). Women can be marginalised and families can be forced into poverty unable to earn a living (Yunus 1983). In addition due to a lack of education and dependence on agriculture as an income mainstay banks exclude them due to high information costs to assess their creditworthiness (Biyase and Fisher 2017). Microfinance can provide both credit, and liberate women from poverty (Hashemi, Schuler & Riley 1996). Access to microfinance however can also lead to severe debt if borrowers are unable to repay multiple loans. Farmers in Andhra Pradesh in India who borrowed to invest in their farms were unable to repay loans due to poor harvests resorted to suicide as a way out of their indebted situations (Bateman and Chang 2012).

Poor women's access to credit through a microfinance loan allows them control of money that can be used for household expenditure and a start-up business for example in animal raising or a tea stall, to ensure an income stream for her future (Chliova, Brinckmann & Rosenbusch 2015). However the income stream may well be dependent on the size of the loan. Mosley & Rock (2004) found that the small loans poor African women obtained were insufficient to make a capital investment or income to survive.

Microfinance institutions can assist by informing poor women about financial services, provide basic literacy training to use financial services, and keep records of their business transactions. A meta-analysis of a number of studies in developing countries found poor women provided with a combination of customised skills, capital and counselling based on their main constraints and involving the private sector to deliver and evaluate programs produces more successful programs (Cho & Honorati 2014). Mohanty, Das and Mohanty (2013) found that training provided by NABARD in Karnataka to poor women in Self Help Groups, through a rural Bank linkage program, improved their self-confidence, and entrepreneurship skills encouraging them to become involved in social and community development activities. Female members of a microfinance program in Peru receiving business training over a period of one to two years had improved business skills and income and clients were more loyal and paid on time (Karlan & Valdivia 2011).

The reasonable interest on microfinance loans is also more manageable than exorbitant interest on loans charged by moneylenders fuelling indebtedness. However multiple loans at reasonable interest rates taken by poor women can equally lead to repayment and default problems (Stiglitz & Weiss 1981; Yunus 1983). Access to credit and savings however is a major consideration

for poor women rather than interest rates as they are then better able to make decisions about nutrition, education and health related issues assisted by the microfinance organisation (Leatherman et.al. 2011).

Poor women often have to provide collateral in the form of land, animals, jewellery in order to access loans. Poor women in Peru were required to be experienced in the economic activity as well as provide collateral in order to get a loan. Poor women who have difficulty paying the loans can thus lose their most valuable assets as a result (Weiss and Montgomery 2005). Microlenders use self-help groups to get around collateral using their collective savings as surety instead, providing multiples of amounts saved as loans. The method has been successful in the Sahel but operates outside the formal sector and costs are kept low using paid in house trainers (Grant and Allen 2002).

Lacking access to savings accounts poor women have difficulty saving sizable amounts of money. Access to credit therefore allows women to invest in their businesses and manage money better (Collins et al. 2009). Sinapi Trust in Ghana owned by its poor women shareholders whose progressive savings in its tailor-made deposit facilities increases the loan portfolio at minimal cost to the institution (Afrane 2002). Savings accounts can also allow women to avoid social obligations. Poor women in Kenya open no interest accounts to avoid social pressure to lend to friends and relatives depriving them of a source of collateral to enable borrowing (Dupas & Robinson 2013).

Quicker repayment of the loan theoretically also allows the woman access to larger loans and thus further investment in the business or the family (Johnson 2005). Repayment is dependent on the savings poor women make as well as income from their businesses. Weiss & Montgomery (2005) found that the small loans African women obtained were insufficient to make capital investments in their businesses resulting in low incomes. Poor women in Ethiopia with few business skills and operating in competitive markets and earning low incomes struggled to make repayments (Ganle, Afriyie & Segbefia 2015). In addition illness and external events beyond the control of poor women can affect earnings. A household survey of poor women in Madagascar revealed illness affecting labour and riots and floods affecting shelter were major risks to living standards over the previous five years (Zeller & Sharma 2000).

Bhatt (2006) suggests that poor women are also able to borrow to build more secure dwellings that can double up as work and storage spaces for their livelihoods. Poor women in Ghana have

access to government loans for improvement and maintenance of their dwellings as income rises and member's enterprises grow assist in the expansion of their businesses (Chonga & Laufer 2016). Poor women often live and work out of slums in urban areas. Poor women and their families living in kampongs (slums) in Jakarta worked with local councils who supplied sanitation and streetscaping for houses built with microfinance loans (Tunas and Peresthu 2010).

Microfinance programs can improve infant care and nutrition (Hadi 2001). Access to credit can facilitate investment in health, reduce vulnerability to risk and ensure life expectancy (Ranis, Stewart & Ramirez 2000). Poor women in Uganda and rural Bangladesh use health insurance to seek timely treatment, instead of selling productive assets, to insure against adverse health shocks (Islam 2006; Leatherman et al. 2011). In South East Asia microfinance-based health solutions using female self-help groups were successful in providing both health care products and as a medium to communicate health messages and generate community awareness on key health issues (Saha & Annear 2014).

Income facilitates children's school enrolments and finances school expenses avoiding child labour to support the family (Chen & Snodgrass 2001). Borrowing also enables poor women in Nepal and Zimbabwe to send their children to school, but in rural Malawi access to loan and banking services actually increases child employment and decreases schooling (Adjei, Arun & Hossain 2009; Ersado 2005). Poor women borrowers in Ghana were prepared to invest in their children's private secondary education and school infrastructure, after the children had free primary schooling (Shimamura & Lastarria-Cornhiel 2010).

Hashemi, Schuler and Riley (1996) note that microfinance allows women to contribute to family income giving them status in the family and may lead to participation in decision-making and bargaining power in the household and beyond. Poor women microcredit borrowers in Zimbabwe despite an unfavourable economic environment earned an estimated Z\$1,380 a month more than non-clients did (Barnes, Keogh & Nemarundwe 2001). Women's interaction with the outside world improves their decision making, and comprehension of wider social issues increases. As well, interaction in microfinance groups, enables solidarity. (Sanyal 2009).

Microfinance however is not always a panacea for poverty as women need the experience of running a business, budgeting skills, access to markets, suppliers they can negotiate with fairly and a working knowledge of the marketing process (Chowdhury 2009). Female traders in

Zimbabwe and South Africa with progressive but small loans, locked in to low-income generating highly competitive activities selling vegetables and beer, agreed to trade on alternate days, with beer prices set by village headmen (Mosley & Rock 2004). Micro businesses are more likely to lose than turn a profit in an over competitive market, high interest rates only making the position worse. (Bateman & Chang 2012).

Women's incomes can decline or remain stagnant due to minimal profits and spending borrowings on the household. Microloans are more suited therefore to women who run successful businesses (Ganle, Afriyie & Segbefia 2015). Small-scale female entrepreneurs in Addis Ababa, Ethiopia, had no qualitative improvement in their lives other than the repayment of loans and maintaining businesses already established (Belwal, Tamiru & Singh 2012).

The hierarchical family systems that govern most domestic relationships in developing countries restrict women's movements, decision making relating to the use of loans and income derived from their use. Husbands can force their wives to obtain loans that they then control the wife being responsible for loan repayments without an income (Rahman 1999). A majority of poor women micro entrepreneurs in Ghana exercised no control over the loan they received, including funded enterprises as well as incomes and assets accrued. Women with control over proceeds from their loans were more likely to enhance their incomes and make decisions about changes and expansion of the business (Ganle, Afriyie & Segbefia 2015). The threat of violence to maintain the status quo is a constant threat to women who ultimately are responsible for repayment of a loan controlled by the husband or male relatives (Rahman 1999).

Poor women are often exploited by credit providers who are generally immune to prosecution. They are also unable to win concessions from local government to operate and advance their micro businesses (Mair & Marti 2009). According to Belwal, Tamiru & Singh (2012) poor women entrepreneurs in Ethiopia had difficulty acquiring market related skills, had limited access and control over productive resources. They engaged in activities that were home-based and less risky and were mostly unaware of business support services and business opportunities.

Women continue to be dependent on their families despite gaining credit as they lack control over the microbusiness and their borrowings, in addition, women's livelihoods yield lower returns than do the livelihoods of men (Collins et al. 2009).

In order to be effective microfinance should be accompanied by capacity building to make micro businesses more viable. Poor women in Peru were able to apply skills learned and improve management decisions but not profits from their micro businesses and training. Self-help groups of poor women in rural India improved members' skills in savings and asset accumulation not income (Bali-Swain & Varghese 2013; Karlan & Valdivia 2011). These studies point to other factors that influence the link between training and income such as scale and links to the wider business community (Bateman and Chang 2012).

Microenterprises need to be properly integrated into the larger economy in order to take advantage of the economies of scale in order to grow the business and have a sustainable future (Bateman & Chang 2012; Chowdhury 2009). The Shri Mahila Sewa Sahakari Bank a microlender in India uses an integrated approach, with poor female entrepreneurs, setting up businesses then providing commercial linkages, management training, and asset creation. They use innovative banking procedures including photographs in bankbooks, work site deposit collection, streamlined loan application procedures designed for their illiterate members (Datta 2003). Microfinance can also play a role in the education of poor women the subject of the following section.

2. 7. 2 Education and poor women

Education can play a role in poverty reduction firstly, because it makes a contribution to earnings. Female education has wider implications for more women in employment increasing family incomes and increases demand for their participation in the workforce (Kabeer 1996; Van der Berg 2008). In Latin America, for example, workers depending on whether they are illiterate, primary, secondary or tertiary educated earn vastly different salaries (Inter American Development Bank 1998; Van der Berg 2008).

Secondly, the growth of a country's economy is related to education, skills and knowledge leading to economic development, growth and employment. The growth rate per capita can be influenced by the increases in reading and mathematics scores of students (Kabeer 1996; Hanushek & Woessmann 2008; Van der Berg 2008). A mother's education also contributes to lower infant and child mortality levels (Schultz 1999). Societies that educate girls enhance the role of women in the workforce and society in general. Women can contribute to household income and use their qualifications and experience to create a more productive workforce. Women's education, increases the likelihood of success for children in their education and eventual entry into the workforce (Kabeer 2005).

Thirdly, education leads to better social welfare. Birth control general welfare for the poor, having fewer children, health clinics, and employment for women. (Kabeer 1996; Van der Berg 2008). According to Jejeebhoy (1995) access to education can bring about changes in thinking, which enables poor women to question and take action to change their lives. In addition women are exposed to new ways of thinking and can better utilise information. Education makes women more aware of their and their family's needs. Education and paid work were critical to women using contraception and antenatal care reducing maternal morbidity in a study in rural Zimbabwe (Becker 1997).

Secondary schooling enables understanding of disease and prevention and family planning (Becker 1997). Female education also results in lower fertility through birth control methods. Health care and hygiene is dependent on women's schooling resulting in lower child deaths (Schultz 1999). Women who are educated in addition to having fewer children can provide better health care and sanitation in their households (Kabeer 1996).

A woman's education enables her to mentor her children and ensure successful educational outcomes in the next generation. Education can also change the influence women have within the family and community (Kabeer, 1996). Hashemi, Schuler and Riley (1996) found that educated rural Bangladeshi women had better scores on measures for making household decisions and access and control of resources than uneducated women.

Educated women are less likely to be victims of domestic violence. A study in West Bengal found that educated women managed violent husbands more effectively using their skills and self-confidence to keep their husbands at bay (Sen 1999b, p. 12).

Education can also assist women to more effectively deal with bureaucrats and professionals. A survey of mothers in rural Nigeria, found that educated and self-confident women got better treatment from staff than uneducated women at a maternity hospital and were more likely to use the facilities than the uneducated women (Jejeebhoy 1995).

Women who experience new ways of thinking about social problems are more likely to challenge those who are responsible for creating them. Female led anti-liquor movements in India that conduct literacy programmes have inspired women to take action to stop their husband's alcoholism and violence in their households (Niranjana 2002).

According to Sebstad and Cohen (2003) poor women must be taught about the value of money and how to best use it. Women must analyse their financial problems and learn skills to earn,

spend, budget, save, borrow and invest. These skills assist in setting financial targets and choices. Financial knowledge can help them make better decisions about their immediate and life cycle requirements and forestall debt when emergencies strike. Poor women utilising financial planning can also harness opportunities as they arise.

Microfinance organisations provide poor women with business training to record business income and expenditures and repay loans but no training on managing personal and household finances, investment or financial decisions. The application of the former to managing household financial affairs has limited scope. Microfinance organisations must understand how poor women manage resources, acquire assets in their households and deal with risk on a daily basis. Research can be conducted to investigate these areas and tools for training can be developed to suit both trainers to teach and clients to learn financial literacy skills (Sebstad and Cohen 2003; Chen and Snodgrass 2001; Barnes 2001). Microfinance training and health programs play a key role in the health outcomes of poor women (Wagstaff, Bredenkamp & Buisman 2014).

2. 7. 3 Health and poor women

The access to health care and health indices has improved worldwide but there are still disparities in health statistics in parts of the world. From 1990-2011 women dying in childbirth has fallen by 50 percent and access to antenatal care has also increased. The rate of adult deaths is falling faster for women in developing countries than for men (Jamison et al. 2013). Restrictions on women's mobility restricts antenatal care reflecting the high mortality rates in childbirth in developing countries. Health outreach initiatives can reduce mortality and ensure healthier children (Wagstaff, Bredenkamp & Buisman 2014).

According to Leatherman, Metcalfe, Geisler and Dunford (2012) microfinance organisations deal with approximately 170 million very poor people, who live in areas inaccessible to private and government health agencies. Access to microfinance loans enables poor women to access health care. MFO's are able to offer health education as well as credit. Microfinance health programs have influenced health outcomes for poor women, their use of contraceptives, reduced child mortality, decreased domestic violence as well as the take up of health services (Mohindra et.al. 2008).

Although MFO's have offered health programs including health oriented education, finance, training, services and microinsurance, service delivery by MFO's is limited. This is so because

MFO's need to be lean and keep interest rates low; a lack of experience to connect clients to health services; as well as the poor information about methods that can influence client's knowledge and behaviour and produce positive health results (Leatherman et. al. 2012).

Poor people are totally dependent on their health to earn a living, injury or ill health can mean starvation. Government health intervention for the poor can enable them to be healthier and increase income. A group of women cotton mill workers who received iron supplements in China compared to a group who did not had a dramatic rise in output (Li et al. 1994).

Healthier women are more active and productive earn more and are ill less often. Most poor people earn a living doing manual labour and risk losing wages being ill (Schultz 2002). Healthy children attend school regularly, have fewer learning difficulties, perform better and are more successful. In Kenya child-deworming increased school attendance and reduced sickness (World Bank 2016). Women using biomass for cooking suffer from respiratory diseases. Low polluting cookers, installed in half a million homes in Kerala, India have improved the health of women and children (Bloom & Canning 2003).

Poor people are less likely to access health care are more likely to be malnourished and die in childhood. Access to sanitation is very low (23 per cent) in comparison with wealthier segments of the population (73 percent) (Jamison et al. 2013). Women are less likely to access medical care affecting their productivity in the family (Narayan 2002). Poor women are regulated by their families' culture and traditions. Malnutrition, early marriage and limited access to medical care limit their life expectancy. Restrictions on mobility, lack of community networks limit their access to health care. Medical services especially obstetrics are limited. Governments provide inadequate health care facilities and ignore gender issues (Qureshi and Shaikh 2007).

According to O'Malley and Burke (2017) not enough is known about the specific factors involved in microfinance and improved women's health. They call for more rigorous research using primary data and a diverse group of women. However their review of the research found that combined microfinance and sexual health education increases participant knowledge of HIV/AIDS prevention, testing and treatment resources. Length of membership also influenced the likelihood that women who attended ante-natal programs would have knowledge about a range of preventative treatments to safeguard their health.

Smith (2002) found MFO clients reported using better managed health practices with life threatening illnesses like diarrhoea, malaria as well as gender based violence. This is important

if applied to larger populations. Sherer et al. (2004), looking at the impact of education on use of health services in Malawi, Thailand and Guatemala found that demand for care spiked with sexually transmitted infection. Smith (2002) and Dohn et al. (2004) found increases in preventative vaccination uptake and cancer screening in Honduras and Ecuador by MFO clients.

Poor women will not invest in a business if they cannot insure against illness or lack access to medical care. Their substantial contribution to economic growth however should encourage governments in developing countries to give them security by improving medical offerings for the poor (Bloom, Canning & Sevilla 2004). Private health providers given microloans and business skills training to improve local private medical providers were able to not only improve practises but enhance medicine supply prompting increased client attendance (Seiber and Robinson 2007). Poor women are unable to manage the costs of health care so MFO supported microinsurance can assist in earlier intervention, at reduced cost instead of self-care (Ahmed et.al. 2006). Government initiatives in the provision of infrastructure for the poor have a positive impact on health, education and welfare (Calderon and Serven, 2004).

2. 7. 4 Infrastructure and poor women

Infrastructure consists of logistical networks, sanitation systems and telecommunications and other services connected to them (SIDA 1996). Fox (1994) defines public infrastructure as ‘those services derived from the set of public works traditionally supported by the public sector to enhance private sector production and to allow for household consumption’. Millions of poor people do not have access to roads proximate to their villages (World Bank 2016).

The poor miss out on infrastructure because of where they are, inability to pay and position in society (Pouliquen 2000). Roads make it easier and cheaper for farmers to get their products to market, obtain better returns and incur lower costs for things they need. Better country roads enable the utilisation of female labour employment, expanding their social networks and assist in the process of finding new place to sell farm produce (Mu & Van de Walle 2011). A rural road and market project in Bangladesh gave women equal access to work and market. Women participated in the road’s construction, were allocated market space and positions on the market management committee, as well as dedicated sanitation facilities. Female traders were able to get formal employment and regular incomes as well as negotiate with suppliers, get market information and grow their businesses (World Bank 2010).

The poor cannot afford the high cost associated with the provision of infrastructure. Involving them in designing and construction of the infrastructure can assist in minimising cost and providing a service that best suits their needs (Pouliquen 2000). An initiative in Tamil Nadu India organised poor women into self-help groups provided low cost loans alongside government subsidies and training to build sanitation facilities. The women paid off their loans and the subsidies played a big part in the success of the project (Barenberg 2009).

Women spend hours collecting firewood and water due to poor infrastructure spending less time on domestic duties and earning a living. (Floro & Swain 2013). In South Africa, a rural electricity project allowed women to save time and find jobs to increase household income. (Dinkelman 2011). Electricity connections encourage poor women to engage in business enterprises with a greater degree of success. In rural Vietnam houses with electricity were more likely to engage in home based businesses than those without electricity access (Mu & Van de Walle 2011).

The installation of sanitation facilities can provide women and girls the safety of a serviced bathroom and toilet for their and their family's protection (O'Reilly 2010). Poor women in Uttar Pradesh and Vietnam with microfinance loans were unable to have toilets installed due to corrupt local officials and insecure land rights. A Self Help Group in Kerala aided by a sanitation and loan fund invested in sanitation facilities (Barenberg 2009; Khanna & Das 2016; Mader 2011). However, in rural Odisha, India men deciding not to have a household toilet deprived women of safe sanitation (Routray et al. 2017). Policy changes which improve infrastructure (water and sanitation) in developing countries have a positive impact on health, education, income and welfare (Calderón & Servén, 2004)

Women encounter social difficulties travelling using any mode of transport. In Ghana small business women are prevented from using push bikes to market their goods causing them to lose income (Masika & Baden 1997). A government road project in Morocco improved agricultural production, and the staffing of schools, medical supplies for of health services, and affordable butane eliminating collection of fuel wood for cooking and heating (Pouliquen 2000).

The poor and particularly women having housing and land in their own names can benefit from infrastructure improvements that increase the value of property with loans for infrastructure improvements secured in their own right (Parikh et al. 2015). Female entrepreneurs whose mobility is restricted for cultural reasons, use their dwelling as a store room, workroom and

point of contact with contractors. Infrastructure directly acts as an initiative for improved well-being and increased productivity and asset creation with the potential to benefit women and their families (Parikh et.al. 2015). NGO's can play a pivotal role in the provision of infrastructure and other critical services to poor women, with the assistance of government agencies (Bhatt, 2006).

2. 7. 5 Non-Government Organisations (NGO's) and poor women

According to Hafkin and Huyer (2006) women need qualifications and expertise, access to bank accounts and the ability to borrow to buy property and key people to assist them in their endeavours. Training and assistance provided by NGO's enable poor women to establish livelihoods and acquire what they need.

However, poor women face many obstacles due to their gender and social position necessitating the continued assistance of NGO's who assist them to fight for the rights in the domestic and wider social environment. This fight to escape poverty and achieve equality although incremental has some value (Baruah 2017).

Poor women in the cities and country, with little access to vocational education, struggle to make a living to support their families (Baruah, 2017; Elson 1995). NGO's can lobby local and national governments to develop programs for the poor, especially women. NGO's can also assist the poor to access social security programs to protect against unemployment and a variety of life related risks (Baruah 2017).

Poor women in India have seldom travelled alone outside their neighbourhoods before their interaction with NGO's who intervene to change cultural practises on their behalf. Poor women are also victims of domestic violence and with NGO assistance are able to challenge the perpetrators enabling them to protect their families (Dogra 2012). They are also able to get identity cards to get access to credit and apply for government benefits. (Baruah, 2017).

Finally, poor women with steady employment and incomes can earn the respect of husbands who then assist them with household duties. Husbands may not agree however to their wives owning assets that give her a degree of independence and affect male privilege. NGOs can help to change these attitudes by assisting women to reclaim mortgaged land in their own name with the grateful husbands consent (Agarwal 2003; Baruah, 2017).

The present study will use two NGO's both located on the Indian sub-continent, one in Rajasthan, Vagad Lok Seva Shod Sansthan (Vagad Region Service Research Organisation) and the other in Gujarat, Shree Mahila SEWA Sahakari Bank Ltd. (Self Employed Women's Cooperative Bank), a cooperative operating under the umbrella of the trade union the Self Employed Women's Organisation (SEWA).

Both organisations have strategies to achieve their goals for their poor female clients, in relation to employment, income, health, housing and personal attributes to ensure they are self-sufficient (Jhabvala, Desai & Dave 2010).

However each organisation is different in that one is registered as an NGO in the state of Rajasthan and provides financial services including savings accounts, insurance, loans for housing, education, enterprise and marriages, through selected government and private banks. The other is a cooperative bank under the auspices of the Reserve Bank of India owned by its poor female shareholders. Each organisation offers a suite of financial and non-financial services targeting poor women but the SEWA Bank is able to develop its own methods and products for delivery given it is owned by the women who use its services. VLSSS has to liaise with banks who have been mandated by the Reserve Bank to serve the poor women it provides services to giving it less control over how the bank deals with the poor women it serves.

SEWA Bank is a much larger organisation sitting under the Self Employed Women's Association a registered trade union that also advocates on behalf of its poor female members. The trade union has a number of other organisations involved in construction, marketing, training, housing, insurance, cooperatives, management, handicrafts, housing and so on. VLSSS has a small management team and field officers who provide providing tailored services to its members using field officers who meet with clients in urban and rural locations. SEWA Bank has a uniquely Indian philosophy based on the teachings of Mahatma Gandhi and is dedicated to taking poor women out of the cycle of poverty through the process of sustainable capitalisation. VLSSS is assisted by the National Bank for Rural and Agricultural Development to provide its members with services they need. Both organisations are representative of the industry they work in in scope, size and structure given registration mentioned earlier although SEWA Bank is unique acting like a microfinance organisation with a social agenda.

There is little agreement regarding the outcomes of microfinance in a number of areas that will be explored in this study. Whether government or NGO's are better in certain areas of poverty alleviation. The contributions microfinance make to poor women's health outcomes and the

education of their families. The role of microfinance in the empowerment of poor women when they control the disbursement of borrowings. The role of training and capacity building on the outcome of microfinance lending in the lives of poor women. The data sets from the members of the organisations chosen for this study, should inform the debate regarding the contributions microfinance makes in the areas outlined above.

2.7.5.1 Vagad Region Service Research Organisation (Vagad Lok Seva Shodh Sansthan)

Vagad Lok Seva Shodh Sansthan (VLSSS) is an NGO in the Vagad region of Rajasthan registered under Society Registration Act (28 of 1958) and came into existence in 1986, providing microfinance services to tribal people in and around the city of Dungapur in the state of Rajasthan, India. The NGO is serviced by a number of banks and provides a variety of services encouraging its borrowers poor women in the main, to use legitimate banking services instead of moneylenders and providing them with the means to do so, including in-house training, seminars in their villages and local trained women who assist borrowers. The organisation researches and encourages livelihood, entrepreneurship and development activities.

2.7.5.2 Self Employed Women's Cooperative Bank (Shree Mahila SEWA Sahakari Bank Ltd.)

The Shree Mahila Sewa Sahakari Bank is the Self Employed Women's Association's (SEWA) cooperative bank registered in 1974 and regulated by The Reserve Bank of India and The State Government of Gujarat, with over 700,000 members. The Bank is owned by its self-employed women shareholders. Members sit on the Board and make policies. Professional qualified managers run the Bank and answer to the Board.

There were many reasons for setting up the bank for its members:

- They needed capital to run and equip a microbusiness
- They wanted to bypass the exploitative terms and conditions set by money-lenders
- They wanted a safe place to deposit their savings
- They did not have access to credit to cater to their financial needs

The Self Employed Women's Association (SEWA) is a trade union standing up for the rights of women in the informal sector. SEWA is, a labour union (Advocacy), a cooperative

movement (Group support) and a women's movement (Human rights). But ostensibly it is a home-grown movement of determined self-employed workers with female leaders becoming strong and visible and being recognised for their enormous economic and social contributions.

2.8 The Conceptual framework

Capability theory provides a useful conceptual perspective for studying the role that microfinance plays in alleviating the condition of poor women at subsistence level in India. This study will be using the capability approach as its primary guiding theory. "Functionings" are what a person "manages to do or to be" (Sen 1985, p. 10) and achieve a productive and satisfying life as a valued member of society.

"Capabilities" incorporate a person's achievements (functionings) thus the freedom to make decisions about and take advantage of opportunities to make the best of her potential. Freedom can be tempered by the social environment deciding on how an individual's can convert commodities into functionings and capabilities (Sen 1999b, pp. 70-1). Organisations sanction individual freedoms so people can utilise their agency necessary to 'well-being freedom' and 'well-being achievement' (Dang 2014). Organisations are judged on their ability to promote a person's freedom, specifically 'well-being freedom' and 'agency freedom' (Sen 1999b, p. 142).

Organisations that provide social, political and economic opportunities can liberate or limit communities. Organisations that alter a society limit 'agency' and access to opportunities. Organisations can also limit the achievements of capabilities. Capability-limiting organisations can be counteracted by capability-assisting organisations. In order for capabilities to develop, comprehension of these limits in the general environment that restrict this development should assist in the development of policies to relax these limitations (Nambiar 2013).

Conversion factors can assist or hinder commodities being turned into functionings (Robeyns 2005; Sen 2000a). Conversion factors may be grouped into three categories: personal to do with age and sex; social dealing with social and cultural structures; environmental focussing on climate and public infrastructure. Conversion of commodities into well-being is influenced by personal, social, and environmental factors (Dang 2014).

The constraining effects are expressed through organisations' use of rules, norms and conventions in their interactions with society mirroring how personal, social and environmental factors limit the poor. The rules, norms and conventions are incorporated by the poor in their habits and routines. The habits and routines of the poor limit their capabilities. Individuals,

continue to use the conversion factors to transform commodities into limited functionings. An NGO can be instrumental in assisting the poor to adopt more productive habits and routines (Nambiar 2013, p. 225).

The application of capability theory to the present study will utilise the variables in the flowchart in Figure 2.2 below.

1. Poor women achieve functionings and capabilities in a social context facilitated by government and NGO's
2. Poor women's constitutive freedom (nutrition, education) empowering capabilities through instrumental freedoms (human rights) provide security and accountability
3. The constraining effects of personal, social and environmental factors are mediated by NGO's and governments who change poor women's habits and routines by changing rules, norms and conventions.
4. Poor women experience well-being achievement and agency achievement acquiring assets, regular incomes, respect in their households and communities and success in their livelihoods.

Applying capability theory, using the specific variables in figure 2.2, the hypothesis for poverty alleviation: *A poor woman's functionings leading a productive and fulfilling life is facilitated by access to credit. Her capabilities expand as borrowing and repayment improve the family's employment, income, education, health, sanitation and housing.* Self-improvement, social interaction and being healthy gives poor women freedom to achieve their personal goals. NGO intervention, government policy initiatives and women's cooperatives, facilitate social, political and cultural freedoms increasing employment for poor women. Poor women are liberated from habits and routines that reinforce poverty through training and capacity building adapting to new habits and routines and rules, norms and conventions that assist them in economic and social transactions. Poor women achieve well-being freedom and agency freedom, acquiring assets, regular incomes, respect in their households and communities and success in their livelihoods (Creswell & Creswell 2009, pp. 59-61; Nambiar, 2013; Sen, 1999b).

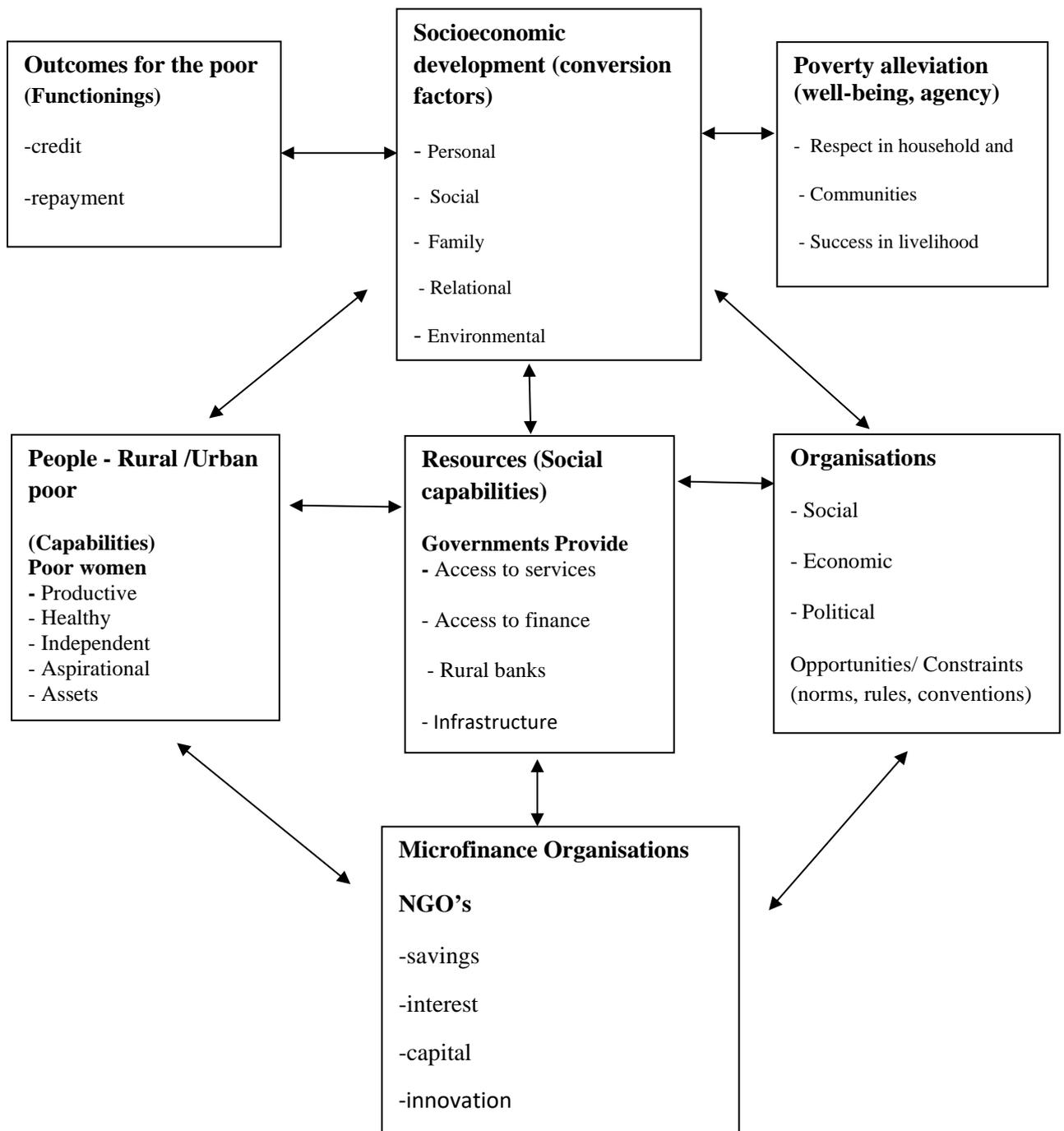


Figure 2.2 Hypothesis for poverty alleviation

The following section will examine both the concept of poverty and the plight of those it affects, providing an historical perspective and an analysis of the Multidimensional Poverty Index.

2. 9 Identifying the poor (who are the poor?)

Poverty is not purely economic but multidimensional in that it encompasses a number of factors that impinge on an individual. Poverty in economic terms is defined as earning less than \$1.90 a day as well as no access to social services, social capital, social exclusion and vulnerability (World Bank 2016).

In the late nineteenth century Seebohm Rowntree (1901) in reference to the population of York, England declared that families were in primary poverty if their total earnings were insufficient to obtain the necessities for living. They lived in secondary poverty if earnings were spent on alcohol, gambling. He set a poverty line at sixteen shillings for a family with three children. He estimated that prevailing wages were too low to meet the most basic nutritional needs of many families. This eventually led to state intervention in the living conditions and income of the designated poor.

Streeton (1981) augmented the physiological approach above with a basic needs approach calling on governments in developing countries to provide education, health, land, equipment and credit to increase productivity. In addition he recommended the provision of affordable public services and subsidies to enable the poor to enter the workforce.

According to the UNDP (1997) poverty involves a lack of necessities for material wellbeing due to illiteracy, malnutrition, shorter life span, poor maternal health, and illness from preventable diseases. In addition being deprived of products, information and public services like sanitation, education and clean water in order to live a decent life.

Levitas et.al. (2007) view poverty as being excluded from society economically, socially, culturally, and politically. This can be overcome by ensuring that citizens have freedom of expression, equal opportunity and are assisted and safeguarded by the law.

Chambers (1983) argues for participation of citizens in the decision making planning and reviewing of anything that might affect them. Citizens should be able to do so safely, be respected, and be backed up by the law. This involves, in everyday life for example, the role of a woman in the family decision making process and safeguarding her from domestic violence.

The UNDP (2003) adopting a human rights approach to poverty initiated the Millennium Development Goals based on the idea that every human being is entitled to basic human rights.

Development underpinned by human rights is based on citizens participating in an open decision making process. All citizens must be included in the social, political and economic life of the country. Citizens must be given the opportunity to make critical decisions about their lives and act on their decisions. Finally that state and private sector should be accountable for any actions that affect citizens and the country.

The Multidimensional Poverty Index (MPI) was developed by the Oxford Poverty and Human Development Initiative (OPHI) at the University of Oxford in conjunction with the United Nations. The MPI is an index of acute multidimensional poverty. It reflects deprivations in very basic services and essential human activities for people across 104 countries. The MPI has three dimensions measured by ten indicators: health (child mortality and nutrition); education (years of schooling and attendance); and standard of living (electricity, drinking water, sanitation, flooring, cooking fuel, assets). A household is multidimensionally poor if, it is deprived in at least one-third of the weighted indicators (Alkire et. al. 2017; Alkire and Santos 2011).

The MPI uses a straightforward process to measure basic needs following international standards. It is applicable to both rural and urban areas. Thus it augments less direct methods using income or consumption levels to indicate a minimum living standard such as the \$1.90 a day poverty line (Alkire et.al. 2017). It is a more rigorous measure of capability poverty focussing on potential achievements rather than monetary measures (Sen 1999a). The MPI's final measure shows the combined spread of deprivations and the degree of deprivation among the poor. The measure does not require additional adjustments, such as for rural-urban prices, inflation, or PPPs (Alkire et.al. 2017).

According to Alkire and Santos' MPI survey (2017) there are currently 1,659 million very poor in developing countries. Sub-Saharan Africa has the highest poverty incidence. South Asia has the highest number of people living in poverty. The Arab States, East Asia and the Pacific follow after these two, both in incidence and number. Next are Latin America and the Caribbean, and the least poor region, Europe and Eastern Europe. Combined deprivations in the living standard indicators specifically, access to safe water, sanitation, non-biomass cooking fuel, electricity, non-dirt floor, and a few assets, predominate. Many countries also have unacceptably high proportions of poor people with health and education deprivations (as measured by malnutrition or mortality and years of education or children not attending school).

Feeney and McDonald (2016) found that despite strong traditional social support networks and semi-subsistence lifestyles, households in Vanuatu and the Solomon Islands are vulnerable to experiencing multidimensional poverty. Households are more likely to become poor in the future due to variance in multidimensional poverty. Policies to reduce poverty like improving transport infrastructure are recommended to provide households access to basic services and income earning opportunities.

Kwak and Smith (2011) found that illiteracy and malnutrition affected asset accumulation for poor Ethiopian illiterate and malnourished households. However illiteracy or malnutrition alone did not affect asset ownership. Intervention to provide education and cash transfers could alleviate the problem. Feeney and McDonald (2016) recommend cash transfer and child support for households in Vanuatu and the Solomon islands to improve relationships between family members.

Abraham and Kavi Kumar (2008) advocate the use of the multidimensional poverty index measures to identify vulnerability or predisposition to poverty so that appropriate policies can be implemented to correct for specific deprivations in populations in Indian states with large populations of poor people. In countries like the Seychelles where poverty is not readily apparent Muller et.al. (2016) advocate the use of a Living Conditions Survey in addition to the MPI to more accurately measure decision making of the diverse members in the household. More accurate information on the dwelling and occupations of householders can assist in the review, selection criteria, efficiency and effectiveness of social welfare programs in Seychelles.

Espinoza-Delgado and Klasen (2018) found that when a fourth dimension that considers information on employment, domestic work, and social protection, is added to education, health, and living standard, poverty and inequality for women in Nicaragua increases. This suggests that evaluations of women's relative multidimensional poverty may depend on what is measured and which dimensions specifically affecting female poverty are included in the assessment.

In Myanmar Mohanty et. al. (2018) report that in geographically remote Chin and Shan states multidimensional poverty was associated with households that experience food insecurity as a result of a death of a household member, agricultural loss, or death of livestock. Public investment in health, education, and infrastructure was very low in Chin state which is remote and therefore less accessible compared to Shan state. Deprivation in education and health accounted for a third of multidimensional poverty in both states.

According to Khan and Akram (2018) equally weighting the indicators of the MPI lead to the underestimation of poverty in Pakistan. Using three expert opinion weights (policymakers and researchers), frequency weights (proportion of population deprived in one dimension) and the MPI (equally weighted) they found differences in estimations of poverty. Deprivations in education and health being the principal contributors to poverty the authors conclude that researchers should be careful about the choice of weighting scheme while providing estimates of multidimensional poverty, otherwise, it may not be possible to design effective policies for poverty reduction.

2. 10 Poverty reduction

Vandenberg (2006) draws strong links between decent work and poverty reduction. Governments can empower the poor by legislating for a range of internationally recognized labour standards. These should include basic rights to organise and the right to occupational health and safety in a discrimination free workplace (World Bank 2016). A certain proportion of poor people operate small scale business but rely on income from a job (Mahajan 2005).

To safeguard legitimate micro and small enterprises activity, the poor need to be protected from the arbitrary actions of the police and the bureaucracy. In addition, a fair judicial system that entrepreneurs and workers have access to guaranteeing their rights that can give them an avenue to gain legally enforceable redress (Bhatt 2006; Vandenberg 2006).

The poor operate inefficient marginal businesses. Development of these microentrepreneurs, facilitation of their businesses and integration into the wider economy is necessary as microcredit only works for certain types of businesses with readymade links to their markets (Adjei, Arun & Hossain 2009; Lal & Myint 1998; Mahajan 2005; Vandenberg 2006).

Saving is critical to the needs of the poor as savings are a form of self-insurance to meet smaller contingencies for cash to meet medical expenses and access credit. Insurance is useful for a range of life cycle risks and to secure assets (Adjei, Arun & Hossain 2009; Mahajan 2005). Money transfers are useful to the poor whose family members chase jobs away from home (Zeller & Sharma 2000).

Social protection addresses the vulnerability aspects of poverty by supporting incomes through state pensions or worker association schemes (Remesh 2009). Micro business owners can organise to consult with government agencies for more effective initiatives to improve their

livelihoods. This will ensure that they are able to represent themselves on an equal footing with larger businesses (Vandenberg 2006).

Infrastructure is a catalyst for poverty alleviation assisting the poor to acquire human, social, financial, and natural assets. The road network in India, contributes significantly to the income in the country side (Aggarwal 2018). Poor women's domestic enterprises connected to the electrical grid could be more efficient and successful (Khandker, Barnes & Samad 2013).

Organisation is vital to obtain finance, to improve sanitation, to preserve and better utilise natural resources. Credit and commodity cooperatives can maximise benefits to local communities by allowing them to enter the wider economy. Representation on village councils enable both poor men and women to have a voice. Finally, establishing systems for accounting, performance measurement, Management Information Systems can improve efficiency and control (Mahajan 2005; World Bank 2016).

Bhatt and Jhabvala's (2004, p. 5140) analysis of female members in their co-operatives demonstrate that they can be easily organised for poor women and work well for them. Co-operatives provide an opportunity for poor women to be more successful and they have many benefits for both local communities and their families.

Cooperation allows the poor to establish a co-operative to cut out the middle-men and negotiate favourably with buyers. The poor are able to collectively invest both money and know how. In addition, the poor as a group can access assistance from the government. The co-operative gives them status and the ability to negotiate in their communities and the commercial centres. (Quisumbing, Haddad & Peña 2001).

2. 11 Gaps in the literature

Chowdhury and Mukopadhaya's (2012) study found that government organisations (GOs) were more effective in improving the 'economic wellbeing' of the poor in rural Bangladesh, whereas non-government organisations (NGOs) contribute more to the 'social' aspects of wellbeing. Findings pointed to government agencies performing 42% better than NGOs in improving living standards of the rural poor which went against findings in existing literature of poverty reduction projects in developing countries. This study in addition to examining the contribution of government and non-government organisations will examine the innovation of non-government organisations to improve the living standards of poor women and their families (Morduch, 2000).

A systematic review of microfinance and women's health literature by O'Malley and Burke (2017) concluded that microfinance participation can have a positive impact on a range of women's health, knowledge, behaviours, and outcomes, but supporting evidence was weak. The authors advocate further studies using primary data collection which this study will do.

In both rural Nepal and Zimbabwe, access to credit ensures schooling for children. However in rural Peru, access to financial services increases child employment and decreases schooling (Ersado 2005). Poor women micro-credit clients in Africa investment in children's education may suffer impoverishment (Stewart et al. 2010). In rural Malawi credit adds to child labour and decreases child education (Shimamura & Lastarria-Cornhiel 2010). This study will assist in clarifying the issues involving microfinance and education for poor families.

Rehman, Moazzam and Ansari (2015) and Kabeer (2005) define empowerment for women as having agency or the power to make strategic life choices and access to resources as an independent member of her family, in order to achieve her goals. Women must also have access to education, paid work and political representation at the local level. Microfinance (resources) enables women to invest in microenterprises, earn an income (achievement) contribute to the family and eventually decision making which can lead to gaining some independence (agency) in a household that is usually controlled by the husband (Mayoux, 1995; Rahman, 1999). This study will examine how women can be empowered within their families and their communities.

Karlan and Valdivia (2011) found that basic business training of clients in a microcredit program did not lead to higher profits or revenues on average. Clients however reported using some skills taught in the program for example keeping business and household money separate, reinvesting business profits, keeping sales and expenses records, and thinking about new markets and opportunities for profits. This study will look at the role training and capacity building can play in raising the living standards of poor women.

The literature review has identified the following key gaps:

- Lack of knowledge on the on specific development contributions made to poor female borrowers, due to confusion between government sponsored aid programmes and non-government microfinance lending to alleviate poverty.
- The role that microfinance plays in poor women's health outcomes and the education of their families.

- The role of microfinance in the empowerment of poor women when they control the disbursement of borrowings
- The role of training and capacity building on the outcome of microfinance lending in the lives of poor women

This study aims to supply impact assessment information that can be used to further the creation of a method to more fully understand the wider impact of microfinance on alleviating poverty and the policy implications for the same

2. 11. 1 The study designed to fill the gap

This research will investigate how Micro Finance Organisations provide services and loans to its clients and how successful the recipients are in utilising these services to improve living standards. The focus will be to look at how the client modifies her business activities to increase income, how the income is spent or saved. How the general welfare and living standard of the family changes over time in regards to housing, nutrition, education, sanitation. What if any are the wider changes in the poor woman's life including participation in the life of the community (Hulme 2000).

2. 12 Summary

This chapter discussed two views of growth, economic growth and economic development, two theories of development one based on economic growth and the other on structural change: Rostow's five stage growth model and Lewis' structural change model and two theories of development that were based on empowering citizens: Amartya Sen's capability approach and Bhutan's Gross National Happiness approach to economic development. The chapter also examined the role that economic determinants such as population, skills and markets play in fostering development and how capability building of the poor and especially poor women through initiatives such as microfinance, education, health and infrastructure can be achieved. Amartya Sen's 'capability theory' was outlined as the theoretical framework for this study. The poor were identified and specific initiatives were presented to create livelihoods and alleviate poverty in the developing world. Finally the gaps in the literature and how this study was designed to fill those gaps were presented.

The following chapter three will examine the methods used to collect the data required for this study including sampling, the instruments used and the types of data utilised for the study.

Chapter three will also examine the statistical methods used and the variables examined to support the study's three objectives. In addition the chapter will include a discussion of the survey results and provide a set of policy implications for each objective

Chapter 3 Methods and Descriptive Statistics

3.1 Introduction

The previous chapter examined poverty, women and economic development. This chapter will examine the research methods used to collect and analyse the primary data obtained from clients and staff working with two organisations in India, Vagad Lok Seva Shod Sansthan (Vagad Region Service Research Organisation) in Rajasthan and Shree Mahila SEWA Sahakari Bank Ltd. (Self Employed Women's Cooperative Bank) in Gujarat,. The chapter will first discuss the methods used, the study population, the sample unit and the selection of the study sample. The data collection process including surveying poor women, case studies of selected poor women, and the interviewing of staff working for the two selected organisations will follow. The data analysis and the objectives of the study will also be outlined followed by the presentation and analysis of the survey data. Finally, a discussion of the survey results and a set of policy implications for each objective will be provided.

According to Hulme (2000) all impact evaluation studies must have a theoretical framework. There are three parts to a theoretical framework: an outline of the impact sequence the study will look at, the identification of the areas where impacts will be examined and the identification of the sorts of impact to be evaluated. There is an assumption in this impact sequence that interference will change human action and function to get a certain or likely result.

The impact sequence can be examined by evaluating microfinance organisations role in advancing microenterprise development. Borrowing may alter microenterprise income which leads to changes in domestic income altering domestic economic security and maybe projected living standard. The methods used and remit are critical to the results of the study (Hulme 2000). This study used both mixed methods to assess the impacts of microfinance and capacity building on its poor female borrowers. Victoria University Human Research Ethics committee approved the research and the process approved was followed in conducting the research (Application ID: HRE 15-036).

3. 2 Method

According to Creswell and Creswell (2009) a sequential explanatory design allows the collection of quantitative data first and qualitative data next one complimenting the other. The combination of data occurs when the quantitative data which is given emphasis informs the supportive qualitative data. Thus the two forms of data are separate but connected. The uncomplicated design is one of its main advantages. It is a sequential process, easy to explain, and document. However it is time consuming due to two lots of data being collected in tandem.

Yin (2003) argues that triangulation or the use of multiple sources of evidence is desirable. Surveys focus on verbal information not individual behaviour. Open-ended interviews with key actors however can be used to corroborate certain facts that the researcher believes have been established in the survey process. Case studies finally can be used to fill in the gaps of personal experience that are not captured in the survey process but are necessary for firmer conclusions on the tentative facts established in the two previous processes. In addition data triangulation, provides a fuller measure of the investigated phenomenon (Yin 2003). This study used all three methods the survey method, the interview method and the case study method to collect data.

The Study was conducted in two states in India Gujarat and Rajasthan. The majority of respondents were poor women who either spoke one or both languages Gujarati and Hindi. The study used triangulation or multiple sources of converging evidence (Yin 2003). Three data collection methods were used to investigate the research objectives: a survey designed for the poor women in the study, interviews of a small number of staff in the organisations providing services to the poor women and case studies of a small number of the poor women chosen for the study.

3. 2. 1 What is the study population?

According to Alreck and Settle (2004), the following criteria should be used to identify the population for a study:

1. Respondents from the population can provide the information sought by the measurement instruments.
2. How respondent's characteristics and likely responses meet the research criteria
3. Why respondents are included or excluded and the criteria used are clearly stated

The subjects of this study were poor women in receipt of microfinance credit and services. Respondents were chosen from two populations of poor rural and urban women in India, one in the city of Ahmedabad, in the state of Gujarat and the other in the regional town Dungapur in the state of Rajasthan.

Ahmedabad is Gujarat's biggest city. It is situated on the banks of the Sabarmati river that divides into the older eastern and the more modern western regions. Pharmaceutical, chemical, information technology and automobile manufacturing industries requiring skilled labour, attracts many migrants who seeking work drift into the informal sector and settle in slums. The Ahmedabad Municipal Council and SEWA have worked together to provide utilities and basic services to these slums that account for 34% of the population. Hindus are the religious majority with smaller proportions of Muslims, and Christians. The city is divided into six zones with 64 wards. In addition there are number of administrative divisions. The cooperative bank has branches throughout the city and outside the city for its rural members providing a range of services to suit the needs of each group. The organisation also liaises with government bodies to facilitate a range of services for its rural and urban clientele.

Dungapur a small rural town with a dry hilly surrounds and a population consisting of scheduled tribes in particularly the 'Bhil' who eke out a living on the land where the majority of the population live. Women do most of the agricultural work and the men migrate between planting seasons to get work in neighbouring towns. The town has a small population and very little industry. The townsfolk are engaged in small business and the poor engage in small enterprises that provide them with barely sustainable incomes. The caste system operates in town and neighbourhoods usually made up of people belonging to the same caste. The residents are in the main Muslim or Hindu. The organisation (VLSSS) is an NGO that provides a suite of services to the local community and the outlying villages through field officers both male and female who travel daily to meet with and provide solutions to their members financial and work related problems. The organisation liaises with government bodies to facilitate a range of services for its rural and urban clientele

The poor women who made up the population in the study were resident in either urban areas or several villages in the rural hinterland of the city or town in question. In Ahmedabad members living in the urban areas of Madhupura, Gulbai Tekera, Badrampur, Fatehwadi, Bhadra, Raipur Raykhad, Rakiyal, Berampur and two rural locations Gandhinagar and Mesana were surveyed. In Dungapur members in four localities around the head office of VLSSS in

Chamanpura and villages outside Dungarpur namely Hirata, Pipilada, Bori, and Jogiwara were surveyed.

The specific population were members of two organisations providing financial and other services to the poor women:

The Shree Mahila SEWA Sahakari Bank Ltd (SEWA Bank) a cooperative bank with branches all over Ahmedabad, and two regional branches for its rural membership provides financial services including savings accounts, insurance, loans for housing and education, business set up tools of trade and solar technology. The organisation also provides a range of non-financial services such as training for specific trades, advice on the equipment clients need for specific enterprises. In addition business development initiative such as the setting up of cooperatives in villages, run by local women, with market linkages provided by the organisation. Finally, health services are also provided using trained midwives who liaise with medical professionals. The organisation liaises with local government to provide education, health, housing, sanitation and streetscaping services. State governments provide grants for water and land management.

The second organisation a state registered NGO Vāgaḍ Lok Sēvā Shod Sansthan (VLSSS), in Dungapur provides financial services including savings accounts, insurance, loans for housing, education, enterprise and marriages, through selected government and private banks. A range of non-financial services are also provided including training to manage agricultural projects, and business enterprises, as well as support services including sourcing raw materials and market linkages. The organisation liaises with local government to provide education, health, housing, sanitation and street scaping services. State governments provide grants for water and land management

All women chosen were current ongoing members of each organisation, had borrowed, repaid their loans, had benefitted from being members of each organisation for example had viable micro businesses and weather proof housing and storage facilities and were currently in receipt of loans and training to assist in the further development of their livelihoods.

3. 2. 2 The Sample Unit

According to (Alreck & Settle 2004, p. 56) the sample unit are the individuals or groups chosen for the study.

1. The sampling unit should be nominated so it is the smallest group that provides the data.
2. The unit must be narrow enough so all respondents provide similar data
3. The sample should be broad enough to ensure responses from respondents are relevant and balanced.
4. Sample units must not vary if data obtained is compared with secondary data

The sample units used in the study classified into the categories listed below, in order to ensure that the number of occupations were pragmatically reduced to four distinct classes of occupations. The individuals in each category provided similar data. Responses from each category would be relevant and entities would not be overrepresented. Lastly the data from the study could be comparable with existing data as the sample units did not vary.

The sample is fairly representative of the overall population of members of each organisation by occupation or economic activity. Both organisations serve members resident in urban or rural areas. The numbers of each classification of economic activity listed in table 3.1.below are very similar to the numbers in each classification that the total number of members of the two organisation belong to.

A brief description of the study sample unit of 200 women is provided below:

Age: the women chosen for the study were low income, 18 or older and were engaged in a variety of livelihoods. The women ranged in age from 20 -70 years of age. Twenty eight percent were 20-30 year old group; thirty seven were in the 31-40 year old group; twenty six per cent were in the 41-50 year old group; eight and a half per cent were in the 51-60 year old group; only half a percent were in the 61-70 year old group.

Marital status: ninety four per cent of the total number of respondents were married. A small number of respondents two and a half per cent were widowed and two and a half per cent were single.

Literacy: thirty five per cent never attended school; eight and a half per cent completed standard 1-4; twenty eight per cent had a year 5-8 education; twenty six per cent had completed high school year 9-12; only two per cent had a post-secondary education.

Principal economic activity: the sample units classified by occupational status by the Self-Employed Women's Association were hawkers and vendors, who sell perishable and consumer products; Home-based producers, who sold hand made products; Manual labourers and service

providers, who sold their labour; and Rural and urban producers. The number of participants and percentage for each occupational category below are representative of the total sample of members resident in urban and rural areas. A total of 200 workers were chosen and their breakdown is given in Table 3.1.

Table 3.1 Respondents Occupations

Occupation	Number	Percentage
1. Hawkers, vendors and small business women	61	30.5
2. Home-based workers	44	22
3. Manual labourers & service providers.	11	5.5
4. Producers - cooperative based agricultural products and wholesale products	84	42
Total	200	100

3. 2. 3 Selection of the study sample

The study sample was drawn following a *convenience sampling* approach. *Convenience sampling* is a type of non-probability sampling where respondents can be easily reached, are available, and agree to take part in the study (Dornyei 2007).

The advantages of *convenience sampling* are that it is easily achieved and unstructured. It is cheap, time efficient and sample sizes easily achieved. The *convenience sample* reduces administrative complexity and can provide valuable data. (Peterson & Merunka 2014).

The disadvantages of a *convenience sample* group include mismatching within the sample. Mismatching can be avoided by selecting from specific groups who were receiving similar treatments. Poor data on why respondents agree or decline to take part in the survey. Respondents can be asked to state why they decided to or declined to participate and the reasons can be presented in the strengths and limitations section of the study. However, convenience samples can be used to test a theory. An additional unsupported argument because poor women samples are similar in many ways, testing a theory with these samples might be acceptable due to minimal measurement variability. However, replicability studies should be carried out to ensure the integrity of the sample and the generalisability of the findings of the study (Peterson & Merunka 2014).

In this study it was assumed that convenience sampling of members of the chosen populations were similar. Results obtained from using other probability or non-probability samples would be comparable (Etikan, Musa & Alkassim 2016). Convenience samples of poor women to test theory must be able to be replicated under similar conditions. This study contends that replication of results from convenience samples of poor women in the locations studied can be done with convenience samples of poor women in other similar locations (Peterson & Merunka 2014).

The respondents were selected by administrative officers in both institutions. These officials informed participants about the nature of the study and obtained their consent to voluntarily participate in the study. A sample of approximately 100 subjects was selected from each of the two populations. The subjects were in the age range of 20-50 years, mainly in the low to medium income range, in occupations ranging from farm work to small business, in the lower to middle socioeconomic groups, lower caste, married with young or grown up children and education levels from illiterate to secondary school. All subjects had the benefit of one or more savings accounts, had received some training from the organisation, and had been a client of the organisation for two or more years.

In Ahmedabad, the capital of the state of Gujarat, the sample of 100 poor women selected came from the clientele of the Shri Mahila Sewa Sahakari Bank Ltd., a sister organisation of the women's trade union the Self Employed Women's Association. The subjects selected were resident in areas in Ahmedabad where the Shri Mahila Sewa Sahakari Bank Ltd. operates its branches. The urban branches chosen were in Madhupura, Gulbai Tekera, Badrampur, Fatehwadi, Bhadra, Raipur Raykhad, Rakiyal, Berampur and two rural locations Gandhinagar and Mesana.

In Dungapur, a small town in the state of Rajasthan, the sample of 100 poor women selected came from the clientele of the Vagad Lok Seva Shod Sansthan a non-government organisation registered under the State's Society Registration Act 1958, and has been in existence since 1986 providing financial and training services to the poor both urban and rural. The NGO works with the National Agricultural and Rural Development Bank (NABARD) to provide government mandated financial services to the poor through nominated nationalised and private banks. The locations chosen by the manager of the NGO were four localities around the head office in Chamanpura and villages outside Dungarpur namely Hirata, Pipilada, Bori, and Jogiwara.

3. 2. 4 Data Collection

The data collection adopted three distinct phases:

- The administration of a survey designed specifically for the poor women in the study sample
- Case studies were written up after interviewing a small number of poor women following a specific format
- A small number of administrative staff were interviewed using a set of questions designed for the purpose

3. 2. 5 Survey – poor women

According to Alreck and Settle (2004) surveys are conducted because they are easy to administer, timely, cheap or more accurate way to get the required information. Academics conduct surveys to understand or predict human behaviour or condition because it is the focus of their academic work. This kind of survey information can be applied to practical problems and actions. However it is important to identify the general purpose of the survey project to show what information needs and survey topics should be considered.

For this investigation into whether microfinance, through its subsistence level female borrowers, have the potential to influence wider development programs and policies in India, a judgmentally representative sample of 200 poor women members of two separate sponsor organisations in India were nominated and a key manager contacted in each organisation. The organisations nominated a clerical officer to administer the questionnaire to the poor women in similar field settings (Peterson & Merunka 2014). The questionnaires took 20 minutes to administer, and student researcher compensated the organisation for the clerical officer's time. The survey was field tested before it was administered (Peterson & Merunka 2014).

The questionnaire consisted of thirty four questions some with several sub-questions that looked at the following items: (basic information about saving and loans, interest on loans and loan borrowing) and seven demographic questions (age, income, and marital status, number of children, education, literacy and numeracy). The remaining questions were grouped under headings which examined repayment methods, impact of family duties and being a poor woman entrepreneur, enterprise level management income and expenditure, education of children, household income, repairs to home, household diet, savings accounts and cash security, children's assistance in enterprise, government services, borrowing and benefits,

business training and skills acquired. The questions mainly consisted of a declarative statement and multiple-choice response categories or dichotomous items (1= yes, 2 = no). (Refer to the survey in Appendix 1)

The survey questions were based on the four objectives:

Identify the specific factors that contribute to successful microfinance results for poor women at subsistence level in India. The questions were linked to the membership of each organisation to determine how membership affected outcomes for members. Questions also looked at the processes involved in members accessing credit as well as the interest rates charged. Avoiding indebtedness was also examined with appropriate questions as was the related variable regular income.

Identify the impacts of microfinance for poor women in India. The borrowing methods were examined with specific questions as were the corresponding amounts borrowed. As well there were questions on repayment methods and repeat borrowing. Questions were also asked about how the relationship between borrowing and basic necessities as well as its contribution to educational, health, hygiene, housing and housing improvements for their families.

Identify the reasons why poor women succeed in using these programs to rise above subsistence level in India. Given the importance of business management questions addressed the product profit spend, business finance problems, changes to business enterprise, increase or decrease in cash savings, children assisting in business, progressive increases in loan amounts, saving to secure a loan, loan repayments home improvement finance and training and skills acquired.

Identify the policy implications based on successful microfinance initiatives to raise poor women above subsistence level. Questions addressed respondent's access to government banking services, ration cards and items contributing to family sustenance, access to government employment programs, social services, health program, training, as well as access to public transport, public housing, mobile phone network and public educational facilities.

The surveys were administered after informed consent was sought from each of the respondents (Refer to Appendix 2 – respondent instruction sheet). Administrative officers in each organisation using one of two languages Hindi and Gujarati administered the same survey for all respondents. Staff involved in the survey administration process were recruited, selected, trained and supervised by the student researcher in order to have greater control over the data collection process and ensure quality control (Alreck & Settle 2004).

The respondents were familiar with the content of the questions asked as the questions related directly to their experience with the organisation, its procedures and processes which they were familiar with and their experience with meeting their requirements under the banking regulations. The 'interview like' procedure is not unusual for participants as comprehensive data is routinely collected from them by both organisations as a quality measure to improve services provided by the organisations (Alreck & Settle 2004).

The survey was administered by professional officers who work for one of two organisations firstly the Shree Mahila SEWA Sahakari Bank Ltd a cooperative bank under the umbrella of the Self Employed Women's Association a trade union for self-employed poor women. The bank provides a variety of services, encouraging its borrowers to use legitimate banking services and avoid moneylenders by providing them with credit, in-house training, workshops in their villages and local trained women hand holders who assist borrowers. The professional officers who were trained and supervised by the student researcher, communicated with their clients both urban and rural, in two languages Gujarati and Hindi. The researcher who is fluent in both languages was present at the interviews.

The second organisation an NGO in the Vagad region of Rajasthan (Vagad Lok Seva Shodh Sansthan) registered in the state, providing microfinance services to people in and around the town of Dungapur a two-hour journey from the city of Udaipur. The NGO is serviced by a number of banks and provides a variety of services encouraging its borrowers to use legitimate banking services instead of moneylenders, providing them with the means to do so, including in-house training, seminars in their villages and local trained women who assist borrowers. The chief financial controller and district coordinator administered surveys provided by the student researcher with the NGO's clients both urban and rural communicating with them in the local languages Hindi and Gujarati.

3. 2. 6 Case Study respondents

According to Zainal (2007) Case study research, is a more reliable method when a comprehensive investigation is required. The case study as opposed to quantitative methods provides a better analysis of social problems like poverty from the perspective of the impoverished. By including mixed methods results, case studies provide a comprehensive insight into both the process and outcome of a phenomenon. (Tellis 1997).

Yin (2003) addressing the criticism that it is difficult to generalise from one case to another, suggests that 'researchers should generalize findings to a theory'. In this study results are generalised to capability theory. Bhatt (2006) used the experiences of women in the informal economy looking at issue of exploitation, sexual harassment by employers, low wages, no pensions or benefits, occupational safety, to lobby government to set up boards for specific occupations to register and give these women rights in the workplace. Initially, she related their situation to a theory of work as a livelihood requiring an economic and legislative framework.

Case studies were used to provide insights into the incremental changes microfinance has made in the lives of the poor individuals surveyed. A limited number of representative case studies were assembled to provide an insight into the life experiences of selected respondents before they joined each of the organisations Shree Mahila SEWA Sahakari Bank and Vagad Lok Seva Shod Sansthan and after they joined the organisations. With the kind assistance of staff of both organisations, and a set of questions (refer to Appendix 3 and below), respondents shared their stories with the student researcher. Case studies were then constructed using a narrative based on the experiences of each of the respondents before they joined each organisation and their life changing experiences after they joined each respective organisation.

Change narratives were used specifically to test whether the respondents had through their contact with the organisation experienced some change in their circumstances. The potential changes examined were specific to access to finance and interest rates, acquisition of assets including housing and sanitation, increases in income, diet status and improvement, access to education. The items selected corresponded to the questions asked in the survey so responses in the case studies could be correlated with those obtained from the survey questions. Staff involved in the survey administration process were recruited, selected, trained and supervised by the student researcher in order to have greater control over the data collection process and ensure quality control (Alreck & Settle 2004).

The twelve case studies were based on interviews with twelve respondents who were chosen from each of Shri Mahila Sahakari SEWA Bank and Vagad Lok Shod Seva Sansthan borrowers. The borrowers were from the following occupations: weaver, agricultural labourer, candlewick maker, bidi maker, farmer, childcare operator and tailor, SEWA team leader, nursery worker, embroiderer, midwife, tea and snacks vendor, second hand clothing retailer. The respondents in the case study and their families and the study sample compared well in terms of key variables (age, marital status and socioeconomic status).

3. 2. 7 Staff Interviews

Administrative and support staff were interviewed using a questionnaire (refer to Appendix 3) in both organisations by the student researcher to determine the support services provided by both organisations to provide capacity building for their clients and how the client's best interests were served. To examine the effectiveness of the Shri Mahila Sahakari SEWA Bank and Vagad Lok Shod Seva Sansthan's services with its clients and their households, nine staff members were interviewed, seven from the larger Shri Mahila Sahakari SEWA Bank and three staff members from the Vagad Lok Shod Seva Sansthan using the pro-forma questionnaire Appendix 3. The nine staff members come from the following designated positions within each organisation: SEWA Bank employees include Managing Director, Manager (Training), Branch manager, Bank officer, Bank officer (mobile) and Bank officer (innovation unit). VLSSS employees included were the Project officer (manager), the Consultant (chief financial officer), and the District coordinator.

The questions specifically focussed on the background of each participant, qualifications, knowledge and experience. The types of products and services offered to the clients in each of their designated service areas and types of training and support provided. The specific characteristics of the client group. How the clients were selected and assessed so services could be customised. How clients were involved in the provision of their services. The negotiation process with outside organisations such as government and private organisations in the provision of their services and the how clients were involved in the process. And finally how the impact of these services was measured and improved.

Staff in both organisations were invited to be interviewed and the contents of the questionnaire were canvassed to ensure they were able to answer all questions asked of them fully. The questions were matched with similar questions in the survey and the case studies in order to correlate responses gained from the three methods. Staff were asked to provide evidence to substantiate how the clients had benefitted from the products and services they had provided the clients with. Consent to participate in the interviews was obtained before the interviews were conducted. Staff were given the opportunity to withdraw consent, if they decided not to go ahead with the interview.

3. 2. 8 Data analysis

This research set out to investigate the impact of inputs (financial and non-financial) of two organisations The SEWA bank and the NGO VLSSS as well as the inputs (financial and non-financial) of government.

The items on the survey used to garner information about the three areas above were converted into a number of variables each of which was coded to enable data entry into the Statistical Package for the Social Sciences (SPSS). Further refinements were made to the responses to each of the variables to enable a more accurate recording of the data in the surveys. Research questions for each of the variables were also refined so the relationships between the variables could be tested for significance.

The information from the surveys was entered under each variable. Each questionnaire was checked to make sure all the relevant information was recorded correctly. Altogether 200 surveys were thus processed and the data set was assembled for input into the SPSS program.

The data being nominal the relationships between the variables selected to test the questions asked about them were cross tabulated in contingency tables. Further tests such as the chi square test and the z test were also used to look at the significance of the relationships between the variables.

Please note that the initial part of the results section provides sample distribution of key socioeconomic characteristics of the study population. Tables do not directly address the objectives of the study. Tables that are related to the objectives of the study have been provided with 'p' values and have been analysed.

Each of the three objectives will be elucidated here to isolate the dependent, independent and control variables in the study. Following sections discuss how each objective of the study was achieved. Poverty is not purely economic but multidimensional in that it encompasses a number of factors that impinge on an individual. Poverty in economic terms is defined as earning less than \$1.90 a day as well as no access to social services or social capital; social exclusion and vulnerability (World Bank 2016). Poverty simply yet broadly (multi-dimensionally) is “the inability to participate in society, economically, socially, culturally, politically” (Chowdhury and Mukopadhaya 2012).

3. 2. 9 Objective 1 and Objective 2 Factors contributing to successful microfinance outcomes and the impact of microfinance on poor women in India

Recall that the first objective of the study was to examine the conditions necessary for poor women at subsistence level to have successful microfinance outcomes and the second objective to examine the impact of microfinance for poor women in India related to the independent variables membership of SEWA and VLSSS, avoiding indebtedness, regular income, low interest rates, accessing credit from a bank, opening a savings account, borrowing a multiple of the total amount saved as a loan, using the loan for a productive purpose, repaying the loan from the income earned. The dependent variables being the benefits accrued from the borrowing and saving exercise include, access to loans, increase in basic necessities (food, clothing, household items), improvements in education, health, sanitation, housing for the family.

In addition, the independent variables relating to training to improve skills, knowledge and expertise of the poor woman, measured against the dependent variables of income from the business, investment in the business, decrease in domestic and social constraints, increase in savings, expansion of the business. As the data is descriptive, each of the paired variables above will be represented in a contingency table and the relationship between the variables will be examined, the statistical significance (p value) between the variables will also be tested using a chi square test. Thus no inferences regarding causality between variables will be made.

3. 2. 10 Objective 3 Identify reasons why poor women succeed in using these programs to rise above subsistence level in India

The third objective identifies why they successfully use the programs to escape poverty. Related independent variables include, education, income, training for budgeting skills and use of money. Dependent variables include repayment, budgeting, saving, reliability, self-employment, attributes. In addition family obligations as an independent variable interacts with the dependent variable of gender role conformity. As the data is descriptive, each of the paired variables above will be represented in a contingency table and the relationship between the variables will be examined, the statistical significance (p value) between the variables will also be tested using a chi square test. Thus no inferences regarding causality between variables will be made

3. 2. 11 Objective 4 Articulate policies to raise poor women above subsistence level in India

The fourth objective examines how governments can use poor women's success in microfinance programs to develop appropriate policies to raise the poor above subsistence level. The independent variables of government social services including the ration card, pension schemes, education, health clinics, finance, affirmative action programs, training, infrastructure, sanitation. The dependent variables including better nutrition, security, school attendance, health, work, skills, transport use, hygiene. As the data is descriptive, each of the paired variables above will be represented in a contingency table and the relationship between the variables will be examined, the statistical significance (p value) between the variables will also be tested using a chi square test. Thus no inferences regarding causality between variables will be made

3. 3 Descriptive statistics

The following section discuss the study population and its attributes.

In keeping with the inquiry into the factors that enable the poor especially poor women to work their way out of subsistence the data analysis in this section will begin by looking at the population for this study. The data collected came from the states of Gujarat and Rajasthan.

In Ahmedabad, the capital of the state of Gujarat, the sample of 110 poor women were selected from the membership of the Shri Mahila Sewa Sahakari Bank Ltd.(SEWA), a self-employed women's cooperative bank owned by its members. The bank operates under the umbrella organisation the Self Employed Women's Association. The respondents represented in the study sample are engaged in a range of occupations (See Table 3.9. below).

In Dungapur, a small town in the state of Rajasthan, the sample of 90 poor women selected came from the clientele of the Vagad Lok Seva Shod Sansthan (VLSSS) a non-government organisation assisting self-employed poor women. The respondents represented in the study sample are engaged in a range of occupations (See Table 3.9. below).

3. 3. 1 Membership of SEWA and VLSSS and respondents age

Table 3.2 shows the age distribution in the study sample, the women range in age from 20 -70 years of age, 28% are 20-30 years old, 37% are in the 31-40 year old group, 26% are in the 41-50 year old group and 8.5% in the 51-60 year old group. Only 0.5% are in the 61-70 year old

group indicating perhaps that generally women either retire or a worn out after 60 years on the job. The majority of women (65%) are in the 20-40 year old group.

Table 3.2 Members of SEWA/VLSSS and Respondents Age

Age	Organisation				Group Total	
	SEWA		VLSSS		number	percentage
	number	percentage	number	percentage		
20-30 years	25	12.5	31	15.5	56	28
31-40 years	40	20	34	17	74	37
41-50 years	36	18	16	8	52	26
51-60 years	9	4.5	8	4	17	8.5
61-70 years	0	0	1	.5	1	.5
Total	110	55	90	45	200	100

Source: Survey 2016; SEWA= Self-employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan

3. 3. 2 Members of SEWA and VLSSS and respondent's income

In Table 3.3 income ranges from Rs.1000 to Rs.60,000, however 36% earn between Rs.1,000 - 5,000, per month, 45% earn between Rs.6,000- 15,000, 10% earn between Rs.16,000 -25000, and only 8% earn between Rs.26,000-60,000. The progressive earnings between groups may indicate a rise in earnings the longer the poor woman stays with the organisation and is able to accumulate both assets and earnings.

Table 3.3 Members of SEWA/VLSSS and Respondent's Income

Monthly Income	Organisation				Group Total	
	SEWA		VLSSS		number	percentage
	number	percentage	number	percentage		
Rs1000-5000	42	21	31	15.5	73	36.5
Rs 6000-15,000	38	19	53	26.5	91	45.5
Rs16,000-25,000	16	8	4	2	20	10
Rs 26000-60,000	14	7	2	1	16	8
Total	110	55	90	45	200	100

Source: Survey 2016, SEWA = Self -Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; Rs = Indian rupees

3. 3. 3 Members of SEWA and VLSSS and respondents education level

In Table 3.4 the number of respondents with no education is high (35.5%), 8.5% have completed year 1-4, 28% have a year 5-8 education, 26% have completed high school year 9-12, a negligible number (2%) of the total number of respondents have a university or college education. So overall 54% have a year 5-12 education, but success in their livelihoods may not be dependent on education but on other factors (see below Table 3.5).

Table 3.4 Member of SEWA/VLSSS and Respondents Education Level

Education level	Organisation				Group Total	
	SEWA		VLSSS		number	percentage
	number	percentage	number	percentage		
No education	17	8.5	54	27	71	35.5
Year 1-4	15	7.5	2	1	17	8.5
Year 5-8	40	20	16	8	56	28
Year 9-12	35	17.5	17	8.5	52	26
College/University	3	1.5	10	.5	4	2
	110	55	90	45	200	100

Source: Survey 2016; SEWA = Self- Employed Women's Association VLSSS = Vagad lok Seva Shod Sansthan

3. 3. 4 Respondents education level and respondents monthly income

Table 3.5 shows the association between respondent's education level and the respondent's income. As indicated by the p-value of 0.002, the distribution of the proportions is significantly different between the two groups. Respondents with no education have a low income (15%) but can achieve a medium income (16.5%) and lower numbers a high (2.5%) or very high income (1%). Respondents with a primary or a secondary education are still likely to have low incomes (21%) and equally can earn medium incomes (28%), high incomes (7%) and very high incomes (6.5%). College and university educated respondents who are in the minority (2.5%) earn medium and above incomes.

Table 3.5 Respondents Education Level and Respondents Monthly Income

Education level	Income				Total
	Low	Medium	High	Very high	
	Rs.1000-5000	Rs.6000-15000	Rs.16000-25000	Rs.26000-60000	
no education	31 (15)	33 (16.5)	5 (2.5)	2 (1)	71(35.5)
year 1-4	6 (3)	9 (4.5)	1 (0.5)	1 (0.5)	17 (8.5)
year 5-8	20 (10)	25 (12.5)	8 (4)	3 (1.5)	56 (28.5)
year 9-12	16 (8)	22 (11)	5 (2.5)	9 (4.5)	52 (26)
college/university	0 (0)	2 (1)	1 (0.5)	1 (0.5)	4 (2.5)
Total	195(35)	91(45.5)	20 (10)	16 (8)	200 (100)

Source: Survey 2016; p = 0.002

* Values in parenthesis are in percentages

3. 3. 5 Members of SEWA and VLSSS and respondents marital status

Table 3.6 shows 188 or 94% of the total number of respondents are married. A small number of respondents 5 or 2.5 % are widowed and 5 or 2.5% are single. This is in keeping with culture and custom women generally marry few remain single.

Table 3.6 Member of SEWA/VLSSS and Respondents Marital Status

Marital status	Organisation				Group Total	
	SEWA		VLSSS		number	percentage
	number	percentage	number	percentage		
married	100	50	88	44	188	94
widowed	5	2.5	2	1	7	3.5
single	5	2.5	0	0	5	2.5
	110	55	90	45	200	100

Source: Survey 2016; SEWA = Self- Employed Women’s Association, VLSSS = Vagad lok Seva Shod Sansthan.

3. 3. 6 Members of SEWA and VLSSS and dependent children

Table 3.7 shows a small number of respondents have no children (5.5%). A majority (65.5%) of respondents have between 1-3 children, 9% have one child, 31% have two children and 25.5% have three children. An indication perhaps of rising living standards and security thus needing fewer ‘hands’ to support the family. Only 29% have larger families, 14.5% with four children and 14.5% with five or more may indicate either a lack of access to or rejection of birth control or a lack of income security.

Table 3.7 Member of SEWA/VLSSS and Number of Dependent Children

Number of children	Organisation				Group Total	
	SEWA		VLSSS		number	percentage
	number	percentage	number	percentage		
None	6	3	5	2.5	11	5.5
1	11	5.5	7	3.5	18	9
2	38	19	24	12	62	31
3	30	15	21	10.5	51	25.5
4	17	8.5	12	6	29	14.5
5 or more	8	4	21	10.5	29	14.5
Total	110	55	90	45	200	100

Source: Survey 2016; SEWA = Self- Employed Women’s Association, VLSSS = Vagad lok Seva Shod Sansthan.

3. 3. 7 Members of SEWA and VLSSS and business ownership

The data in Table 3.8 indicates that members of the SEWA organisation predominantly own their own business (44.5%) or run a household business (10.5%). A majority of members of VLSSS are involved in household businesses (40.5%) and only 2% own their own businesses. The remainder (5%) run a business enterprise. There is a strong association between respondents being a member of the two organisations and respondents owning their own business.

Table 3.8 SEWA and VLSSS Membership and Business Ownership

Business ownership	Organisation				Group Total	
	SEWA		VLSSS		number	percentage
	number	percentage	number	percentage		
Own B	89	44.5	4	2.0	93	46.5
Business E	0	0.0%	5	2.5	5	2.5
Household B	21	10.5	81	40.5	102	51
	110	55	90	45	200	100

Source: Survey 2106; SEWA = Self-Employed Women's Association, VLSSS = Vagad lok Seva Shod Sansthan; E= enterprise; B = business

3.3.8 Types of businesses Respondents are involved in

The respondents primary occupations (Table 3.9) range in type for example vendor or home based ready garment makers, scale for example agricultural crops and wholesale products and income Rs.1000-5000 to Rs.16000-25000 per month. Hawkers, vendors and small business women make up 30.5% of respondents, 22% of respondents are home based workers, 5.5% are manual labourers and service providers and 42% are producers.

Table 3.9 Respondents Business Types

Occupation	Number		Percentage	
	SEWA	VLSSS	SEWA	VLSSS
1. Hawkers, vendors and small business women	35	26	17.5	13
2. Home-based workers	24	20	12	10
3. Manual labourers & service providers	6	5	3	2.5
4. Producers - cooperative based agricultural products and wholesale products	45	39	22.5	19.5
	110	90	55	45
Total	200		100	

Source: Survey 2016

3.3.9 Members of SEWA and VLSSS and restrictions members encounter

Women encounter a range of restrictions on their time Table 3.10 reveals 29% of women face no family restrictions on their ability to conduct their business, 48.5% have household duties to attend to, 11% face family restrictions for example where they can go unaccompanied, A negligible number 0.5% face community restrictions, and 14.5% have a problem with working odd hours. Lastly, a small number of women face a combination of household duties, family restrictions and community restrictions.

Table 3.10 Member of SEWA/VLSSS and Impact of Restrictions

Member of SEWA/VLSSS	Impact of restrictions						Total
	no family restrictions	household duties (1)	family restrictions (2)	community restrictions (3)	working odd hours	1, 2, 3,	
SEWA	55 (27.5)	19 (9.5)	2 (1)	1 (0.5)	29 (14.5)	4 (2)	110 (55)
VLSSS	3 (1.5)	78 (39)	9 (4.5)	0 (0)	0(0)	0 (0)	90 (45)
Total	58 (29)	97 (48.5)	11 (5.5)	1 (0.5)	29 (14.5)	4 (2)	200 (100)

Source: Survey 2016; SEWA = Self- Employed Women’s Association; VLSSS = Vagad Lok Seva Shod Sansthan; p = 0.039; * Values in parenthesis are in percentages

3. 3. 10 Members of SEWA and VLSSS and the impact of family assistance

Members of SEWA and VLSSS have a strong support group in the family. The data in Table 3.11 indicates that 28.5% of members receive help and support from their husband, a positive sign in a society where men are the heads of households. A significant number (47.5%) of respondent’s children and a smaller number of both husbands and children (15%) assist them in their business. Relatives (6%) independently also assist respondents and in small number together with husbands and children (1.5%). As indicated by the p-value of 0.001, the distribution of the proportions is significantly different between the two groups.

Table 3.11 Member of SEWA/VLSSS and Impact of Family Assistance in Respondents Business

Member of SEWA/VLSSS	Impact of being a poor woman						Total
	No family help	Husband ‘s help/support (1)	Children help (2)	Relatives help (3)	1, 2	1, 2, 3	
SEWA	1 (0.5)	24 (12)	51 (25.5)	11 (5.5)	20 (10)	3 (1.5)	110 (55)
VLSSS	2 (1)	33 (16.5)	44 (22)	1(0.5)	10 (5)	0 (0)	90 (45)
Total	3 (1.5)	57 (28.5)	95 (47.5)	12 (6)	30 (15)	3 (1.5)	200 (100)

Source: Survey 2016, SEWA = Self- Employed Women’s Association; VLSSS = Vagad Lok Seva Shod Sansthan; p = 0.001; * Values in parenthesis are in percentages

3. 3. 11 Member of SEWA and VLSSS and impact on respondents being a poor woman

Table 3.12 shows an association between members of the organisations SEWA and VLSSS and the impact of being a poor woman. A minority of respondents (14.5%) report no discrimination from the community, compared to 69% of respondents who report being discriminated by the community. In addition, 17.5% of respondents suffered discrimination getting loans, and accessing resources and markets for their products or services.

Table 3.12 Member of SEWA/VLSSS and Impact on Respondents Being a Poor Woman

Member of SEWA/VLSS	Impact being a poor woman					Total
	No affect	Social perceptions (1)	Access to loans/resources (2)	Access to markets	1, 2	
SEWA	18 (18)	57 (28.5)	2 (1)	19 (9.5)	14 (7)	110 (55)
VLSSS	9 (4.5)	81 (40.5)	0 (0)	0 (0)	0 (0)	90 (45.5)
Total	27 (13.5)	138 (69)	2 (1)	19 (9.5)	14 (7)	200 (100)

Source: Survey 2016, SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan;

* Values in parenthesis are in percentages

3. 3. 12 Members of SEWA and VLSSS and the impact of strangers on employment

Table 3.13 shows the association between members of SEWA and VLSSS and the impact of strangers (customers and others) on their self-employment, There is a strong association between being a woman and the impact of strangers on their self-employment ($p < 0$). A majority of respondents (83%) report untoward behaviour in their interactions with strangers, from disrespect SEWA members (18%) and VLSSS members (39.5%); to insecurity SEWA members (19.5%); to feeling insecure SEWA members (19.5%); to feeling less confident SEWA members (5%); to feeling threatened SEWA members (1%). A small number of respondents, 11.5% of SEWA members and 5.5% of VLSSS member's self-employment do not have any problems with strangers.

Table 3.13 Members of SEWA and VLSSS and Impact of Strangers on Employment

Member of SEWA/VLSSS	Impact of strangers on self-employment					Total
	Not applicable	Disrespect	Insecurity	Self confidence	Threatening	
SEWA	23(11.5)	36(18)	39(19.5)	10 (5)	2(1)	110(55)
VLSSS	11(5.5)	79(39.5)	0(0)	0(0)	0(0)	90(45)
Total	34(17)	115(57.5)	39(19.5)	10 (5)	2(1)	200 (100)

Source: Survey 2016, SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan;

* Values in parenthesis are in percentages

3. 3. 13 Members of SEWA and VLSSS and business choice

Table 3.14 shows members of both SEWA and VLSSS are more likely to choose occupations they are familiar with (69%) as opposed to businesses that are profitable (8.5%), business that can be run while taking care of the family (11.5%) or finally businesses that can produce the income required (5.5%). A tiny proportion of members chose a combination of the last two choices (2%) and the first three choices (4.5%).

Table 3.14 Member of SEWA/VLSSS and Business Choice

Member of SEWA/VLSSS	Business choice						Total
	Work I am familiar with (1)	Viable (2)	Run business and care for family (3)	How much income is needed (4)	3, 4	1, 2, 3	
SEWA	69 (34.5)	16 (8)	20 (10)	5(2.5)	0 (0)	0 (0)	110 (55)
VLSSS	69 (34.5)	1(0.5)	3 (1.5)	6 (3)	2 (1)	9 (4.5)	90 (45)
Total	138(69)	17(8.5)	23(11.5)	11 (5.5)	2(1)	9 (4.5)	200(100)

Source: Survey 2016, SEWA = Self- Employed Women’s Association; VLSSS = Vagad Lok Seva Shod Sansthan; * Values in parenthesis are in percentages

3. 3. 14 Members of SEWA and VLSSS and Market size

Table 3.15 shows members responses to the question (Q. 23, Appendix 1) asking them if the market is big enough for them to sell their products and services in. Both members of SEWA (54.5%) and VLSSS (40%) that is 94% of respondents answered yes to the question. This could mean members have some measure of success selling their products and services in their market. As indicated by the p-value of 0.002, the distribution of the proportions is significantly different between the two groups. They also say the market is competitive (See Table 4.16 below).

Table 3.15 Member of SEWA/VLSSS and Market Size

Market size	Organisation				Group Total	
	SEWA		VLSSS		number	percentage
	number	percentage	number	percentage		
Yes	109	54.5	80	40	189	94.5
No	1	0.5	10	5	11	5.5
	110	55	90	45	200	100

Source: Survey 2016, SEWA = Self- Employed Women’s Association; VLSSS = Vagad Lok Seva Shod Sansthan; P = 0.002; * Values in parenthesis are in percentages

3. 3. 15 Members of SEWA and VLSSS and Business competition

Table 3.16 shows members responses to a question (Q. 23, Appendix 1) asking them if there are many vendors selling the same products and services they have to offer in the market place. Both members of SEWA and VLSSS that is 94% of responses answered yes to the question. As indicated by the p-value of 0.006, the distribution of the proportions is significantly different between the two groups.

Table 3.16 Member of SEWA/VLSSS and Business Competition

Business competition	Organisation				Group Total	
	SEWA		VLSSS		number	percentage
	number	percentage	number	percentage		
Yes	108	54	80	40	188	94
No	2	1	10	5	12	6
	110	55	90	45	200	100

Source: Survey 2016, SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; P = 0.006; * Values in parenthesis are in percentages

3. 3. 16 Members of SEWA and VLSSS and their sources of income

Table 3.17 shows member's sources of annual income, the question (Q. 13, Appendix 1) asks them about their sources of income. A majority of SEWA and VLSSS members 89% nominated business or farm income and/or husband and working children's income as sources of their income. A negligible number of members (1.5%) get a government pension or an income from a government employment program. Only 9% of members get an income only from the family business or farm. As indicated by the p-value of 0.001, the distribution of the proportions is significantly different between the two groups.

Table 3.17 Member of SEWA/VLSSS and Member Income Sources

Member of SEWA/ VLSSS	Income sources					Total
	Business/ farm income	Government employment/ pension	Husband/ children working	1, 2, 3	1 and 3	
	(1)	(2)	(3)			
SEWA	16 (8)	0 (0)	1 (0.5)	3 (1.5)	90 (45)	110(55)
VLSSS	2 (1)	0 (0)	0 (0)	0 (0)	88 (44)	90(45)
Total	18 (9)	0 (0)	1 (0.5)	3 (1.5)	178 (89)	200 (100)

Source: Survey 2016, SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; p = 0.001; * Values in parenthesis are in percentages *income sources are annual

3. 3. 17 Study Population: Summary of socioeconomic and demographic variables

The respondents in this study are poor women ranging in age from 20 -70 years of age and their income ranges from Rs.1,000 to Rs.60,000. Thirty five per cent of respondents have no education but overall 54% have a standard 5-12 education. Most of the respondents (94%) are married.

A majority of respondents from the two organisations own their own business and are engaged in a number of occupations. Hawkers, vendors and small business women, home-based workers, manual labourers & service providers and producers. Respondents manage their business despite a range of family and community restrictions. However both respondents'

husbands and children assist them in their businesses. Respondents report suffering discrimination on the job from the community and as minority getting loans, and accessing resources and markets for their products or services. A majority of respondents also report untoward behaviour in their interactions with strangers.

Members of both SEWA and VLSSS are more likely to choose work they are familiar with as opposed to businesses that are profitable business that can be run while taking care of the family or finally businesses that can produce the income required. Respondents were confident that the market was big enough for them to compete in for business and income. A major source of household income is derived from respondent's income, business or farm income and husband and working children's income.

3.4 The Objectives

This study will *analyse* each set of variables associated with each of this study's four research objectives below in turn:

1. Identify the specific factors that contribute to successful microfinance outcomes for poor women at subsistence level in India
2. Identify the impacts of microfinance for poor women in India
3. Reasons why poor women succeed in using these programs to rise above subsistence level in India
4. Identify policy implications to raise poor women above subsistence level in India

The study examined several key questions revolving around the objective regarding successful microfinance outcomes for the poor a subsistence level.

3.5 Objective 1 and Objective 2

This section looks at specific factors that contribute to successful microfinance outcomes for poor women at subsistence level in India and the impact of microfinance on poor women in India

3.5.1 Age of borrowers and problems with access to microfinance

Table 3.18 shows the association between respondents' age and borrowing problems. The questions (Q.1m, Q.33a; Appendix 1) asked for borrowing requirements respondents had difficulty with and their age. There is strong evidence that almost none of the participants (97%)

have any problems with borrowing. The conclusion is that there is no statistically significant association between age and borrowing problems ($p = 0.168$).

Table 3.18 Respondents Age and Borrowing Problems

Age	Borrowing Problems				Total
	No problems	Saving	Collateral	Waiting period	
20-30	56 (28)	0 (0.0)	0 (0))	0 (0)	56 (28)
31-40	72 (36)	2 (1)	0 (0)	0 (0)	74 (37)
41-50	49 (25)	0 (0.0)	1(0.5)	2 (1)	52 (26.5)
51-60	17 (9)	0 (0.0)	0 (0)	0 (0)	17 (9)
61-70	1 (0.5)	0 (0.0)	0 (0)	0 (0)	1 (0.5)
Total	195 (97)	2 (1)	1(0.5)	2 (1)	200 (100)

Source: Survey 2016; $p = 0.168$;

* Values in parenthesis are in percentages

3. 5. 2 Membership of SEWA and VLSSS and loan interest rates.

Table 3.19 shows the distribution of loan interest rates for the two groups, SEWA and VLSSS. The question (Q.1i, Appendix 1) asked them how much interest they paid on each loan. All members belonging to SEWA paid between 11% and 20% for their borrowing averaging 18%, while those belonging to VLSSS paid between 5% and 10% averaging 8%. About 3% of SEWA members paid between 11% and 20% and more than 20% to a moneylender. As indicated by the p-value of 0.001, the distribution of the proportions is significantly different between the two groups.

Table 3.19 Members of SEWA/VLSSS Respondents Age and Interest Rates

Interest rate	Organisation				Group Total	
	SEWA		VLSSS		number	percentage
	number	percentage	number	percentage		
5% -10%	0	0	90	45	90	45
11% - 20%	104	52	0	0	104	52
>20%	0	0	0	0	0	0
11-20% and >20%	6	3	0	0	6	3
Total	110	55	90	45	200	100

Source: survey 2016; $p = 0.001$; SEWA =Self Employed Women's association, VLSSS = Vagad Lok Seva Shodh Sansthan

3. 5. 3 Training provided by SEWA and VLSSS and respondents income

Table 3.20 shows the association between training provided by the organisation and respondent's income. The questions (Q.31, Q.33b, Appendix 1) asked if training was provided and how much income they earned annually. A majority of respondents (73.5%) reported their incomes had increased or increased greatly in the past year (Q. 14, Appendix 1). Most SEWA

and VLSSS respondents reported getting financial literacy and saving, health and hygiene, leadership and microenterprise management training (Table 3-21). As indicated by the p-value of 0.222, the distribution of the proportions is not significantly different between the two groups.

Table 3.20 Training provided by Organisation and Respondents Income

Training	Respondents income				Total
	Decreased	Stayed the same	Increased	Increased greatly	
Yes	8(4)	41(20.5)	88(44)	59(29.5)	196
No	0	3(1.5)	0	1(.5)	4
	8	44	88	60	200

Source: Survey 2016: p= .222 * Values in parenthesis are in percentages

Table 3.21 Training Provided by SEWA/VLSSS

Member of SEWA/VLSSS	Training provided by organisation						Total
	financial literacy, saving (1)	Micro finance, farm management (2)	Health & hygiene (3)	Leadership (4)	1, 2, 3	1, 2, 3,4	
SEWA	38 (18)	16 (8)	0 (0)	0 (0)	38 (19)	18 (9)	110 (55)
VLSSS	16 (8.5)	0 (0)	1(0.5)	0 (0)	5 (2.5)	68 (34)	90 (45)
Total	54 (26.5)	16 (14.5)	1(0.5)	0 (0)	43 (21.5)	86 (43)	200 (100)

Source: survey 2016; p= 0.001; SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; * Values in parenthesis are in percentages

3. 5. 4 Amount saved by respondents and loan as a multiple of saving

Table 3.22 shows the association between amounts saved by respondents and loans granted as a multiple of the saved amount. The questions asked (Q.1d and 1e, Appendix 1) were how much was saved in order to get a loan and the multiple of savings given as a loan. A majority of respondents get larger multiples of savings as loans 47.5% and 48% get multiples of 6-8 times and 10 times or more, and 4.5% get loans of 2-5 times saved amount. Amounts saved usually fall in the Rs.1000-Rs.5000 range (36%) or Rs.6000-Rs.10000 (56%) range. Only 4.5% of respondents manage to save in the Rs.11000-Rs.15000 range. As indicated by the p-value of 0.003, the distribution of the proportions is significantly different between the two groups.

Table 3.22 Amount Saved by Respondents and Loan as a Multiple of Saving

Amount saved	Loan as multiple of saving			Total
	2-5 times	6-8 times	10 times >	
Rs 1000-Rs5000	3 (1.5)	25 (12.5)	44 (22)	72 (36)
Rs 6000-Rs10000	6 (3)	56 (28)	50 (25)	112 (56)
Rs11000-Rs15000	0 (0)	14 (14)	2 (1)	16 (8)
Total	9 (4.5)	95 (47.5)	96(48)	200 (100)

Source: Survey 2016: p= 0.003; * Values in parenthesis are in percentages Rs = Indian rupees

3. 5. 5 Members of SEWA and VLSSS and borrowing sources

Table 3.23 shows the distribution of respondent's borrowing sources for the two groups, SEWA and VLSSS. The question (Q.1h, Appendix 1) asked for sources money was borrowed from. SEWA members borrow from the bank (24.5%), bank and moneylender (4%), and bank and family (52%), the trend being borrowing mainly from the bank with the family as the next stop and the moneylender a last resort. Members of VLSSS borrow mainly from the bank (44.5%). As indicated by the p-value of 0.001, the distribution of the proportions is significantly different between the two groups.

Table 3.23 Member of SEWA and VLSSS and Borrowing Sources

Member of SEWA/VLSSS	Borrowing sources				Total
	Money lender	Commercial bank/SEWA bank	Bank and money lender	Bank and family	
SEWA	1 (0.5)	49 (24.5)	8 (4)	52 (26)	110 (55)
VLSSS	0 (0)	89 (44.5)	1 (0.5)	0 (0)	90 (45)
Total	1 (0.5)	138 (69)	9 (4.5)	52 (26)	200 (100)

Source: Survey 2016: p= 0.001; SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan * Values in parenthesis are in percentages

3. 5. 6 Members of SEWA and VLSSS and home improvements

Table 3.24 shows the distribution of home improvements for the two groups, SEWA and VLSSS. The question (Q.15c, Appendix 1) asked if membership of the organisation assisted with making housing improvements. A majority of members of each organisation 38.5% and 34% or 72.5 % of the total sample have made improvements to their homes being members of their organisation. A minority of 16.5% of SEWA members and 11% of VLSSS members have not made improvements due to membership of their organisation. A majority of respondents (63%) have made improvements to their homes including additional rooms, electricity and water connections and toilet facilities (Table 3.25). As indicated by the p-value of 0.383, the distribution of the proportions is not significantly different between the two groups.

Table 3.24 Member of SEWA and VLSSS and Home Improvements

Home improvements	Organisation				Group Total	
	SEWA		VLSSS		number	percentage
	number	percentage	number	percentage		
Yes	77	38.5	68	34	145	72.5
No	33	16.5	22	11	55	27.5
	110	55	90	45	200	100

Source: Survey 2016; p= 0.383; SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan

Table 3.25 Member of SEWA and VLSSS and Home Improvements Type

Member of SEWA/ VLSSS	Home improvements type							Total
	None	Repairs/ expand (1)	Water and sanitation (2)	Light/ electric (3)	1, 2, 3	2, 3	1, 2	
SEWA	30 (15)	6 (3)	6 (3)	8 (4)	60 (30)	0 (0)	0 (0)	110 (55)
VLSSS	23 (11.5)	5 (2.5)	3 (1.5)	6 (3)	43 (21.5)	9 (4.5)	1 (0.5)	90 (45)
Total	53 (26.5)	11 (5.5)	9 (4.5)	14 (7)	103 (51.5)	9 (4.5)	1 (0.5)	200 (100)

Source: Survey 2016; SEWA = Self- Employed Women's Association; VLSSS= Vagad Lok Seva Shod Sansthan; p = 0.360; * Values in parenthesis are in percentages

3. 5. 7 Membership of SEWA and VLSSS and home purchase

Table 3-26 shows the distribution of respondent's home purchase for the two groups, SEWA respondents (44.5%) and VLSSS (32%) respondents and gaining the benefit of a substantial asset assisted by each organisation. A minority of SEWA members (10.5%) and VLSSS members (13%) purchased homes independently. As indicated by the p-value of 0.105, the distribution of the proportions is not significantly different between the two groups

Table 3.26 Member of SEWA and VLSSS and Home Purchase

Home purchase	Organisation				Group Total	
	SEWA		VLSSS		number	percentage
	number	percentage	number	percentage		
Yes	89	44.5	64	32	153	76.5
No	21	10.5	26	13	47	23.5
	110	55	90	45	200	100

Source: Survey 2016; p= 0.105; SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan

3. 5. 8 Member of SEWA and VLSSS and respondent's income

Table 3.27 shows the distribution of respondent's income for the two groups, SEWA and VLSSS. The question (Q.14, Appendix-1) asked whether annual income had increased or decreased. The majority of respondents 41.5% of SEWA members and 32.5% of VLSSS

member's incomes increased or increased greatly. Respondents were also able to maintain their standard of living 10.5% of SEWA members and 11.5% of VLSSS member's incomes stayed the same. Very few respondents reported a decrease in income SEWA members (3%) and VLSSS members (1%). As indicated by the p-value of 0.122, the distribution of the proportions is not significantly different between the two groups

Table 3.27 Member of SEWA/VLSSS and Respondent's Income

Member of SEWA/VLSSS	Respondents income				Total
	Decreased	Stayed the same	Increased	Increased greatly	
SEWA	6(3)	21(10.5)	59(29.5)	24(12)	110 (55)
VLSSS	2(1)	23(11.5)	29(14.5)	36(18)	90 (45)
Total	8(4)	44(22)	88(44)	60(30)	200 (100)

Source: Survey 2016: p = 0.122; SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; * Values in parenthesis are in percentages

3. 5. 9 Member of SEWA and VLSSS and household income

Table 3.28 shows the distribution of respondent's household income for the two groups, SEWA and VLSSS. The question (Q. 13a, Appendix 1) queried changes in family annual income. The majority of respondents 41.5% of SEWA members and 33% of VLSSS member's reported household incomes increased or increased greatly. Respondents were also able to maintain their standard of living 10.5% of SEWA members and 11% of VLSSS member's reported unchanged incomes. Very few SEWA members (3%) and VLSSS members (1%) reported a decrease in income. As indicated by the p-value of 0.082, the distribution of the proportions is not significantly different between the two groups.

Table 3.28 Member of SEWA and VLSSS and Household Income

Member of SEWA/VLSSS	Household income				Total
	Decreased	Stayed the same	Increased	Increased greatly	
SEWA	6(3)	21(10.5)	59(29.5)	24(12)	110 (55)
VLSSS	2(1)	22(11)	29(14.5)	37(18.5)	90 (45)
Total	8(4)	43(22)	88(44)	61 (30.5)	200 (100)

Source: Survey 2016: p= 0.082; SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; * Values in parenthesis are in percentages

3. 5. 10 Member of SEWA and VLSSS and household diet status

Table 3.29 shows the distribution of respondent's household diet for the two groups, SEWA and VLSSS. The question (Q.16, Appendix 1) asked if membership of the organisation had

affected household diet status. A majority of SEWA members (48.5%) and VLSSS members (33.5%) reported an improved diet. SEWA members (5.5%) and of VLSSS (11.5%) also reported maintaining their diet. Very few (1%) respondents reported a worsened diet. As indicated by the p-value of 0.045, the distribution of the proportions is significantly different between the two groups

Table 3.29 Member of SEWA and VLSSS and Household Diet Status

Member of SEWA/VLSSS	Household diet			Total
	Worsened	Stayed the same	Improved	
SEWA	2 (1)	11(5.5)	97(48.5)	110(55)
VLSSS	0(0)	23(11.5)	50(33.5)	90(45)
Total	2 (1)	34(17)	164(82)	200(100)

Source: Survey 2016; p= 0.045; SEWA = Self- Employed Women’s Association; VLSSS = Vagad Lok Seva Shod Sansthan * Values in parenthesis are in percentages

3. 5. 11 Member of SEWA and VLSSS and Household diet improvement

Table 3.30 shows the distribution of respondent’s household diet improvement for the two groups, SEWA and VLSSS. The question (Q.16b, Appendix1) asked if membership of the organisation had led to family diet improvement. A majority of respondents 42.5% of SEWA members reported improved household diet and ingredients (cereals, spices, vegetables and legumes, dairy). VLSSS member’s household diet did improve overall from being able to buy more cereals (5.5%) to buying more spices, vegetables and legumes (8%), to buying more animal, dairy and eggs (12%), to eating three meals a day (17.5%). As indicated by the p-value of 0.001, the distribution of the proportions is significantly different between the two groups.

Table 3.30 Member of SEWA and VLSSS and Household Diet Improved

Member of SEWA/VLSSS	Household diet improved							Total
	No change	Buy more cereals	Buy more spices/vegs, legumes	Buy more animal/dairy/eggs	Eat three meals a day	1, 2, 3, 4	1, 2, 3	
SEWA	10(5)	0 (0)	0 (0)	1(0.5)	0 (0)	85 (42.5)	14 (7)	110 (55)
VLSSS	0 (0)	11 (5.5)	16 (8)	23 (11.5)	35 (17.5)	2 (1)	3 (1.5)	90 (45)
Total	10 (5)	11 (5.5)	16 (8)	24 (12)	35 (17.5)	87 (43.5)	17 (8.5)	200 (100)

Source: Survey 2016; SEWA = Self- Employed Women’s Association; VLSSS= Vagad Lok Seva Shod Sansthan P = 0.001; * Values in parenthesis are in percentages

3. 5. 12 Member of SEWA and VLSSS and Diet crisis period

Table 3.31 shows the distribution of respondent's diet crisis period for the two groups, SEWA and VLSSS. The question asked (Q. 16d, Appendix 1) for period of time if diet crisis had been experienced. Respondents experience of a diet crisis period is not shared equally between SEWA (28.5%) and VLSSS members (11%). The periods of this diet crisis reported vary from 6months -5years SEWA members (15.5%) and VLSSS members (11%), 6-10 years for SEWA members (8%), 11-15 years for SEWA members (3%), and over 16 years for SEWA members (4%). More members of SEWA reported a diet crisis than did members of VLSSS, but both reported that their diet had improved since joining their organisations. Respondents from SEWA (26.5%) and respondents from VLSSS (34%) did not experience a diet crisis. As indicated by the p-value of 0.001, the distribution of the proportions is significantly different between the two groups.

Table 3.31 Member of SEWA and VLSSS and Diet Crisis Period

Member of SEWA/VLSSS	Diet crisis and number of years					Total
	Did not occur	6 months to 5 years	6 -10 years	11-15 years	>16 years	
SEWA	53 (26.5)	31 (15.5)	16 (8)	6 (3)	4 (2)	110 (55)
VLSSS	68 (34)	22 (11)	0 (0)	0 (0)	0 (0)	90 (45)
Total	121 (60.5)	53 (26.5)	16 (8)	6 (3)	4 (2)	200 (100)

Source: Survey 2016: p= 0.001; SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; * Values in parenthesis are in percentages

3. 5. 13 Member of SEWA and VLSSS and Children attending school/college

Table 3.32 shows the distribution of respondent's children attending school or college for the two groups, SEWA and VLSSS. A majority of SEWA members (37%) and VLSSS members (34%) send both male and female children to primary or secondary school and college. The 29% who are not attending school or college are either not of school or college age or are adults in full or part time family or outside employment. As indicated by the p-value of 0.003, the distribution of the proportions is significantly different between the two groups.

Table 3.32 Member of SEWA/VLSSS and Children Attending School/College

Member of SEWA/VLSSS	Children attending school/college						Total
	None	1	2	3	4	Five or more	
SEWA	36 (18)	29 (14.5)	31 (15.5)	10 (5)	3 (1.5)	1 (0.5)	110 (55)
VLSSS	22 (11)	15 (7.5)	27 (13.5)	15 (7.5)	7 (3.5)	4 (2)	90 (45)
Total	58 (29)	44 (22)	58 (29)	25 (12.5)	10 (5)	5 (2.5)	200(100)

Source: survey 2016; p = 0.003; SEWA = Self- Employed Women’s Association; VLSSS = Vagad Lok Seva Shod Sansthan; * Values in parenthesis are in percentages

3. 5. 14 Member of SEWA and VLSSS and Borrowing and toilet ownership

Table 3.33 shows the distribution of respondent’s borrowing and toilet ownership for the two groups, SEWA and VLSSS. The majority of respondents 54.5% of SEWA members and 40% of VLSSS members reported having a private toilet. An insignificant number SEWA members (0.5%) and VLSSS members (4%) reported using a communal toilet. Only 1% of VLSSS members reported using an open area as a toilet. As indicated by the p-value of 0.001, the distribution of the proportions is significantly different between the two groups.

Table 3.33 Member of SEWA/VLSSS and Borrowing and Toilet Ownership

Member of SEWA/VLSSS	Borrowing and toilet ownership			Total
	Private	Communal	Open area	
SEWA	109 (54.5)	1 (0.5)	0 (0)	110 (55)
VLSSS	80 (40)	8 (4)	2 (1)	90 (45)
Total	189 (94.5)	9 (4.5)	2 (1)	200 (100)

Source: survey 2016; p= 0.001; SEWA = Self- Employed Women’s Association; VLSSS = Vagad Lok Seva Shod Sansthan * Values in parenthesis are in percentages

3. 5. 15 Member of SEWA and VLSSS and borrowing and children’s education

Table 3.34 shows the distribution of respondent’s borrowing and children’s education for the two groups, SEWA and VLSSS. A majority of respondents who are SEWA members (27.5%) report that children have time to study instead of working in the family business, 3% report they can afford uniforms and books, 4.5% report children work less to support the family and 8% cite all three reasons. Respondents who are VLSSS members reported children have time to study (15%) and 7.5% cited all three reasons. 12% of SEWA members and 22% of VLSSS members also reported that there was no connection between borrowing and children’s education. As indicated by the p-value of 0.000, the distribution of the proportions is significantly different between the two groups.

Table 3.34 Member of SEWA/VLSSS and Borrowing and Children's Education

Member of SEWA/VLSSS	Borrowing and children's education					Total
	Does not apply	Children have time to study (1)	Buy uniforms and books (2)	Children work less to support family (3)	1, 2, 3	
SEWA	24 (12)	55 (27.5)	6 (3)	9 (4.5)	16 (8)	110 (55)
VLSSS	44 (22)	31 (15.5)	0 (0)	0 (0)	15 (7.5)	90 (45)

Source: survey 2016; p = 0.000; SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan * Values in parenthesis are in percentages

3. 5. 16 Member of SEWA and VLSSS and Borrowing and food provision

Table 3.35 shows the distribution of respondent's borrowing and food provision for the two groups, SEWA and VLSSS. The question (Q. 28, Appendix 1) asked if borrowing had an effect on food provision. A majority of respondents 46.5% of SEWA members and 32% of VLSSS members acknowledged the link between borrowing and the provision of food for their families. A minority of respondents 8.5% of SEWA members and 13% of VLSSS members did not acknowledge a link between borrowing and food provision for their families. As indicated by the p-value of 0.022, the distribution of the proportions is significantly different between the two groups.

Table 3.35 Member of SEWA/VLSSS Borrowing and Food Provision

Borrowing and food provision	Organisation				Group Total	
	SEWA		VLSSS			
	number	percentage	number	percentage		
Yes	93	46.5	64	32	157	78.5
No	17	8.5	26	13	43	21.5
	110	55	90	45	200	100

Source: survey 2016; p= 0.022; SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; * Values in parenthesis are in percentages

3. 5. 17 Member of SEWA and VLSSS and Borrowing and Family health

Table 3.36 shows the distribution of respondent's borrowing and family health for the two groups, SEWA and VLSSS. A majority of respondents 44% of SEWA members and 34.5% of VLSSS members acknowledged a link between borrowing and family health (better health care for the family). A smaller number of respondents 11% of SEWA members and 10.5% of VLSSS members did not acknowledge a link between borrowing and family health (better health care for the family). As indicated by the p-value of 0.569, the distribution of the proportions is not significantly different between the two groups.

Table 3.36 Member of SEWA and VLSSS Borrowing and Family Health

Borrowing and Family Health	Organisation				Group Total	
	SEWA		VLSSS		number	percentage
	number	percentage	number	percentage		
Yes	88	44	69	34.5	157	78.5
No	22	11	21	10.5	43	21.5
	110	55	90	45	200	100

Source: survey 2016; p= 0.569; SEWA = Self- Employed Women’s Association; VLSSS = Vagad Lok Seva Shod Sansthan; * Values in parenthesis are in percentages

3. 5. 18 Member of SEWA and VLSSS and the advantages of borrowing

Table 3.37 shows the distribution of respondent’s advantages of borrowing for the two groups, SEWA and VLSSS. SEWA members report that borrowing provides financial security (11%), security for the family (12%), an increase in living standard (13.5%), all of the previous options (16.5%) and helping with unexpected expenses (2%). VLSSS members report that borrowing provides financial security (18%), with security for the family (10.5%), supports increase in living standard (14.5%), all the previous options (2%). As indicated by the p-value of 0.001, the distribution of the proportions is significantly different between the two groups.

Table 3.37 Member of SEWA/VLSSS and the Advantages of Borrowing

Member of SEWA/VLSSS	Advantages of Borrowing					Total
	Financial security	Security for family	Supports increase in living standard	Helps with unexpected expenses	1, 2, 3	
	(1)	(2)	(3)			
SEWA	22 (11)	24 (12)	27 (13.5)	4 (2)	33 (16.5)	110 (55)
VLSSS	36 (18)	21 (10.5)	29 (14.5)	0 (0)	4 (2)	90 (45)
Total	58 (29)	45 (22.5)	56 (28)	4 (2)	37 (18.5)	200 (100)

Source: survey 2016; p= 0.001; SEWA = Self- Employed Women’s Association; VLSSS = Vagad Lok Seva Shod Sansthan; * Values in parenthesis are in percentages

3. 5. 19 Member of SEWA and VLSSS - Borrowing and clean tap water

Table 3.38 shows the shows the distribution of respondent’s borrowing and clean tap water for the two groups, SEWA and VLSSS. A majority of respondents SEWA members (50.5%) and VLSSS members (31%) acknowledge the link between borrowing and having clean tap water. A minority SEWA members (4.5%) and 14% of VLSSS members do not acknowledge a link between borrowing and clean tap water. As indicated by the p-value of 0.001, the distribution of the proportions is significantly different between the two groups

Table 3.38 Member of SEWA/VLSSS Borrowing and Clean Water

Borrowing and Clean tap water	Organisation				Group Total	
	SEWA		VLSSS		number	percentage
	number	percentage	number	percentage		
Yes	101	50.5	62	31	163	81.5
No	9	4.5	28	14	37	18.5
	110	55	90	45	200	100

Source: survey 2016; p= 0.001; SEWA = Self- Employed Women’s Association; VLSSS = Vagad Lok Seva Shod Sansthan; * Values in parenthesis are in percentages

3. 5. 20 Analysis of results for Objective 1 and Objective 2

This section looked at the specific factors that contribute to successful microfinance outcomes for poor women at subsistence level in India and the impact of microfinance on poor women in India.

Respondents reported not having any problems with borrowing as collateral other than saving is not required. Members easily managed high interest rates of 18%.with regular repayments. Loans based on multiple amounts of savings allow banks to avoid borrowers defaulting using saving as a repayment method. Respondents were persuaded to avoid indebtedness with moneylenders by borrowing from the bank or the family. Membership of SEWA and VLSSS influenced the purchase and improvement of homes although some members had purchased home before they became members of the organisations.

Membership through financial and non-financial assistance influenced income earned. A majority of respondents incomes increased, increased greatly or did not change. Borrowing is strongly associated with the status of household diet and an improvement in diet, a majority of respondent reported improved household diet and ingredients. Although more members of SEWA reported a diet crisis than did members of VLSSS, both reported diet improvements after joining their organisations. Although respondents reported a link between borrowing and their children attending school education is seen as a means to escape poverty. A majority of respondents reported sending their children to primary or secondary school and college. Respondents also reported children had time to study hence low involvement in the family business. A majority of respondents reported both membership and borrowing having an impact on private toilet ownership, health and clean water. Loans and insurance can ensure respondents enjoy these benefits.

3.6 Objective 3

This section examines reasons why poor women successfully use microfinance programs to rise above subsistence level in India.

3.6.1 Member of SEWA and VLSSS and Product profit spend

Table 3.39 shows the distribution of respondent's product profit spend for the two groups, SEWA and VLSSS. A majority of SEWA members 52% and VLSSS members 25.5% spend the profit from their business on household expenses and reinvestment in their business. VLSSS members (18.5%) also save some profit from their business. As indicated by the p-value of 0.001, the distribution of the proportions is significantly different between the two groups.

Table 3.39 Member of SEWA/VLSSS and Product Profit Spend

Member of SEWA/VLSSS	Product profit spend					Total
	Household expenses (1)	Bus/ farm investment (2)	Save (3)	1, 2	1,2,3	
SEWA	4 (2)	1 (0.5)	0 (0)	105 (52.5)	0 (0)	110 (55)
VLSSS	2 (1)	0 (0)	0 (0)	51 (25.5)	37 (18.5)	90 (45)
Total	3 (7)	1 (0.5)	0 (0)	156 (78)	37 (18.5)	200 (100)

Source: Survey 2016, SEWA = Self-Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan
p = 0.001; * Values in parenthesis are in percentages

3.6.2 Member of SEWA and VLSSS and Business finance problems

Table 3.40 shows the distribution of respondent's business finance problems for the two groups, SEWA and VLSSS and members business finance problems. Very few VLSSS members (1%) and a minority (15%) of SEWA members have problems with their business. A majority of VLSSS members (44%) and SEWA members (39.5%) did not report any finance problems with their business. As indicated by the p-value of 0.001, the distribution of the proportions is significantly different between the two groups.

Table 3.40 Member of SEWA/VLSSS and Business Finance Problems

Business finance problems	Organisation				Group Total	
	SEWA		VLSSS		number	percentage
	number	percentage	number	percentage		
Yes	31	15.5	2	1	189	94.5
No	79	39.5	88	44	11	5.5
	110	55	90	45	200	100

Source: Survey 2016, SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; P = 0.001 * Values in parenthesis are in percentages

3. 6. 3 Member of SEWA and VLSSS and Changes to business enterprise

Table 3.41 shows the distribution of respondent's changes to business enterprise for the two groups, SEWA and VLSSS. A majority of respondents (57.5%), SEWA members (36%) and VLSSS members (21.5%), reported making changes from expanding the size of their business, to adding new products to reducing costs. A minority (41.5%), SEWA members (19%) and VLSSS members (23.5%) did not make any changes to their business enterprise. As indicated by the p-value of 0.003, the distribution of the proportions is significantly different between the two groups.

Table 3.41 Member of SEWA /VLSSS and Changes to Business Enterprise

Member of SEWA/VLSS	Business changes						Total
	None	Expanded size of business (1)	Added new products (2)	Reduced costs (3)	1 and 2	1, 2 and 3	
	SEWA	38 (19)	12 (6)	25 (12.5)	1 (0.5)	31 (15.5)	
VLSSS	47 (23.5)	22 (11)	1 (0.5)	0 (0)	20 (10)	0 (0)	90 (45)
Total	85 (42.5)	34 (17)	26(13)	1 (0.5)	51(25.5)	3 (1.5)	200 (100)

Source: Survey 2016, SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan P = 0.003 * Values in parenthesis are in percentages

3. 6. 4 Member of SEWA and VLSSS and Savings account advantages

Table 3.42 shows the distribution of respondent's household income for the two groups, SEWA and VLSSS. Members of SEWA and VLSSS appreciate the advantages of savings accounts, which gives them a control over their own account (21% and 4.5%), access to credit (20% and 21%), access to a range of banking services (11% and 10.5%) and all three advantages (13% and 9%). As indicated by the p-value of 0.119, the distribution of the proportions is not significantly different between the two groups.

Table 3.42 Member of SEWA/VLSSS and Savings Account Advantages

Member of SEWA/VLSSS	Savings account advantages				Total
	Control over account (1)	Access to credit (2)	Access to banking services (3)	1, 2, and 3	
SEWA	42 (21)	20 (10)	22 (11)	26 (13)	110 (55)
VLSSS	9 (4.5)	42 (21)	21 (10.5)	18 (9)	90 (45)
Total	51 (25.5)	62 (31)	43 (21.5)	44 (22)	200 (100)

Source: Survey 2016, SEWA = Self- Employed Women’s Association; VLSSS = Vagad Lok Seva Shod Sansthan; p = 0.119 * Values in parenthesis are in percentages

3. 6. 5 Member of SEWA and VLSSS and Increase or decrease in cash savings

Table 3.43 shows the distribution of increase or decrease in cash savings for the two groups, SEWA and VLSSS. A majority of members of SEWA (37.5%) and VLSSS (32.5%) had an increase in cash savings or stayed the same SEWA members (15.5%) and VLSSS (7%). Very few VLSSS member’s cash savings increased greatly (1.5%). Very few had no cash savings SEWA members (1.5%) and VLSSS members (3.5%). As indicated by the p-value of 0.730, the distribution of the proportions is not significantly different between the two groups.

Table 3.43 Member of SEWA/VLSSS and Cash Savings Increase/Decrease

Member of SEWA/VLSS	Cash savings increase/decrease					Total
	No cash savings	Decreased	Stayed the same	Increased	Increased greatly	
SEWA	3 (1.5)	1 (0.5)	31 (15.5)	75 (37.5)	0 (0)	110 (55)
VLSSS	7 (3.5)	1 (0.5)	14 (7)	65 (32.5)	3 (1.5)	90 (45)
Total	10 (5)	1 (0.5)	45 (22.5)	140 (70)	3 (1.5)	200 (100)

Source: Survey 2016, SEWA = Self- Employed Women’s Association; VLSSS = Vagad Lok Seva Shod Sansthan; p = 0.730 * Values in parenthesis are in percentages

3. 6. 6 Member of SEWA and VLSSS and Children assisting in family business

Table 3.44 shows the distribution of respondent’s household income for the two groups, SEWA and VLSSS. Although respondents reported no children assisting in the family business (66.5%), SEWA members (27.5%) and VLSSS members (39%), member’s children SEWA members (27.5%) and VLSSS members (6%) assist in the family business, they attend school regularly. As indicated by the p-value of 0.001, the distribution of the proportions is significantly different between the two groups.

Table 3.44 Member of SEWA/VLSSS and Children Assisting in the Family Business

Member of SEWA/VLSS	Children assisting in the family business				Total
	None	Children under 11 (1)	Children 11-17 (2)	1 and 2	
SEWA	55 (27.5)	26 (13)	22 (11)	7 (3.5)	110 (55)
VLSS	78 (39)	4 (2)	5 (2.5)	3 (1.5)	90 (45)
Total	133 (66.5)	30 (15)	27 (13.5)	10 (5)	200 (100)

Source: Survey 2016, SEWA = Self- Employed Women’s Association; VLSSS = Vagad Lok Seva Shod Sansthan; p = 0.001 * Values in parenthesis are in percentages

3. 6. 7 Member of SEWA and VLSSS and Progressive increases in loan amounts

Table 3.45 shows the distribution of respondent’s progressive increases in loan amounts for the two groups, SEWA and VLSSS and progressive increase in loans amounts. Most SEWA members (52.5%) and VLSSS members (40%) indicate increasing loan amounts progressively in order to fund their livelihoods, to purchase a home or to improve housing which often doubles up as a weatherproof business base. Increased loan amounts are an integral part of buying into security and stability of the family business and the family unit. As indicated by the p-value of 0.080, the distribution of the proportions is significantly different between the groups

Table 3.45 Member of SEWA/VLSSS and Progressive Increases in Loan Amounts

Progressive Loan increase	Organisation				Group Total	
	SEWA		VLSSS		number	percentage
	number	percentage	number	percentage		
Yes	105	52.5	80	40	185	92.5
No	5	2.5	10	5	15	7.5
	110	55	90	45	200	100

Source: Survey 2016, SEWA = Self- Employed Women’s Association; VLSSS = Vagad Lok Seva Shod Sansthan; p = 0.080

3. 6. 8 Respondents education level and saving to secure a loan

Table 3.46 shows the distribution of respondent’s education level and saving to secure a loan. There is no difference between respondents being uneducated (35%) or educated to year 1-2 (8.5%), educated to year 5-8 (28%) or educated to year 9-12 (26%) or university (2%) and saving to secure a loan (refer to Table 3-20).

Table 3.46 Respondents Education Level and Saving to Secure a Loan

Respondents education level	Saving to secure a loan				Group Total	
	Yes		No		number	percentage
	number	percentage	number	percentage		
No education	71	35	0	0	71	35
Year 1-4	17	8.5	0	0	17	8.5
Year 5-8	56	28	0	0	56	28
Year 9-12	52	26	0	0	4	2
College/ University	4	2	0	0	4	2
Total	200	100	0	0	200	100

Source: Survey 2016; no p-value as 'loan saving for' is a constant

3. 6. 9 Respondents level of education and amounts saved to secure a loan

Table 3.47 shows the association between respondent's education level and saving to secure a loan. There is no difference between respondents being uneducated (35%) or educated to year 1-2 (8.5%), educated to year 5-8 (28%) or educated to year 9-12 (26%) or university.(2%) and amount saved to secure a loan. Illiterate respondents (35.5%) were able to save between Rs.1,000 and Rs.15,000. Most of the respondents (92%) saved between Rs.1,000 and Rs.10,000, 36% saved Rs.1,000-Rs.5,000 and 56% saved Rs.6,000 – Rs.10,000. Very few respondents (8%) saved Rs.11,000-Rs.15,000. As indicated by the p-value of 0.009, the distribution of the proportions is significantly different between the two groups.

Table 3.47 Respondents Level of Education and Amounts Saved to Secure a Loan

Level of education	Amount saved			Total
	Rs1000 – Rs 5000	Rs6000 - Rs10000	Rs11000 - Rs15000	
No education	30 (15)	39 (19.5)	2 (1)	71 (35.5)
Year 1-4	6 (3)	10 (5)	1 (0.5)	17 (8.5)
Year 5-8	20 (10)	33 (16.5)	3 (1.5)	56 (28)
Year 9-12	16 (8)	27 (13.5)	9 (4.5)	52(26)
College/University	0 (0)	3 (1.5)	1 (0.5)	4 (2)
Total	72 (36)	112 (56)	16 (8)	200 (100)

Source: Survey 2016; Rs = Indian Rupees; P = .009 * Values in parenthesis are in percentages

3.6. 10 Member of SEWA and VLSSS and Loan repayment ensured

Table 3.48 shows the distribution of respondent's loan repayment ensured for the two groups, SEWA and VLSSS. Most respondents, SEWA members (26%) and VLSSS members (44.5%) use the saving method to ensure repayment of their loans. Fewer SEWA members (11%) budget by minimising expenditure on luxuries or take insurance policies (18%) to ensure loan repayment. As indicated by the p-value of 0.130, the distribution of the proportions is not significantly different between the two groups.

Table 3.48 Member of SEWA/VLSSS and Loan Repayment Ensured

Organisation	Loan repayment ensured			Total
	Minimise expenditure on luxuries	Save	Insurance	
SEWA	22 (11)	52 (26)	36 (18)	110 (55)
VLSSS	0 (0)	89 (44.5)	1 (0.5)	90 (45)
Total	22 (11)	141 (70.5)	37 (18.5)	200 (100)

Source: Survey 2016, SEWA = Self- Employed Women’s Association; VLSSS = Vagad Lok Seva Shod Sansthan; p = 0.130 * Values in parenthesis are in percentages

3. 6. 11 Member of SEWA and VLSSS and Home improvement finance

Table 3.49 shows the distribution of respondent’s home improvement finance for the two groups, SEWA and VLSSS. A majority of respondents (62%) did not take use funds from their enterprise to make improvements to their homes. A minority of respondents (38%) however did use funds from their enterprise to make improvements to their homes. However a majority of respondents (72%) did report that they had made improvements to their homes (refer to Table 4.21). As indicated by the p-value of 0.001, the distribution of the proportions is significantly different between the two groups. The conclusion is that respondents use multiple methods, loans as well as savings or income to finance home improvements.

Table 3.49 Member of SEWA and VLSSS and Home Improvements Finance

Home improvements finance	Organisation				Group Total	
	SEWA		VLSSS		number	percentage
	number	percentage	number	percentage		
Yes	63	31.5	11	5.5	74	37
No	45	22.5	79	39.5	124	62
No improvements	2	1	0	0	2	1
	110	55	90	45	200	100

Source: Survey 2016, SEWA = Self- Employed Women’s Association; VLSSS = Vagad Lok Seva Shod Sansthan; p = 0.001

3. 6. 12 Member of SEWA and VLSSS and Training and skills acquired

Table 3.50 shows the distribution of respondent’s training and skills for the two groups, SEWA and VLSSS. Respondents who were members of SEWA (43%) and VLSSS (29%) reported acquiring budgeting and investment skills, 3.5% of SEWA members and 7% of VLSSS members acquired microenterprise skills, 4.5% of SEWA members and 5.5% of VLSSS members acquired health and hygiene skills and 6.5 % of SEWA members and 4.5% of VLSSS members acquired gender related skills. Respondents with SEWA membership (13.5%) acquired the first three skill categories, as did VLSSS members (1.5%). SEWA members

(5.5%) and VLSSS members (16.5%) acquired all four categories of skills. As indicated by the p-value of 0.001, the distribution of the proportions is significantly different between the two groups.

Table 3.50 Member of SEWA and VLSSS and Training and Skills Acquired

Member of SEWA/ VLSSS	Training and skills acquired						Total
	Budgeting and investment (1)	Microenterprise related (2)	Health and hygiene (3)	Gender related (4)	1, 2, 3	1, 2, 3, 4	
SEWA	43 (22.5)	7 (3.5)	9 (4.5)	13 (6.5)	27 (13.5)	11 (5.5)	110 (55)
VLSSS	29 (14.5)	14 (7)	2 (1)	9 (4.5)	3 (1.5)	33 (16.5)	90 (45)
Total	72 (37)	21 (10.5)	11 (5.5)	22 (11)	30 (15)	44 (22)	200 (100)

Source: Survey 2016, SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; P = 0.001 * Values in parenthesis are in percentages

3. 6. 13 Member of SEWA and VLSSS and Training and life skills

Table 3.51 shows the distribution of respondent's training provided and life skills acquired for the two groups, SEWA and VLSSS. Respondents report acquiring financial planning skills both SEWA members (23.5%) and VLSSS members (4.5%), skills to educate both member and family SEWA members (8%) and VLSSS members (7.5%), skills in household management SEWA members (2.5%) and VLSSS members (2.5%), managing the community skills SEWA members (12%), managing cultural obligations skills SEWA members (5%). Both SEWA members (12%) and VLSSS members report acquiring a skill set of the first four categories of skills. Very few respondents report acquiring a skill set of all five (5) categories of skills SEWA members (0.5%) and VLSSS members (1%). As indicated by the p-value of 0.001, the distribution of the proportions is significantly different between the two groups.

Table 3.51 Member of SEWA/VLSSS Training and Life Skills

Member of SEWA/VLSSS	Training and Life skills							Total
	Financial planning (1)	Educating self and family (2)	Household management (3)	Managing Community (4)	Managing cultural obligations (5)	1, 2, 3, 4	1, 2, 3, 4, 5	
SEWA	47 (23.5)	16 (8)	5 (2.5)	12 (6)	5 (2.5)	24 (12)	1 (0.5)	110 (55)
VLSSS	9 (4.5)	15 (7.5)	5 (2.5)	0 (0)	0 (0)	59 (29.5)	2 (1)	90 (45)
Total	56 (27.5)	31 (15.5)	10 (5)	12 (6)	5 (2.5)	83 (43.5)	3 (1.5)	200 (100)

Source: Survey 2016, SEWA = Self-Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; p = 0.001

3. 6. 14 Analysis of results for Objective 3

This section looked at the reasons why poor women successfully use microfinance programs to rise above subsistence level in India.

Both SEWA members and VLSSS members report acquiring a set of business and life skills after receiving training provided by their organisations. Application of these skills could have influenced respondents reporting stability in their business stemming from a strong association between membership and product profit spent by a majority of SEWA and VLSSS members or reinvestment in their business. In addition training could have influenced why a majority of respondents reported no business finance problems. Respondents reported making business changes, although a minority (44.5%) reported not making any business changes. Respondents reported borrowing for home improvement finance, a minority (38%) reported using funds from the business to make improvements. A minority of members' children (33.5%) assist in the business but attend school regularly.

The incentive of savings accounts seems to have influenced SEWA and VLSSS members reported appreciating the advantages of savings accounts and their cash savings increasing or staying the same. Illiteracy did not prevent saving, whether uneducated or educated saving to secure a loan or amount saved to secure a loan, respondents reported saving between Rs. 1000-10,000. Most SEWA members and VLSSS members reported using the discipline of increasing loan amounts progressively in order to fund their livelihoods, or purchase a home. Most respondents reported either using the saving method to ensure repayment of their loans or minimising expenditure on luxuries or taking insurance policies to ensure loan repayment.

3.7 Objective 4

This section looks at policy implications to raise poor women above subsistence level in India. Specifically the section looks at the role government services can play to support employment and micro businesses in the informal economy to assist poor women at subsistence level to improve their standard of living.

3.7.1 Member of SEWA and VLSSS and Access to Government Banking Services

Table 3.52 shows the distribution of respondent's to government banking services for the two groups, SEWA and VLSSS. The majority of respondents 66% have access to government banking services, 34% do not have access. SEWA and VLSSS have links to nationalised banks, providing support to their members to gain access to loans and other services these government banks provide under the direction of the Reserve Bank of India. As indicated by the p-value of 0.048, the distribution of the proportions is significantly different between the two groups.

Table 3.52 Member of SEWA/VLSSS and Access to Government Banking Services

Access to Government Banking service	Organisation				Group Total	
	SEWA		VLSSS		number	percentage
	number	percentage	number	percentage		
Yes	66	33	66	33	132	66
No	44	22	24	12	68	34
Total	110	55	90	45	200	100

Source: Survey 2016, SEWA = Self-Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; P = 0.048

3.7.2 Member of SEWA and VLSSS and Government ration card and food needs

Table 3.53 shows the distribution of respondent's government ration card and food needs for the two groups, SEWA and VLSSS. The ration card system administered by the states in India based on income entitles the holder to discount priced grain staples, kerosene, cooking oil and sugar. The majority of respondents (65.5%) of both SEWA members and VLSSS members say the ration card contributes very little or not at all to their food needs. Very few (34%) say the ration card contributed substantially to their food needs. As indicated by the p-value of 0.001, the distribution of the proportions is significantly different between the two groups.

Table 3.53 Member of SEWA/VLSSS and Government Ration Card and Food Needs

Member of SEWA/VLSSS	Government Ration card and food needs				Total
	No ration card	Very little	substantially	Not at all	
SEWA	0 (0)	52 (26)	30 (15)	28 (14)	110 (55)
VLSSS	1 (0.5)	50 (25)	38 (19)	1 (0.5)	90 (45)
Total	1 (0.5)	102(51)	68(34)	29 (14.5)	200 (100)

Source: Survey 2016, SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; p = 0.001 * Values in parenthesis are in percentages

3. 7. 3 Member of SEWA and VLSSS income and Government ration card entitlements

Table 3.54 shows the distribution of respondent's income and Government ration card entitlements. Respondents (98%) regardless of income have a ration card and get subsidised rations of fuel, grain staples, cooking oil and sugar. The majority of respondents earning Rs.1000 – Rs.5000 per month (29%) get all three rationed categories and 7% get at least one or more of the rationed categories. The majority of respondents on medium incomes Rs.6000- Rs.15000 per month (27.5%) get all three rationed categories and 18% get one or more of the rationed categories. Most of the respondents on high incomes Rs.16000- Rs.25000 per month (9.5%) get all three rationed categories. Most of the respondents on very high incomes Rs.26000-Rs.60000 per month (6.5%) get all three rationed categories. As indicated by the p-value of 0.94, the distribution of the proportions is not significantly different between the two groups.

Table 3.54 Member of SEWA/VLSSS Income and Government Ration Card Entitlements

Respondents monthly income	Government ration card entitlements						Total
	No ration card	Fuel (1)	Grain staples (2)	Cooking oil/sugar (3)	1, 2	1, 2, 3	
Low	0 (0)	4 (2)	2 (1)	5 (2.5)	4 (2)	58 (29)	73 (36)
Medium	3 (1.5)	11 (5.5)	8 (4)	4 (2)	10 (5)	55 (27.5)	91 (45.5)
High	0 (0)	0 (0)	0 (0)	1 (0.5)	0 (0)	19 (9.5)	20 (10)
Very high	1 (0.5)	0 (0)	1 (0.5)	1 (0.5)	0 (0)	13 (6.5)	16 (8)
Total	4 (2)	15 (7.5)	11 (5.5)	11 (5.5)	14 (7)	145 (72.5)	200 (100)

Source: Survey 2016, SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; P = 0.940; Rs = Indian rupee; Low= Rs 1000- Rs 5000; Medium = Rs 6000- Rs 15000; High = Rs 16000 –Rs 25000; Very high = Rs 26,000-Rs 60000; * Values in parenthesis are in percentages

3. 7. 4 Members of SEWA and VLSSS and Access to Government Employment Program

Table 3.55 shows the distribution of respondent's access to government employment programs for the two groups, SEWA and VLSSS members. A majority of respondents (57%) had access

to the government employment program but VLSSS members (45%) were more likely to obtain access to the employment program than were SEWA members. As indicated by the p-value of 0.001, the distribution of the proportions is significantly different between the two groups.

Table 3.55 Members of SEWA/VLSSS - Access to Government Employment Program

Member of SEWA/VLSS	Access to Government Employment Program					Total
	None	Road projects	Dam projects	Rail projects	Other employment programs	
SEWA	86 (43)	18 (9)	0 (0)	3 (1.5)	3 (1.5)	110 (55)
VLSSS	0 (0)	83 (41.5)	7 (3.5)	0 (0)	0 (0)	90 (45)
Total	86 (43)	101 (50.5)	7 (3.5)	3 (1.5)	3 (1.5)	200 (100)

Source: Survey 2016, SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; P = 0.001; * Values in parenthesis are in percentages

3. 7. 5 Member of SEWA and VLSSS and Access to Government funded social security services

Table 3.56 shows the distribution of respondent's access to government funded social security services for the two groups, SEWA and VLSSS. Very few members of both organisation have access to old age pensions and family payments, however both SEWA and VLSSS members receive food and fuel subsidised rations (see Tables 48 and 49 above). As indicated by the p-value of 0.57, the distribution of the proportions is not significantly different between the two groups.

Table 3.56 Member of SEWA/VLSSS – Access to Government funded Social Security Services

Member of SEWA/VLSSS	Access to Government funded Social Security Services					Total
	Old age pension (1)	Family payments (2)	Food /fuel rations (3)	2 and 3	1 and 3	
SEWA	1 (.5)	0 (0)	92 (46)	7 (3.5)	10 (5)	110 (55)
VLSSS	0 (0)	0 (0)	82 (41)	0 (0)	8 (4)	90 (45)
Total	1 (.5)	0 (0)	174 (87)	7 (3.5)	18 (9)	200 (100)

Source: Survey 2016, SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; P = 0.570; * Values in parenthesis are in percentages

3. 7. 6 Member of SEWA and VLSSS and Access to Government funded health care programs

Table 3.57 shows the distribution of respondent's household income for the two groups, SEWA and VLSSS. Respondents from both organisations (86.5%) reported having access to a health care clinic or a hospital. A minority 3% of SEWA members and 3.5% of VLSSS members reported not having access to a health facility and 7.5% of SEWA members had access to

privately funded healthcare. As indicated by the p-value of 0.004, the distribution of the proportions is significantly different between the two groups.

Table 3.57 Member of SEWA/VLSSS and Access to Government Health Care Programs

Member of SEWA/VLSSS	Access to Government health care programs				Total
	No access	Consult with health professional	Access to clinic/hospital	Private healthcare	
SEWA	3 (1.5)	2 (1)	90 (45)	15 (7.5)	110 (55)
VLSSS	7 (3.5)	0 (0)	83 (41.5)	0 (0)	90 (45)
Total	10 (5)	2 (1)	173 (86.5)	15 (7.5)	200 (100)

Source: Survey 2016, SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; p = 0.004; * Values in parenthesis are in percentages

3. 7. 7 Member of SEWA and VLSSS and Access to Government Training Services

Table 3.58 shows the distribution of respondent's access to government training services for the two groups, SEWA and VLSSS. Respondents from both organisations (69%) reported not receiving any training, 16.5% of VLSSS members received budgeting and finance training, 2% of VLSSS members received hygiene training and 10% of SEWA members and 0.5 % of VLSSS members received crop and animal husbandry training. Respondents from SEWA (7%) received all three categories of training. As indicated by the p-value of 0.038, the distribution of the proportions is significantly different between the two groups.

Table 3.58 Member of SEWA/VLSSS and Access to Government Training Services

Member of SEWA/VLSSS	Access to Government Training Services					Total
	None	Budgeting and finance (1)	Health and hygiene (2)	Crop and Animal husbandry (3)	1, 2 and 3	
SEWA	86 (43)	0 (0)	0 (0)	10 (5)	14 (7)	110 (55)
VLSSS	52 (26)	33 (16.5)	4 (2)	1 (0.5)	0 (0)	90 (45)
Total	138 (69)	33 (16.5)	4 (2)	11 (5.5)	14 (7)	200 (100)

Source: Survey 2016, SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; p = 0.038; * Values in parenthesis are in percentages

3. 7. 8 Member of SEWA and VLSSS and infrastructure maintenance

Table 3.59 shows the distribution of respondent's judgement of road infrastructure maintenance for the two groups, SEWA and VLSSS. All respondents reported the road infrastructure to be well maintained SEWA members (55%) and VLSSS members (45%). Buses are the main means of transport used by all members whether rural or urban based. The

government provides both infrastructure and transport, at a reasonable cost, to commuters and is an important contributor to livelihood and income for SEWA and VLSSS members.

Table 3.59 Member of SEWA and VLSSS and Road Infrastructure Maintenance

Member of SEWA/VLSSS	Road infrastructure maintenance		Total
	Poorly maintained	Well maintained	
SEWA	0 (0)	110 (55)	110 (55)
VLSSS	0 (0)	90 (45)	90 (45)
Total	0 (0)	200 (100)	200 (100)

Source: Survey 2016, SEWA = Self- Employed Women’s Association; VLSSS = Vagad Lok Seva Shod Sansthan; no p value as road infrastructure maintenance is a constant * Values in parenthesis are in percentages

3. 7. 9 Member of SEWA and VLSSS and Government transport usage

Table 3.60 shows the association between the members of SEWA and VLSSS and government transport usage. Buses are the main means of transport for SEWA members (43.5%) and VLSSS members (43%), a combination buses and trains favoured by SEWA members (11.5%) and VLSSS members (2%). Road transport is important to members as a cheap and reliable mode of transport to transact business and travel to and from their residence.

Table 3.60 Member of SEWA and VLSSS and Government Transport Usage

Organisation	Government transport usage			Total
	Buses	Train	Buses and Train	
SEWA	87 (43.5)	0 (0)	23 (11.5)	110 (55)
VLSSS	86 (43)	0 (0)	4 (2)	90 (45)
Total	173 (11)	0 (0)	27 (13.5)	200 (100)

Source: Survey 2016, SEWA = Self- Employed Women’s Association; VLSS = Vagad Lok Seva Shod Sansthan; p = 0.001 * Values in parenthesis are in percentages

3. 7. 10 Member of SEWA and VLSSS and member access to Government housing loan

Table 3.61 shows the distribution of respondent’s access to a government housing loan for the two groups, SEWA and VLSSS. VLSSS members (41%) access a Government housing loan, however, SEWA members (54.5%) do not access Government housing loans but have access to housing loans from the SEWA bank. As indicated by the p-value of 0.001, the distribution of the proportions is significantly different between the two groups.

Table 3.61 Member of SEWA /VLSSS and Access to Government Housing Loan

Access to Government housing loan	Organisation				Group Total	
	SEWA		VLSSS		number	percentage
	number	percentage	number	percentage		
Yes	1	0.5	82	41	83	41.5
No	109	54.5	8	4	117	58.5
	110	55	90	45	200	100

Source: Survey 2016, SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; P = 0.001; * Values in parenthesis are in percentages

3. 7. 11 Member of SEWA and VLSSS and access to mobile phone network

Table 3.62 shows the distribution of respondent's access to mobile phone network for the two groups, SEWA and VLSSS. All SEWA members (55%) and most of the VLSSS members (34%) have access to a mobile phone network, 11% of VLSSS members do not have access to a mobile phone network. As indicated by the p-value of 0.000, the distribution of the proportions is significantly different between the two groups.

Table 3.62 Member of SEWA/VLSSS and Access to Mobile Phone Network

Access to Mobile phone network	Organisation				Group Total	
	SEWA		VLSSS		number	percentage
	number	percentage	number	percentage		
Yes	110	55	68	34	178	89
No	0	0	22	11	22	11
	178	89	22	11	200	100

Source: Survey 2016, SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; p = 0.000

3. 7. 12 Member of SEWA and VLSSS and access to government schools, colleges and universities.

Table 3.63 shows the distribution of respondent's access to government schools, colleges and universities for the two groups, SEWA and VLSSS. Most SEWA members (48%) and a majority of VLSSS members (42.5%) send their children to a public primary or secondary school, 2% of both SEWA members and VLSSS members send their children to a college or university. As indicated by the p-value of 0.703, the distribution of the proportions is not significantly different between the two groups.

Table 3.63 Member of SEWA/VLSSS - Access to Government Schools/Colleges/Universities

Member of SEWA/VLSSS	Access to Government schools, colleges, universities				Total
	Not used	Primary/secondary (1)	College/university (2)	1 and 2	
SEWA	6 (3)	96 (48)	4 (2)	4 (2)	110 (55)
VLSSS	1(0.5)	85 (42.5)	4 (2)	0 (0)	90 (45)
Total	7(3.5)	181 (90.5)	8 (4)	4 (2)	200 (100)

Source: Survey 2016, SEWA = Self- Employed Women's Association; VLSSS = Vagad Lok Seva Shod Sansthan; P = 0.703; * Values in parenthesis are in percentages

3. 7. 13 Analysis of results for Objective 4

This section looked at policy implications to raise poor women above subsistence level in India. Specifically the section looks at the role government services can play in assisting poor women at subsistence level to improve their standard of living.

Membership of SEWA and VLSSS have influenced bank's lending to poor women, thirty four per cent do not have access indicating banks in the public and private sectors could be more responsive to poor women. Loans may come with a price tag due to rent seeking private bank managers Ration card allowances vary for those assessed as below or above the poverty line measure that need to be more rigorous to ensure poor women receive assistance. Only a minority (34%) of respondents reported that the ration card contributed substantially to their food needs. Most respondents reported that the ration card contributed little or not at all to their food needs. Members reported the governments NREGA employment program guarantees them 100 days annual employment. Applications for government benefits is too complex for poor women. Very few members of both organisation reported having access to old age pensions and family payments indicating application processes could be simplified to cater to poor illiterate women.

Government health care is sub-standard and has long waiting times. A majority of respondents from both organisations reported having access to a health care clinic or a hospital, a minority (7.5%) of SEWA members had access to privately funded healthcare. Government training is hard to access for poor women. A majority of respondents from both organisations reported not receiving any training, although a minority reported receiving budgeting and farming training. Public transport which is cheap and vital for poor women's livelihood is readily available. A majority of respondents reported road infrastructure to be well maintained most using the bus and the train. Finally most respondents reported having access to a government loan, more VLSSS members using the service than SEWA members who may come with a

price tag due to rent seeking private bank managers. Poor women tend to share or rent mobile phones. A majority of SEWA and VLSSS members have access to a mobile network. A majority of SEWA and VLSSS members send their children to a government educational institution.

3. 7. 14 Summary of the results for objectives 1, 2, 3, 4.

Objectives 1 and 2 examined specific factors that contributed to successful microfinance outcomes for poor women at subsistence level in India and the impact of microfinance on poor women in India. Respondents reported not having any problems with borrowing as collateral other than saving is not required. Respondents were persuaded to avoid indebtedness with moneylenders by borrowing from the bank or the family. Membership of SEWA and VLSSS influenced the purchase and improvement of homes although some members had purchased home before they became members of the organisations. A majority of respondents incomes increased, increased greatly or did not change. A majority of respondent reported improved household diet and ingredients and minimised diet crises. A majority of respondents reported sending their children to primary or secondary school and college. A majority of respondents reported both membership and borrowing having an impact on private toilet ownership, health and clean water.

Objective 3 examined reasons why poor women successfully use microfinance programs to rise above subsistence level in India. Both SEWA members and VLSSS members reported training provided by their organisations, stability in their business and profits reinvested in their business and no business finance problems. Respondents reported making business changes, borrowing for home improvement finance. Thirty three percent of members' children assist in the business but attend school regularly. The incentive of savings accounts seems to have influenced SEWA and VLSSS members reported their cash savings increasing or staying the same, saving to secure a loan and increasing loan amounts progressively to fund their livelihoods, or purchase a home. Most respondents reported saving minimising expenditure on luxuries or taking insurance policies to ensure loan repayment.

Objective 4 examined policy implications to raise poor women above subsistence level in India. Membership of SEWA and VLSSS have influenced bank's lending to poor women. A minority of respondents reported the ration card contributing substantially to their food needs. Members reported the government's employment program gave them 100 days annual employment. Very few members of both organisation reported having access to old age pensions and family

payments. A majority of respondents from both organisations reported having access to a health care clinic or a hospital. A majority of respondents from both organisations reported not receiving any training. A majority of respondents reported road infrastructure to be well maintained most using the bus and the train. Finally most respondents reported having access to a government loan. A majority of SEWA and VLSSS members have access to a mobile network and government schools for their children.

3. 8 Discussion of Results

The following discussion will examine each set of variables associated with each of this study's four research objectives below and make reference to the conceptual framework based on Amartya Sen's capability theory (refer to chapter 2). In addition the discussion will refer to the relevant literature and policy implications will be suggested at the end of the discussion.

3. 9 Objective 1 and 2

The following discussion will identify the specific factors that contribute to successful microfinance outcomes for the poor and identify the impacts of microfinance for poor women in India

3. 9. 1 Borrowing and access to loans

Members of SEWA Bank and VLSSS did not report requirements for collateral or experience in the economic activity (social conversion factor) for which the loan is to be used, imposed on poor female borrowers in Peru (Sen 1999b; Weiss & Montgomery 2005). In addition, members of SEWA Bank and VLSSS can secure a loan as a multiple of nominated saved amount (agency), rather than small loans poor African women obtain insufficient to make a capital investment or income to survive (capability deprivation) (Mosley & Rock 2004; Sen 1999b).

3. 9. 2 Home ownership and maintenance

The majority of SEWA Bank and VLSSS respondents indicated purchasing homes, (social conversion factor) with loans from their organisation, or government authorities. Whilst housing programs in South Africa, and Colombia provide homes for the poor (well-being freedom), location and unemployment (capability deprivation) forced them to vacate their homes (Gilbert 2004; Sen 1999b). A majority of members of SEWA and VLSSS reported making improvements to their homes assisted by their organisation (social conversion factor).

The poor in Ghana also build incrementally using savings, and loans from relatives and microfinance institutions (Chonga & Laufer 2016; Sen 1999b).

3. 9. 3 Household income

According to a majority of respondents from both SEWA Bank and VLSSS organisational assistance with training and finance ensured their incomes either increased or increased greatly (social conversion factor) boosted by husband's and children's income. Mixed results from Kenya and Sub Saharan Africa reveals no consistent pattern between borrowing and female income (capability deprivation). Ethiopian women enjoy increased income from their businesses (agency freedom) but lack 'well-being freedom' with increased workloads (Dupas & Robinson 2013; Haile, Bock & Folmer 2012; Sen 1999b; Stewart et al. 2010).

3. 9. 4 Household diet and diet crises resolution

A majority of members of SEWA Bank and VLSSS members reported a link between borrowing and improved family diet or diet maintenance (well-being achievement), Poor women's participation in credit programs in Tanzania and Rwanda greatly improved their nutrition (Sen 1999b; Stewart et al. 2010). A minority (40%) of SEWA and VLSSS respondents reported resolving a diet crisis lasting between 6 months and 16 years after taking membership (well-being achievement). Ethiopian female clients successfully used microcredit to increase food security (agency achievement) (Barnes, Keogh & Nemarundwe 2001; Doocy et al. 2005; Sen 1999b).

3. 9. 5 Membership and children's education

A majority of SEWA and VLSSS respondents report that children have time to study, they can afford uniforms and books and children work less to support the family (capabilities). Borrowing also enables poor women in Nepal and Zimbabwe to send their children to school, but in rural Malawi credit adds to child labour and decreases child education (capability deprivation) (Ersado 2005; Sen 1999b; Shimamura & Lastarria-Cornhiel 2010).

3. 9. 6 Membership and sanitation

SEWA Bank and VLSSS respondents in the main, reported a link between membership and having a private toilet. Both organisations leveraged public authorities to ensure toilets installation and sewage or septic tank connection (environmental conversion factor). Poor women in Vietnam accessed microcredit but were prevented public authorities from getting

toilets and sewage connections (environmental constraint). Males in rural Odisha, India, ruled toilet installation, leaving household females without sanitation, thus well-being freedom (Mader 2011; Routray et al. 2017; Sen 1999b).

3. 9. 7 Membership and health

A majority of both SEWA Bank and VLSSS respondents acknowledged a link between borrowing that allowed them health insurance and family health (social conversion factor). Poor women in Uganda used health insurance to seek timely treatment, instead of selling productive assets as poor households in rural Bangladesh did to insure against adverse health shocks (environment conversion factor) (Islam 2006; Leatherman et al. 2011; Sen 1999b)

3. 9. 8 Membership and clean water

A majority of members SEWA Bank and members of VLSSS acknowledge the link between borrowing and having clean tap water, their organisations partner with local government to provide water infrastructure (environmental conversion factor). Poor women in Vietnam borrowed from state banks assisted by NGO's had to pay for incomplete tap installation (capability deprivation). However, poor women in Self-help groups in South India received NGO training and mobilised to get commercial loans to increase investment in water facilities (agency achievement) (Barenberg 2009; Mader 2011; Sen 1999b).

3. 10 Objective 3

The following discussion will examine the reasons why poor women succeed in using these programs to rise above subsistence level in India.

3. 10. 1 Saving

All SEWA Bank and VLSSS respondents whether educated or uneducated, reported having their own savings accounts saving between Rs.1,000 and Rs.10,000 to access credit and a range of banking services (capabilities). Poor women in Kenya likewise, open no interest accounts to avoid social pressure to lend to friends and relatives, and poor women in Karnataka and Maharashtra save for health and education expenses thus avoiding future indebtedness (agency freedom) (Dupas & Robinson 2013; Gaiha & Nandhi 2007; Kumar 2012; Sen 1999b).

3. 10. 2 Progressive loans

Most SEWA Bank members and VLSSS members indicate increasing loan amounts progressively to ensure security and stability of the family and family business (capabilities). Microfinance lenders in Tanzania use progressive borrowing to assess creditworthiness of poor women in Tanzania, however, progressive borrowing in Malawi was unsuccessful for poor female entrepreneurs' lack of management expertise and decreased profits who exited their livelihoods (capability deprivation) (Charles & Mori 2017; Johnson 2005; Sen 1999b).

3. 10. 3 Emergency funds

A majority SEWA Bank and VLSSS respondents reported their cash savings for emergencies had increased, increased greatly or stayed the same, very few had no cash savings. Poor rural women in Cameroon and Malawi had large amounts of non-interest bearing emergency currency to smoothen cash flows (agency freedom) (Sen 1999b; Zeller & Sharma 2000).

3. 10. 4 Income from business

A majority of SEWA Bank members and VLSSS members reported using the profit from their business on reinvestment, supporting business viability (personal conversion factor). Females with micro businesses in Ethiopia, had unchanged lives repaying their borrowings and maintaining businesses (capability deprivation). However, poor women microcredit borrowers in Zimbabwe despite poor economic conditions had Z\$1,380 more monthly than non-clients did (personal conversion factor) (Barnes, Keogh & Nemarundwe 2001; Belwal, Tamiru & Singh 2012; Sen 1999b).

3. 10. 5 Viability of business

A majority of VLSSS and SEWA members did not report any finance problems with their business despite the competitive markets in which they operated (agency achievement). Female traders in Zimbabwe and South Africa with progressive but small loans were locked in to selling vegetables and beer, agreed to trade on alternate days, with beer prices set by village headmen (conventions and rules) (Mosley & Rock 2004; Sen 1999b).

3. 10. 6 Making changes and expanding the business

A majority of SEWA Bank members and VLSSS members reported expanding or diversifying their business (functionings) utilising their organisations training and business advice (social

conversion factor). A majority of poor women micro entrepreneurs in Ghana were unable to make decisions about changes and expansion of their businesses (well-being achievement) (Ganle, Afriyie & Segbefia 2015; Sen 1999b).

3. 10. 7 Child labour

Most SEWA Bank members and VLSSS members reported no children assisting in the family business, all children however attended school (capabilities). Whilst poor microcredit borrowers in Zimbabwe and Nepal with risky low incomes borrowed to send children to school, borrowing for poor Peruvians and Bolivians businesses increased child labour forgoing future benefits for extremely low current income flows (capability deprivation) (Ersado 2005; Maldonado & González-Vega 2008; Sen 1999b).

3. 10. 8 Training

Both SEWA Bank members and VLSSS members reported acquiring budgeting and management skills but the association between increased income and training was not significant (social conversion factor). Poor women in Peru were able to apply skills learned and improving management decisions but not profits from their micro businesses and training. Self-help groups of poor women in rural India strengthened members' skills in savings and asset accumulation not income (agency achievement) (Bali-Swain & Varghese 2013; Karlan & Valdivia 2011; Sen 1999b).

3. 11 Objective 4

The following discussion will examine policy implications to raise poor women above subsistence level in India

3. 11.1 Banking services

Using photographic identification, SEWA members have access to SEWA Bank and VLSSS members to nationalised banks, mandated by the Reserve Bank of India (social conversion factor). Poor women in South Africa cannot borrow without assets and employment (capability deprivation). However a global analysis of microfinance lending found that higher percentage of female clients in MFIs is associated with lower financial risk (personal conversion factor) (Biyase & Fisher 2017; D'espallier, Guérin & Mersland 2011; Sen 1999b).

3. 11. 2 Ration card

The majority of SEWA Bank and VLSSS respondents had a ration card and got some or all subsidised rations, thirty percent reported the ration card contributing substantially to their food needs (environmental conversion factor). The Social Cash Transfer Scheme in Malawi enabled poor women to buy food, invest in their farms, sell the surplus and purchase animals to supplement their diets (capability). However high inflation and fixed cash payments in Ethiopia gave food recipients accelerated income growth but cash recipients derived smaller welfare gains (capability deprivation) (Miller, Tsoka & Reichert 2011; Sabates-Wheeler & Devereux 2010; Sen 1999b).

3. 11. 3 Government employment Program

A majority of respondents reported having access to the government employment scheme stemming familial migration for seasonal jobs and boosting income (environmental conversion factor). Poverty alleviating road projects in Tanzania, Botswana and Kenya attracted poor landless women from nearby villages providing regular work on minimum wages that could be used as collateral to get credit and obtain non-food assets (personal conversion factor). However, the scheme did not provide a guarantee of long term poverty alleviation (capability deprivation) but did have a drought relief dimension (Sen 1999b; Tesfaye 1994).

3. 11. 4 Health care programs

Poor women avoid government clinics due to long queues, time off work and unsympathetic staff (conventions and rules). A majority of SEWA and VLSSS respondents reported having access to a health care clinic or a hospital, some SEWA Bank members had access to privately funded healthcare (well-being achievement). A successful government midwife program in Indonesia provided medical care for poor uneducated mothers and their children using trained midwives to deliver basic care (social conversion factor) (Frankenberg, Suriastini & Thomas 2005; Sen 1999b).

3. 11. 5 Training services

The majority of respondents from both organisations reported not receiving any government funded training although some VLSSS and SEWA Bank members reported receiving budgeting, crop and animal husbandry training. A meta-analysis of a number of studies in developing countries found poor women provided with a combination of customised skills,

capital and counselling based on their main constraints and involving the private sector to deliver and evaluate programs produces more successful programs (capabilities) (Cho & Honorati 2014; Sen 1999b).

3. 11. 6 Road Infrastructure and transport

All respondents from SEWA Bank and VLSSS reported road infrastructure to be well-maintained and road transport as a cheap and reliable mode of transport to transact business (environment conversion factor). Private transport is unavailable to the poor who rely on public provision at subsidised cost and reliable schedules to meet their changing needs (capability deprivation). Maintenance of roads is vital to ensure smooth flow of traffic and low impact on vehicles to avoid accidents and traffic delays (instrumental freedom) (Pouliquen,2000; Sen 1999b).

3. 11. 7 Housing Loans

SEWA Bank and VLSSS assist members to bypass bureaucratic red tape and acquire public housing, loans and infrastructure services and compensation for homes lost to communal riots and disasters (environment conversion factor). Poor women in Chile and Colombia who saved quickly were subsidised by the government, poor women in South Africa received subsidies without saving, but the homes in all three countries were in remote locations that morphed into slums, trapping the women unable to borrow from banks to buy alternative homes (Capability deprivation) (Gilbert 2004; Sen 1999b).

3. 11. 8 Education

SEWA Bank and VLSSS members report sending their children to a public primary or secondary school, not all of them however complete school (capability deprivation). Government day care would allow older children especially girls to attend school in Nepal, Zimbabwe and Peru to assist poor working mothers (environment conversion factor). In both rural Nepal and Zimbabwe, access to credit ensures schooling for children (functioning), however in rural Peru, access to financial services increases child employment and decreases schooling (capability deprivation) (Ersado 2005; Sen 1999b).

3. 11. 9 Mobile Network

Most SEWA members and VLSSS members have access to a mobile phone network providing access using cheap mobile phones (environment conversion factor) to a range of inputs for

these women to ply their business and provide their services (capabilities). Mobile phones benefit poor women in Africa through reduced search costs, improved coordination among agents and increasing market efficiency (social conversion factor). The handset however must be affordable, calls must be cheap and handsets able to be recharged in countries with an unreliable power supply (economic constraints) (Aker & Mbiti 2010; Sen 1999b)

3. 11. 10 Policy recommendations for Objectives 1, 2, 3, 4.

Objectives 1 and 2 examined specific factors that contributed to successful microfinance outcomes for poor women at subsistence level in India and the impact of microfinance on poor women in India. The implications of the findings are that credit could be accompanied by an ability to repay which can be assisted by employing a saving facility for poor women. Interest rates whilst covering transaction costs should be set to enable access to loans to secure assets. Repayments should be regular to ensure loans are repaid in a timely manner. Housing and housing improvements loans could take account of the needs of poor women who build houses in stages. Income is linked to housing as poor women use their houses for storage and as a workshop. Availability of credit means poor women are less likely to use moneylenders and fall into a cycle of indebtedness.

In addition, borrowing and saving provides scope for improvements in nutrition and minimises dietary crises. Access to credit makes it easier for poor women to commit to educating their children and less likely they will put them to work. Loans for toilets, piped water and health insurance are critical to safeguard poor women's health so they can continue to work and earn a living.

Objective 3 examined reasons why poor women successfully use microfinance programs to rise above subsistence level in India. Implications of these findings are that training and capacity building has the potential to improve poor women's skills in both the domestic and businesses environment encouraging stability, reinvestment and ability to make changes for the better in their livelihoods and their living conditions.

In addition, access to savings accounts could enable poor women to use credit more effectively and safely to avoid debt crises. Progressive loans enable lenders to better assess the reliability of borrowers and enable poor women to build assets, improve their standard of living and better plan for the future.

Objective 4 examined policy implications to raise poor women above subsistence level in India. The data seems to indicate that the public banking system could better serve the needs of poor women. Social services do not seem to be reaching those most in need. Ration card cut offs for above and below the poverty line could be adjusted so poor women have access to the basic food necessities at government fair price shops. The application processes for the pensions and family payments could be more accessible to poor women through better training of social welfare staff to assist in the application and transparency in the granting of benefits.

In addition, the data seems to indicate that although poor women have access to health care the services may not be adequate requiring investment by the government in health infrastructure to maintain standards and timely delivery of services. Government could also play a bigger role in the training, upskilling and legislating on behalf of poor women to ensure that they are able to pursue livelihoods that can be covered by national labour legislation and employment benefits. As well the government could ensure that public infrastructure is maintained and is affordable to assist poor women in their livelihoods.

3.12 Summary

This chapter examined the methods used to collect the data required for this study including sampling, the instruments used and the types of data utilised for the study. In addition it examined the statistical methods used and finally it analysed the results from the surveys using the four objectives. The chapter also included a discussion of the survey results and provided a set of policy implications for each objective.

The following chapter will analyse the case studies of twelve respondents and interviews with ten staff of two organisations in India, The chapter will first analyse the case studies of the respondents using the objectives of the study followed by an analysis of the interviews of the staff using the same objectives. The chapter will also include a discussion of the member case studies and staff interview results. In addition the chapter will provide a synthesis of the survey, member case studies and the staff interview discussions as well as providing a set of policy implications for each objective.

Chapter 4 Qualitative Results – Case studies and Staff Interviews

4.1 Introduction

The previous chapter examined the methods used to collect the data for this study and analysed the results from the surveys using the four objectives. This chapter will analyse the case studies of twelve respondents and interviews with ten staff of two organisations in India, Vagad Lok Seva Shod Sansthan in Rajasthan and Shree Mahila SEWA Shahakari Bank Ltd in Gujarat. The chapter will first analyse the case studies of the respondents using the objectives of the study followed by an analysis of the interviews of the staff using the same objectives. This chapter will also discuss the results of the case studies and the staff interviews and provide a set of policy implications for each objective. Finally, this chapter will synthesise the discussions of the survey, case studies and staff interviews and provide some policy recommendations.

This study collected both survey or quantitative data and case study or qualitative data in order to address the limitations of quantitative methods and provide a more holistic and in-depth explanation of poverty, the subject of this study, from the perspective of the impoverished and the professionals working with poor women. Although the quantitative data has been prioritised using a large sample, the case studies with smaller sample sizes provide insights into the life experiences of the poor female members of the organisations whose products and services they use and the organisations' staff who provision them.

4.2 Case study analysis

Twelve case studies were conducted among members of the Shri Mahila Sahakari SEWA Bank and Vagad Lok Shod Seva Sansthan. The complete case studies are presented in Appendix 4. The district coordinator interviewed VLSSS members and a bank officer interviewed members of SEWA bank in the presence of the researcher. Self-help group members and selected family members were also present providing additional information to embellish the interviewees' narrative during the interview. Insights gained from these interviews provide a fuller picture of the member's predicament before they were introduced to each of the organisations and the changes they experienced in their lives after the intervention of the two respective organisations. To comply with ethical requirements, respondents were assigned fictional names.

The twelve case study respondents were chosen from each of Shri Mahila Sahakari SEWA Bank and Vagad Lok Shod Seva Sansthan borrowers. The borrowers came from the following occupations: weaver, agricultural labourer, candlewick maker, bidi maker, farmer, childcare operator and tailor, SEWA team leader, nursery worker, embroiderer, midwife, tea and snacks vendor, second hand clothing retailer.

The case study subjects compare well with the respondents from the larger sample (age, marital status and socioeconomic status).

The case study *analysis* will examine each set of variables associated with each of this study's four research objectives below:

1. Identify the specific factors that contribute to successful microfinance outcomes for poor women at subsistence level in India.
2. Identify the impacts of microfinance for poor women in India
3. Identify reasons why poor women succeed in using these programs to rise above subsistence level in India
4. Identify policy implications to raise poor women above subsistence level in India

4. 2. 1 Hasina – A married woman and Weaver

Thirty-year old Hasina is a mother of three and married to a man who has both assisted her at times but has also been a problem because of his drinking. She had a hard life having to drop out of school at standard three and worked in a factory for ten years to support the family. She had to suffer hunger and other deprivations was married at fifteen and had three children. Her mother-in-law harassed her continuously, so she eventually left her in-laws home and moved into a home of her own.

SEWA assisted her to organise a weavers group eventually forming a weaving cooperative. She has rented properties, provided training and invested in weaving equipment. The members (women in her village) earn a good living. The initiative (weaver's groups) has spread to other villages.

Hasina's reported having a miserable life before SEWA's intervention but she is now respected as a founder of the weaver groups and is now Hasina the breadwinner. Her husband stopped drinking. Hasina took a loan of Rs.6000 for her husband's tuberculosis treatment in a private hospital, her husband paid off the loan by doing construction work continuously for four months

Hasina received Rs.25, 000 from the Ministry of Rural Development to finance the taking of photographs of women in the DWCRA (The development of women and children in rural areas) groups that she organised to receive assistance. Hasina now has the fancy clothes that she could only dream about earlier. Hasina's saving has given her peace, security and stability for her children. Hasina has taken a loan of Rs.600 to pay for their education and board at a hostel and they are well fed and clothed.

Objective 1 and 2 SEWA bank provided loans for the education, boarding, feeding and clothing of Hasina's three children. Hasina assisted this process borrowing and repaying loans to avoid indebtedness and increased her income as the main breadwinner enabling her to achieve her family's welfare goals.

Objective 3. Hasina encouraged by SEWA organised female weavers in her village. Her status as an organiser and a leader earned her respect from her community. Hasina used finance both for herself and the cooperatives wisely for productive purposes accruing cumulative benefits for families and the community.

Objective 4. Hasina received Rs.25, 000 from the Ministry of Rural Development to finance photographs taken of women in the DWCRA (The development of women and children in rural areas). The amount provided her with much needed capital.

4. 2. 2 Kirin – A married woman and Agricultural worker

Kirin 30 years grew up in a poor farming family. Kirin studied up to the fourth standard. At the age of 15 years, Kirin married but was unable to have children had an operation and subsequently had three children. Kirin was sterilised to avail of a government land grant given to families as an incentive to have fewer children. Kirin and her husband built their own house on the plot of land in the village. Kirin put her sons in the SEWA childcare centre. With the help of the childcare centre, she and her husband were able to work regularly. With SEWA's help Kirin has become financially secure. She sent her three children to primary and secondary school. They were well looked after by the school authorities. The parents wanted them to continue their studies so they could get good jobs and earn a decent living. Kirin worked at the childcare centre as a replacement teacher. She also did paid agricultural work and received a meal. She worked for SEWA's plant nursery and received a daily payment. Kirin had savings and fixed deposit accounts with SEWA bank. Kirin acquired both experience and on the job

training and recently received a large payment after her father-in-law's death from a life insurance policy taken on SEWA's advice.

Objective 1 and 2: Kirin had several jobs, saved with and borrowed from SEWA bank to fund her children's education. She and her husband were able to work regularly using the SEWA childcare centre that cared and fed their children.

Objective 3: Kirin managed money well, managed the household expenses, saved substantial amounts and invested in interest bearing accounts. She acquired knowledge and skills through SEWA taught in the child care centre and worked on the research team in the village plant nursery. She borrowed and repaid her loans earning respect for her credit worthiness in the village.

Objective 4: Kirin assisted by the government with her fertility treatment had three healthy sons. They were educated in public schools. She was the beneficiary of a government land grant contingent on her sterilisation.

4. 2. 3 Karina - A married woman in the tailoring business

Karina now 50 years old bought land in a slum in the city erecting a flimsy dwelling on it. She did manual labour, her husband worked in a factory. She supplemented her income, tailoring. Her five children attended school. Karina bought her first block of land in a slum in the city. Her five children attended school. Karina joined SEWA Bank and borrowed to expand her sewing business. She also borrowed to start a candlewick business. Her family joined her business and it thrived, as did her tailoring business. Karina invested in her home making it secure and weatherproof. She had electricity installed as well as equipment for her businesses. Karina's husband opened a cobbler shop supplementing the family income. The family have invested in real estate earning rental income until her children move in. She can now pay of her loans easily and borrow to buy a vehicle for her son's transport business as well as finance a son's college education. She received a government incentive payment, to encourage couples to choose girls, for her first grand daughter. Karina was a very active SEWA member. She encouraged neighbours to join SEWA and assisted them with their financial affairs.

Objective 1 and 2: SEWA Bank enabled Karina using savings accounts and loans to change her precarious existence into a secure successful life. She was able to build a permanent three-bedroom house cum workshop, with equipment for her new business, and electrical appliances.

The family worked in the businesses to pay of the loans. She had plans to buy a truck for her son's transport business, and invested in another sons' education.

Objective 3: Karina used her opportunities to access credit to invest in productive businesses using the repeat borrowing method to gradually increase the size of the loans and repay them. The family contributed to the growth and success of the businesses allowing her to improve their housing, education, and plan their future livelihoods. Kirin was able to save for emergencies and invested in insurance and pension schemes to safeguard her business and plan her retirement.

Objective 4: Karina was been able to access a government baby bonus for the birth of her granddaughter. However, there was no other evidence of government support for the family.

4. 2. 4 Meera - A single woman in the Bidi making business

Meera now 53 years old married her husband who was a drunkard, gambler and squandered what he earned. Meera started rolling *bidis* to earn a livelihood. She lived in a rented house with her children. She supported her husband and children but could not afford to send them to primary school.

She moved to the city and lived in a rented house but by then Meera's husband had exhausted all her resources and her jewellery leaving her with nothing. She eventually became homeless living in a makeshift dwelling burnt by rioters in communal violence that swept the area she was living in. SEWA negotiated for her getting Rs.22, 000 as compensation and a house from the Ahmedabad Urban Development Authority (AUDA) which she contributed to.

She shared her home with her extended family. All her sons had incomes working in the trades. She had health insurance to cover her illness and continued to work. Meera saved with SEWA Bank and had enough to borrow for family expenses, repaying on time. She had investment accounts and a well-appointed home.

Objective 1 and 2. Meera being homeless sought assistance from SEWA Bank. The Banks' intercession with the government gave her compensation and homeware, and a home negotiated with the municipality's urban development authority. The family was then able to afford consumer goods and a gas connection. SEWA Bank provided credit and savings accounts to meet unexpected expenses, with her children's wages to sustain the family.

Objective 3: Meera with her meagre income from bidi rolling and loans rebuilt her life, borrowed and repaid loans when necessary. Her careful management of monies earned by the family enabled her to raise the family's standard of living.

Objective 4: The Ahmedabad Urban Development Council provided Meera with a home that she was able to pay off with SEWA Bank's and family assistance. This turning point in her life provided her with a base to consolidate the family and future.

4. 2. 5 Manju – Married woman and Agricultural worker

Manju now 50 years old, grew up on a farm, had no education but looked after the family instead doing housework and farm labour. Manju married young and had a large family. Manju was able to acquire a home through a government-funded scheme for the homeless. She invested in livestock that provided her family with milk. Manju worked to support her family and borrowed for family expenses with no assistance from her husband. A friend recommended SEWA Bank to her and took her to the Bank. Manju had a savings accounts which enabled her to borrow and repay. The first loan of Rs.2000 financed her daughter's dowry and wedding.

Manju paid back what she borrowed. She joined SEWA Bank and saved enough to borrow and repay her loan of Rs.2000 to finance her daughter's wedding and dowry. While paying back the first loan, Manju took another loan from the SEWA Bank, to purchase a vehicle for her husband's a carrier service for people in the surrounding villages transporting wood, wheat and other foodstuffs between villages. She also borrowed to invest in land and grow hay for extra income.

Manju took three more loans to sustain her agricultural business, repaying all of them. Manju stopped borrowing from moneylenders, borrowing exclusively from SEWA Bank. She became more assertive attended SEWA meetings and persuaded her relatives and friends to join the bank and take advantage of the credit and services it offered.

Objective 1 and 2: Manju an agricultural worker and mother of eight children had no access to credit other than from moneylenders. SEWA Bank provided her with access to savings accounts and loans allowing her through wise investment to increase her income and her standard of living.

Objective 3: Manju was successful because she invested wisely, in a buffalo and goats for milk and later in her fodder business. SEWA provided her with credit based on her savings and she

borrowed to invest in her enterprise and her husband's bullock cart carrier business repaying her loans on time.

Objective 4: Manju received help from the government who provided her with a home under a homeless scheme which gave the family permanent shelter. However, she did not get any other assistance from the government.

4. 2. 6 Namita – Married woman and Child care centre operator

Namita now forty years old was raised in a village in a large family. She had to leave school to contribute to the family income. Namita married at 14 years and moved to the city with her husband and bought a house for Rs.3500, with no toilet facilities and water fetched from a tap some distance away.

Namita had three children and later had a fourth. Namita took sewing lessons and produced mattresses to neighbours unable to leave her small children alone. The business did not work out so she switched to making bindis assisted by her daughter. The work was repetitive and led to physical ailments. Her earnings were meagre due to the low rate paid for each set of items she produced.

She started working for the Indian Childcare Department Services, for a salary of Rs.90. The centre closed down after three years but Namita opened a childcare centre in her own house. She earned Rs.400 per month.

Namita a longstanding member of SEWA borrowed money from SEWA Bank to finance her various activities. She repaid her loans regularly, had savings and investment accounts and earned interest from a fixed deposit account. Namita's experiences with SEWA gave her a better standard of living and relief from a previous life of poverty.

Objective 1 and 2: Namita borrowed and repaid her loans from SEWA and was successful opening multiple savings accounts earning interest and managing risk with her insurance policies. She educated her children giving them a start in life. She had a large house, and was in a good financial position courtesy of SEWA Bank.

Objective 3: SEWA through its carefully tailored savings accounts, loans and insurance policies enabled Namita to run her businesses and earn a regular income. Namita saved for emergencies and daily expenses, managed her money well, earned interest on her investments and utilised her training in health to gain regular well paid employment.

Objective 4: There is no evidence that the government assisted the family.

4. 2. 7 Nalini – Single woman and VLSSS organiser

Thirty-year old Nalini came from a large farming family. She had a middle school education. Nalini was married at the age of 18 years the family took on considerable debt to finance the marriage and pay for an expensive dowry. She was able to retain her gifts of jewellery when she left home.

Nalini had three daughters in quick succession and moved to the city with her husband. The marriage soon dissolved and she moved in with her parents. She incurred expensive legal costs suing her husband for alimony. She was able to get a legal settlement and her husband agreed to pay her.

Nalini started working for VLSSS but lost her alimony when her husband sued her for expenses incurred in their marriage. Her family were hostile towards her and her children but allowed them to stay in the family home.

Nalini sent her daughters to school, one of them as a boarder for whom she paid Rs. 100 per month. She struggled to find the money to pay the education costs. Because she was single her family accused her of being immoral but her contact with VLSSS and the work she did for them with her neighbours has distracted her from her problems. Having gained her independence working with VLSSS, Nalini continued with her legal case. She had plans to start a new life in her own home and not depend on charity from her family.

Objective 1 and 2: Nalini worked as a VLSSS organiser in her village substituting a wage for the payment that her husband had ceased since she took up employment with VLSSS. She was organised women in her village into self-help groups. VLSSS sustained her with their support as she battled her husband through the courts. The salary she earned from VLSSS enabled her to educate, clothe and feed her daughters and herself, accommodation was provided by her resentful family.

Objective 3: Nalini acquired organising and leadership skills, knowledge about the banking system, and expertise in legal procedures to fight for her basic human rights. Nalini was determined to bring up her children, did not give in to pressure from her family and pursued her husband in the courts to get maintenance. She sought help from VLSSS who recruited her to organise women in her village. She was determined to live an independent life.

Objective 4: Nalini was able to use the government funded legal system to enforce her rights. Nalini sent her daughters to school one of them as a boarder for whom she paid Rs. 100 per month.

4. 2. 8 Pali – Widow and Team leader VLSSS

Thirty-year old Pali had been working to start a nursery. She persisted with dry cultivation, and believed that the harder she worked, the better the plants would grow. Pali's father married her at seventeen to a sick husband so she had to work the farm single handed. She was also responsible for rearing her children and sold the land to finance treatment for her husband. She did not receive any assistance from the government and got into severe debt.

Pali was able to support her family on her meagre earnings of Rs.400-500 per month with irregular work. She borrowed and repaid her loans slowly in order to maintain her credit rating. Her husband died but she was able to get a bursary for her children's education in primary school.

Pali met Reena a district coordinator for VLSSS who wanted to assist the village women to increase their household incomes. She urged Pali to start a nursery with other women on village council land. Pali agreed to do so despite the absence of a water source near any available land. She had to battle the land and was able to earn an income invested in a cow and feed her children and process the milk for ghee that she sold. Like her husband, she was respected in the village refusing handouts from generous well-wishers.

Pali hoped to have a house of her own so she was not dependent on her relatives. She planned to settle her debts and send her children to school so they did not have to live a life beset by poverty.

Objective 1 and 2: Pali was indebted to moneylenders and others in her village. She invested in a cow whose milk fed her family and butter was sold in the market. She educated her children.

Objective 3: Pali was determined to provide for her family setting up a village plant nursery and other projects with training and assistance from VLSSS. She was persistent despite her husband's prolonged illness and the expenses involved which made her landless. Her debts increased but she repaid slowly preserving her creditworthiness and her hope for the future. Her reliability and careful use of monies earned and borrowed give her an opportunity to make ends meet and meet her family obligations.

Objective 4: Pali was able to get a bursary for her children's education in primary school.

4. 2. 9 Rani - A married woman and embroiderer VLSSS

Rani now 55 was not educated. She married at sixteen had two children who were unschooled. She worked in the saltpans with her husband, but was banned by the elders in the village society from continuing to travel for work. Rani advised by Sara a VLSSS organiser took up embroidery and earned a steady income. Rani formed a village embroidery group and became an organiser for VLSSS in her village. She persuaded the women to open savings accounts and attend courses in embroidery.

Rani with people from her village joined a government funded dam construction project and a committee to oversee the project. She and her husband played a leading role in a dam and irrigation project and a project to provide water for cows funded by an additional grant from the government. Rani was also involved in the construction of a watershed to combat water scarcity in the village. Rani and her husband were able to reclaim their mortgaged land by saving and carefully budgeting household expenses. They used the land to cultivate cash crops, building a proper house with the earnings.

Rani's businesses gave her good returns. She had not educated her children but they had escaped a life of poverty. Rani's efforts made a big difference, the village had a reliable water supply. The women did not have to carry water to their homes and could focus on income earning. She put her mind to planning for much needed projects in her village. She was held in high esteem in her village for securing the government grant for the dam project and is now the chief advisor in the village.

Objective 1 and 2: VLSSS organiser Sara encouraged Rani to give up salt farming and found an embroidery business later a cooperative that earned a good income. She and her husband's work on the watershed committee and scrupulous saving allowed them to reclaim their mortgaged land and start growing crops that earned them a tidy sum. In addition, a buffalo gave milk and ghee that they sold for further income.

Objective 3: Rani's careful management of money and investment skills put the family in a secure financial position. Her management of and changes to village projects made them viable productive business generating income for the family and the village. Her income and savings gave her family security, so she turned her attention to other infrastructure projects to improve the lives and livelihoods of the village community.

Objective 4: The government provided funding for a water tank constructed near the lake, organised by Rani, assisted by VLSSS. The village now had a good water supply and the women did not have to carry water to their homes and could focus on earning an income.

4. 2. 10 Vani - A married woman and mid-wife

Vani was a 38-year old midwife. She was born into an impoverished large family, but was able to survive working for a living on meagre wages and a middle school education. She married at eighteen living with her husband and relatives in the country where she had to work in the fields and soon had a daily income.

She had a big family and educated all her children to secondary level using the SEWA Bank savings groups and loans to pay for her children's education. Unsupported by her alcoholic husband Vani took midwife training in a state-owned public health care facility. She had a fulltime job as a midwife in her village even though she was from a lower caste and earned a fee plus extra money donated by grateful families. She was been able to get further training to augment her skills and her standing in her profession.

Vani struggled to make a living and is unable to earn enough to cover all her domestic expenses and the energy bills. Lacking a ration card the family had to buy pulses and oil at regular prices as they only get kerosene and sugar at a discounted price from the fair price shop.

Vani was able to weather proof her home by borrowing from SEWA Bank but did not have indoor sanitation. SEWA provided her with additional training in financial and a few other fields associated with midwifery. She also contributed to a saving fund for her children's education. She then had more control over her life.

Objective 1 and 2: Vani's ability to adapt to her circumstances gave her sources of income to provide for her children. Agricultural work and midwifery with formal training from the PHC and SEWA Bank provided her with an income to educate all her children to secondary level. She had savings accounts with SEWA Bank and took loans that she repaid to improve her family member's lives. She weather proofed her home and gradually improved the interior.

Objective 3: Vani had to contend with gender inequality to support her family, being self-employed getting her midwifery qualification to be a breadwinner. She practiced midwifery earning a living. She saved and borrowed from SEWA Bank to fund her children's education and family expenses. She was able to budget various incomes and took further training from SEWA Bank in various fields to safeguard and augment her income.

Objective 4: The government through the Primary Health Care agency trained Vani in midwifery. Vani bought kerosene and sugar at the government fair price shop in the village, lacking a ration card she was unable to get pulses or oil which she had to buy in the open market at higher prices.

4. 2. 11 Haifa – A married woman and tea vendor

Haifa 45 a mother of two sons was a subsistence unlicensed tea vendor Haifa's right to work as a self-employed tea vendor was denied by local government who refused her a licence to operate. She had to cope with the constant threat of her unlicensed cabin cart being destroyed by the city authorities. The police took advantage of her unlicensed status and exacted bribes so she could continue working. She opened a savings account with SEWA Bank to deposit her meagre daily earnings. She borrowed to buy a cart and replace the roof of her hut with a waterproof sheet. As Haifa now owned her business, her second loan paid for her stock previously bought on credit with high interest payments.

Her next loan enabled her to put a cabin on her cart adding more room and a wider variety of eatables for example biscuits, snacks and chocolates in addition to the tea. She planned to buy another cart for her son, a second cart for herself to serve hot lunches and a toilet. Progressive borrowing enabled her to own and improve her own tea vending business, store stock in her renovated hut with electricity and storm-water connections.

She was able to pay for auto rickshaw driving lessons for her husband and auto mechanic course for her son. Her borrowings have increased her income and assets. Her family's living conditions have improved, she has created employment for her son and saved Rs.16, 000 in her bank account. She had been to hospital twice and had her fees covered by medical insurance offered by the bank. The family had a steady income, ate three meals a day and she had plans to buy her husband an auto rickshaw to boost family income. She was a gold card member of the bank and was entitled to quick personalised service. She had to pay bribes to the police to continue her business but had access to SEWA Bank's services and advice that changed her and her family's lives.

Objective1 and 2: Haifa was able to capitalise on her opportunities to borrow and repay her loans to achieve a decent standard of living. Her savings account with SEWA Bank enabled her to take a loan to buy a tea-vending cart and weatherproof her hut. She borrowed to extend her dwelling and had electricity and stormwater drainage connected. She also paid for her

husband's training as an auto rickshaw driver and her son's auto mechanic course. She used her medical insurance to go to hospital twice. The family ate three meals a day.

Objective 3: Haifa's saving and progressive borrowing enabled her to own her tea vending business. She upskilled her husband to drive an auto-rickshaw bought her son a teacart and paid for his training as an auto mechanic to increase family income. Her prompt repayment enabled her to keep borrowing within her limits. Her careful use of money, savings and ability to include the family in productive livelihoods ensured the family's prosperity.

Objective 4: Haifa's right to work as a self-employed tea vendor was denied by local government who refused her a licence to operate. She coped with the constant threat of her unlicensed cabin cart being destroyed by the city authorities. The police took advantage of her unlicensed status and exacted bribes so she could continue working.

4. 2. 12 Neela - A married woman in the used clothes business VLSSS

Neela 52 years old and her husband both agricultural workers came from a village near the city in search of secure work. She lived in a slum in a rented house and joined her grandmother's business repairing old clothes obtained by exchanging them for new cooking utensils bought on credit at 10% per month interest. She and her husband took sewing lessons for six months to learn the trade. Due to poor housing and storage conditions they struggled to make a living.

A VLSSS field worker introduced Neela to the organisation's partner bank. Neela took a loan of Rs.500 at 17% p.a., which she expended on a basket and utensils and some food grains and oil. She made a profit of Rs.400 from this investment that she reinvested in her business and took a second loan of Rs.1500 at 17% p.a. She continued to borrow and repay a number of loans at the same interest rate, using the funds and profit to reinvest in her business as well as acquiring a house and furniture, investing in gold and silver, getting her daughter married and building her savings in the bank. Neela borrowed from the Bank to buy business equipment stock and land to expand her business.

Neela is grateful to VLSSS and the bank for delivering her from a life of poverty. She employed a tailor to repair the old clothes and a washerman to wash and press them, ready for sale. The couple had, through careful investment, a thriving business run from their properly built three-room house in a village, just outside the city.

Objective 1 and 2: Neela and her husband were slum dwellers in the used clothes business in debt and barely making a living. A VLSSS field worker provides Neela access to a partner bank enabling her to borrow at a fixed 17% interest rate and invest in her business. Her income improved and she borrowed, improved the family diet, saved, increased her stock of used clothing, invested in machinery and tools for her business, expanded her house and purchased land to expand the lot on which her house stood. The bank tailored loans to meet her investment and repayment requirements.

Objective 3: Neela had a used clothes business operated out of an urban slum dwelling. She had through careful investment and a fixed interest rate used her loans to increase her income. She accumulated assets through repeat borrowing and repaying on time, paid for her daughter's wedding and invested in gold and silver. The bank managed loan amounts to suit her business and family needs and prevented indebtedness. Neela had, through responsible and wise investment, a thriving business which she and her husband ran from their properly built three-room house in a village, just outside the city.

Objective 4: Neela was able to borrow and repay her loans to the bank at a fixed interest rate. She built wealth and a stable life on the strength of her borrowings and repayments. There was no evidence of any other support from the government.

Table 4.1 Case study Summary

Respondent	Objective 1	Objective 2	Objective 3	Objective 4
1 Hasina	Membership of SEWA access to credit, low interest rates, regular income	Loans from SEWA for business, education expenses, and increased income	Invested in family and community Appreciate the value of credit Saving and borrowing progressively using saving as collateral High repayment rate	Receives Rs. 25,000 for a service to government agency
2 Kirin	Membership of SEWA access to credit, low interest rates, regular income	Loans from SEWA educated children, increased income and savings	borrowed and repaid loans invested in family appreciates value of credit	State sponsored fertility treatment, education for children and land grant Vocational training
3 Karina	Membership of SEWA access to credit, low interest rates, regular income	Loans from SEWA for businesses, education, housing and business premises,	High repayment rate Invest in the family Credit provides independence from social restrictions	Baby bonus
4 Meera	Membership of SEWA access to credit, low interest rates, regular income	Loans for household goods repaid, improved living standard	High repayment rate Invest in the family Credit provides independence from social restrictions	Compensation and State housing with affordable loan
5 Manju	Membership of SEWA access to credit, low interest rates, regular income	Loans invested in land, fodder business and domestic animals, and husbands carrier business, loans repaid	Repeat borrowing and money management skills allowed investment in multiple businesses	Government provided 'homeless scheme' home
6 Namita	Membership of SEWA access to credit, low interest rates, regular income	Loans from SEWA for business, educated children, increased income	Appreciate the value of credit Saving and borrowing progressively, invested in family	No assistance
7 Nalini	Membership of VLSSS regular income	VLSSS organiser income to educate and feed children, extended family housing	Invested in family High repayment rate	Assistance with court litigation for alimony, education and boarding expenses

Respondent	Objective 1	Objective 2	Objective 3	Objective 4
8 Pali	Membership of VLSSS access to credit, low interest rates, regular income	Mortgaged land reclaimed, income from plant nursery supported family business to feed children and repay loans	Invested in family and community, High repayment rate,	Scholarship to educate children
9 Rani	Membership of VLSSS access to credit, low interest rates, regular income	Income from embroidery business and watershed committee position, faming, housing and food, redeemed mortgaged land,	Credit provides independence from social restrictions, Invested in family and community	Funding for watershed project, vocational training
10 Vani	Membership of SEWA access to credit, low interest rates, regular income	Income from farming and midwifery, savings and loans to educate children and improved housing	SEWA training in health, finance, saving, invested in family	Midwifery training, fair price shop
11 Haifa	Membership of SEWA access to credit, low interest rates, regular income	Loans and repayment finance family business, housing and training for husband and son, and health insurance, diet	Invested in family Appreciate the value of credit, Credit provided independence	denied license to operate business
12 Neela	Membership of VLSSS access to credit, low interest rates, regular income, avoiding indebtedness	Loans from VLSSS partner bank improved business, housing, diet	Saving and borrowing progressively using saving as collateral, High repayment rate Invested in the family	Borrowing from Reserve Bank mandated bank improved standard of living

4. 2. 13 Summary of Case study Results:

The results from the case studies revealed a number of initiatives by both organisations SEWA Bank and VLSSS have contributed to the social and economic development of their respective members.

Objective 1 - Identify the specific factors that contribute to successful microfinance outcomes for poor women at subsistence level in India

Membership provided case study recipients' access to credit, saving and financial products that were used to secure assets and security for the family. The organisations had some success with recipients who were able to invest in productive assets. Having assets in their own name gave them respect and the ability to make decisions in the household and the community. Low interest rates prevented indebtedness and allowed for larger loans and manageable repayment. Increasing the size of affordable loans enabled poor women to build their businesses by expanding housing space and invest in equipment and tools. Credit enabled diversification of income earning activities.

Not all case study recipients were able to use all of the services and products offered by SEWA and VLSSS due partly to inability to understand the processes or the value of the products. The organisations need to overcome this hurdle by perhaps using instruction materials that are designed for recipients with little education to provide information about products and services they can access to enhance their lives and their livelihoods.

Objective 2 - Identify the impacts of microfinance for poor women in India

Case study recipients reported borrowing and saving contributed to income through investment in family businesses, home and land purchase. Recipients either demonstrated sound investment in valuable assets or were actively encouraged to do so by the relevant organisation. Borrowing improved health care, children's education, improved diet, housing and health insurance. Recipients were able to utilise their opportunities productively. Borrowing also assisted in the training of family members and business productivity. Credit gave recipients the incentive to access training and utilise skills gained in their livelihoods. Income stemming from diversified business activities increased family income.

Not all recipients were able diversify income earning activities or train family members. Recipients have to be motivated in order to utilise opportunities effectively and have risk management strategies to assess their worthiness.

Objective 3 - Reasons why poor women succeed in using these programs to rise above subsistence level in India

Case study recipients appreciated and capitalised on access to credit to invest in business and the family. Recipients demonstrated practical skills and aptitudes for business. Saving was used as collateral to borrow progressively. Recipients demonstrated discipline and ability to save. Access to credit encouraged high repayment rates and borrowing to improve family welfare. The credit incentive gave recipients both an opportunity and a goal facilitating repayment. Credit also gave them decision making power in the family and position in community projects. Cultural norms were influenced by recipients by their ability to utilise credit effectively

Not all case study recipients were able to achieve women's rights as earners and investors in the household or positions in the community. Cultural norms are resilient as stakeholders feel threatened by changes in the status quo requiring recipients to make gradual changes.

Objective 4 - Articulate policy implications to raise poor women above subsistence level in India

Case study recipients had access to some of the following: banks and credit, family payments, access to vocational training, subsidised housing, scholarships for children's education, investments in village infrastructure, government fair price shops and legal aid. Recipients were able to access the services of SEWA and VLSSS to negotiate with the relevant government department. However recipients are then able to utilise their experience to access other government services.

The application processes for the pensions and family payments could be more accessible to poor women through better training of social welfare staff to assist in the application and transparency in the granting of benefits. SEWA and VLSSS achieved some success providing information to recipients who were able to both understand and implement their knowledge. Government could play a bigger role in the training, upskilling and legislating on behalf of poor women to ensure that they are able to pursue livelihoods that can be covered by national labour legislation and employment benefits

4.3 Discussion of Results

The following discussion will examine each set of variables associated with each of this study's four research objectives below and make reference to the conceptual framework based on Amartya Sen's capability theory (refer to chapter 2). In addition the discussion will refer to the relevant literature and policy implications will be suggested at the end of the discussion.

4.4 Objective 1 and 2

The following discussion will identify specific factors that contribute to successful microfinance outcomes for the poor at subsistence level in India and the impact microfinance has on poor women in India

4.4.1 Borrowing and access to loans

Rani reported borrowing from SEWA to start an embroidery business and organising a village women's embroidery cooperative (social conversion factor) unlike poor Ghanaian women handicapped by husband's control of loan taken (Ganle, Afriyie & Segbefia 2015; Sen 1999b). Karina reported borrowing from SEWA to expand her sewing business (social conversion factor) without collateral required of poor female borrowers in Peru (Sen 1999b; Weiss & Montgomery 2005).

4.4.2 Home ownership and maintenance

Both Hasina and Karina report borrowing through SEWA Bank and VLSSS from investing in home cum business premises to manufacture woven products in commercial quantities and a workshop for her family candlewick and tailoring business respectively (social conversion factor). Whilst housing programs in South Africa, and Colombia provide homes for the poor (social conversion factor), location and unemployment (capability deprivation) forced them to vacate their homes (Gilbert 2004; Sen 1999a).

4.4.3 Household income

Poor women's diversified economic activities, based on regularity of income flows in Uganda is experienced by SEWA Bank and VLSSS members, Namita reported operating a childcare business and a sewing business.(capabilities) (Sen 1999b; Wright et al. 1999). There is no consistent pattern between access to microfinance and increases in poor women's income in Africa, with Ethiopian women enjoying either increased income (capability) or no increase in income, lacking basic business skills and investing in little understood unviable ventures

(capability deprivation) (Belwal, Tamiru & Singh 2012; Dupas & Robinson 2013; Haile, Bock & Folmer 2012; Sen 1999b)

4. 4. 4 Household diet and diet crises resolution

Meera a roadside dweller fed her family food scavenged from a hospital, reported dietary improvements with credit obtained from SEWA bank. Kirin uses SEWA childcare to provide her children with nutritious meals (capability). Doocey et. al. (2005) found that diets of families of poor women, who were clients of a microfinance institution in Ethiopia, were more nutritious and food security was better than for families of male clients and village controls (well-being agency) (Doocey et al. 2005; Sen 1999b).

4. 4. 5 Membership and children's education

Hasina and Kirin reported taking loans for the education, boarding, feeding and clothing of their children, Namita reported sending her third child to school the two elder children having dropped out. Pali works on village projects and Vani on multiple jobs to send their children to primary and secondary school (social conversion factor). Poor women micro-credit clients in Africa were impoverished after they invested in their children's education (capability deprivation) (Sen 1999b; Stewart et al. 2010).

4. 4. 6 Membership and sanitation

Interviewees reported investing in toilets using increased income and savings to get a loan from their respective banks at low interest rates to build a toilet (social conversion factor). Poor women in Uttar Pradesh and Vietnam with microfinance loans were unable to have toilets installed due to corrupt local officials and insecure land rights (capability deprivation). An SHG in Kerala aided by a sanitation and loan fund invested in sanitation facilities (capability) (Barenberg 2009; Khanna & Das 2016; Mader 2011; Sen 1999b).

4. 4. 7 Membership and health

Interviewees reported a link between credit, health care and debt avoidance. Pali reported bankruptcy borrowing and selling assets to fund her husband's tuberculosis treatment. Kirin reported using the SEWA child-care facility for regular medical check-ups and cheap medicines. Haifa reported uses medical insurance provided by SEWA to have two stays in hospital. Poor women in Latin America and South Asia, receiving a combination of health

education, credit, health care centres and insurance from microfinance institutions resulted in better health indices (Leatherman et al. 2011; Saha & Annear 2014; Sen 1999b).

4. 4. 8 Membership and clean water

Interviewees linked clean water supply and family health (well-being achievement), Namita using a village tap until she could afford a water connection. Rani was involved in a village watershed project providing clean water to her village (environment conversion factor). A study of poor women in urban India confirmed respondents believing a water connection would improve their family's health, save their family money and substantial amounts of time (functionings) (Davis et al. 2008; Sen 1999b).

4. 5 Objective 3

This section examines reasons why poor women succeed in using these programs to rise above subsistence level in India.

4. 5. 1 Saving

SEWA Bank and the Sinapi Trust in Ghana owned by its poor women shareholders whose progressive savings in its tailor-made deposit facilities increases the loan portfolio at minimal cost to the institution. Savings encourages investment decisions reducing overexposure to debt. Meera has Rs.3000 in savings has borrowed Rs.5000 for a daughter's wedding repaid the loan and invested in insurance and shares (agency freedom) (Afrane 2002; Schrieder & Heidhues 1995; Sen 1999b).

4. 5. 2 Progressive loans

Karina reported taking two loans from SEWA Bank to augment her tailoring business and start a candlewick business, generating income sufficient to convert her shack into a proper home (well-being freedom) (Sen 1999b). Charles and Mori (2017) Tanzania found that multiple borrowing weakens the ability of poor women to repay their loans but progressive lending is associated with positive loan repayment performance (social conversion factor) (Sen 1999b).

4. 5. 3 Emergency funds

A household survey of poor women in Madagascar revealed illness affecting labour and riots and floods affecting shelter were major risks to livelihood (capability deprivation). Meera reported losing her home in the riots in a city slum, replacing and insuring it with SEWA Bank's

and the Urban Authorities' assistance (social conversion factor) (Sen 1999b; Zeller & Sharma 2000).

4. 5. 4 Income from business

Poor Zambian women in a group based microfinance program were able to transfer one third of their profits into household budgets in all cases respondents reported being involved in multiple businesses (capabilities). Namita reported running three businesses, making bindis, sewing clothes and running a childcare centre in her home after gaining experience working in a government childcare centre (Copestake, Bhalotra & Johnson 2001; Sen 1999b).

4. 5. 5 Viability of business

Respondents have also successfully grown their businesses, Haifa reports running a viable tea vending business. However, the city authorities, who refuse her a licence, can confiscate her cart compelling her to pay bribes to the police, to remain in business (Social constraint). Poor women entrepreneurs in Ethiopia had difficulty acquiring business skills, and productive resources engaging in activities that were home-based and less risky (capability deprivation) (Belwal, Tamiru & Singh 2012; Sen 1999b)

4. 5. 6 Making changes and expanding the business

Poor women in Ghana borrowing from World Vision, were successful given previous experience with business, controlling the loan and earnings, and acquiring skills and expertise in running their businesses (functionings). Hasina reported starting a weaving business that eventually became a weaving cooperative with help from the SEWA Bank (social conversion factor) (Ganle, Afriyie & Segbefia 2015; Sen 1999b).

4. 5. 7 Child labour

Edmonds & Pavcnik (2005) multi-country research reveals that poor women's access to credit can reduce child labour. Hasina who left school in standard three aged eight reported taking a loan to pay for the education and board at a hostel for her three children (social conversion factor). Children persist with school until its value compared to waged work decreases. Namita reported persisting with educating her young daughter (capability). Subsidies and incentives encourage school enrolments. Pali's children received a government scholarship (social conversion factor) (Sen 1999b).

4. 5. 8 Training

SEWA and VLSSS interviewees reported implementing skills learned from their training. Hasina encouraged by SEWA organised female weavers in her village with shared capital, skills and knowledge to negotiate successfully with suppliers and wholesalers (Social conversion factor). Peruvian women applied business skills learned in a training program, reinvested profits, exploited new markets and made repayments. Haifa reported reinvesting and adding value to growing her tea vending business and her prompt repayments enabled her to borrow consistently to progress the family's businesses (agency freedom) (Karlan & Valdivia 2011; Sen 1999b).

4. 6 Objective 4

The following discussion examines policies to raise poor women above subsistence level in India.

4. 6. 1 Banking services

The government, through the National Bank for Agriculture and Rural Development (NABARD) and nationalised banks provides banking services intermediated by non-government organisations to the poor. Rani sponsored by NABARD was able to obtain funds for a watershed project and a water tank, and an irrigation channel (social conversion factor). Poor urban women in South Africa assessed by banks to have higher levels of income and wealth are viewed as more creditworthy than poor rural women (Biyase & Fisher 2017; Sen 1999b).

4. 6. 2 Ration card

The ration card enables the poor to get grains and fuel at reasonable, subsidized prices through the Public Distribution system, and distributed through Government fair price shops in villages and urban centres (Bhatt, 2006). Vani reported her family only got kerosene and sugar at the fair price shop without a ration card but was unable to get pulses or oil from bought in the open market at higher prices (conventions and rules). A cash and food transfer system would be a more appropriate solution (social conversion factor) (Sabates-Wheeler & Devereux 2010; Sen 1999b).

4. 6. 3 Employment Programs

Rani reported being a paid member of a watershed committee overseeing the completion of a government funded watershed and irrigation projects in her village (agency achievement). Tesfaye (1994) found employment programs in Africa were more wage based and lacked investment in specific training for alternative employment and infrastructure that was more likely to contribute to poverty reduction (capability deprivation) (Sen 1999b).

4. 6. 4 Health care programs

Poor women in Bangladesh who borrow from microcredit organizations cope better with health shocks and do not have to sell assets compared to households that have no access to microcredit (capability). Pali reported having to borrow at high interest rates to provide treatment for her husband who eventually died. A midwife program in Indonesia improved children's nutrition and height compared to children with no midwife intervention (well-being achievement). (Frankenberg, Suriastini & Thomas 2005; Islam 2006; Sen 1999b).

4. 6. 5 Training services

Vani reported receiving midwifery training at the government Primary Health Centre receives a fee for every delivery from the centre, plus a payment from the mother's family (capabilities). An evaluation of entrepreneurship programs in developing countries found business training can improving business acumen but women may not be the decision makers unless they have capital under their control (agency). Rani reported being trained with women from her village to manage a funded watershed project as paid members of the water management committee (agency achievement) (Cho & Honorati 2014; Datta 2003; Sen 1999b).

4. 6. 6 Infrastructure

Road infrastructure projects in Africa expanded the income base for the population by increasing diversification of income sources (environment conversion factor). Hasina reports using the road network to set up women's weaving cooperatives in neighbouring villages (agency achievement). Manju reported her husband being able to transport goods using a bullock cart using the road network between villages and the city adding to the monthly family income (social conversion factor) (Sen 1999b; Tesfaye 1994).

4. 6. 7 Housing Loans

The banks in Colombia, Chile and South Africa resisting lending to the poor have forced governments to fill the gap resulting in implementation problems relating to the quality of construction, the location of housing and meeting demand (capability deprivation). Manju and Meera reported accessing government housing scheme successfully and Rani reported repossessing mortgaged land and building a home, aided by public loans and the savings (social conversion factor) (Gilbert 2004; Sen 1999b).

4. 6. 8 Education

Pali reported securing a government scholarship for two of her children. Kirin reported her children attending a government school that feeds and clothes them (social conversion factor). Government credit programs in Malawi have enabled children to attend school, but responsibility for domestic chores leads to delayed school enrolment for young girl children (capability deprivation) (Sen 1999b; Shimamura & Lastarria-Cornhiel 2010).

4. 7 Policy recommendations for Objectives 1, 2, 3, 4.

Objectives 1 and 2 examined specific factors that contributed to successful microfinance outcomes for poor women at subsistence level in India and the impact of microfinance on poor women in India. The implications of the findings are that credit, saving and interest rates which enhance ability to repay are critical to the acquisition of assets. Income is linked to housing as poor women use their houses for storage and as a workshop enabling diversification for income earning. Availability of credit means poor women are less likely to use moneylenders and fall into a cycle of indebtedness. Members could be better informed, about products and services offered by their organisations, to assist in member's income earning activities.

In addition, borrowing and saving provides scope for improvements in nutrition and minimises dietary crises. Access to credit could make it easier for poor women to commit to educating their children and less likely they will put them to work. Loans for toilets, piped water and health insurance are critical to safeguard poor women's health so they can continue to work and earn a living.

Objective 3 examined reasons why poor women successfully use microfinance programs to rise above subsistence level in India. Implications of these findings are that training and capacity building have the potential to improve poor women's skills in both the domestic and

business environment encouraging stability, reinvestment and ability to make changes for the better in their livelihoods and their living conditions.

In addition, access to savings accounts could enable poor women to use credit more effectively and safely to avoid debt crises. Progressive loans enable lenders to better assess the reliability of borrowers and enable poor women to build assets, improve their standard of living and better plan for the future. Poor women could be supported and encouraged to become decision makers and take positions on committees.

Objective 4 examined policy implications to raise poor women above subsistence level in India. The data seems to indicate that the public banking system could be more responsive to the needs of poor women. Social services do not seem to be reaching those most in need. Ration card cut offs for above and below the poverty line need to be adjusted so poor women have access to the basic food necessities at government fair price shops. The application processes for the pensions and family payments should be more accessible to poor women through better training of social welfare staff to assist in the application and transparency in the granting of benefits.

In addition, the data seems to indicate that although poor women have access to health care the services may not be adequate requiring investment by the government in health infrastructure to maintain standards and timely delivery of services. In addition government could play a bigger role in the training, upskilling and legislating on behalf of poor women to ensure that they are able to pursue livelihoods that can be covered by national labour legislation and employment benefits.

4.8 Staff Interview Results

Shri Mahila Sahakari SEWA Bank and Vagad Lok Shod Seva Sansthan have a unique relationship with their clients and their households, ten staff members were interviewed, seven from the larger Shri Mahila Sahakari SEWA Bank and three from the Vagad Lok Shod Seva Sansthan using the pro-forma questionnaire in Appendix 3. The members of VLSSS and SEWA bank were interviewed by the researcher. The student researcher spent informal time with each respondent prior to the interview to ensure that each interviewee was in a relaxed frame of mind when the interview was conducted. It was envisaged that the insights gained from these interviews would provide a fuller picture of the services provided by each

organisation to its members and the changes members experienced in their lives after the intervention of the two respective organisations from a staff and management perspective.

In this section, the interviews of key staff members of Shri Mahila Sahakari SEWA Bank and Vagad Lok Shod Seva Sansthan is presented and the corresponding reported impact of their services on the lives and livelihoods of the organisations members is examined in detail. The ten staff members come from the following designated positions within each organisation: SEWA Bank employees include Managing Director, Manager (Training), Branch manager, Bank officer, Bank officer (mobile), VLSSS employees include the Project officer (manager), the Consultant (chief financial officer), and the District coordinator. The interviewees are representative of the job titles in the organisational chart and provide both a management and employee perspective necessary for an analysis of articulated policy and objectives of each organisation and their implementation. Summaries of the staff interviews are provided below please refer to Appendix 4 for the full interview.

The *analysis* of staff interviews for the purposes of this study will examine each set of variables associated with each of this study's four research objectives. Each case study will provide a brief summary followed by a discussion of the findings for each objective of the study and end with a set of conclusions. The conclusions are then synthesised.

4. 8. 1 Managing Director – SEWA Bank

According to the Managing Director, banks need to tailor their services to meet the needs of poor women repayment schedules based on their cash flow, and banking policies that adapted to their crisis situations. The integrated financial services comprised, savings, credit, insurance, financial counselling, and an automated teller machine. SEWA bank provided support services in vocational training, health care, childcare, legal aid, marketing, technical services, business development. The bank also coordinated members' access to government social services including pension schemes, ration cards, employment programs, childcare, membership of trade guilds and housing loans. SEWA bank also negotiated with local government to grant vendor permits and access to raw materials and favourable access to government supply contracts on behalf of its members. The bank's financial resources come almost entirely from its member's savings that provided a capital base to build operations, paid interest and affordable loans build member's commitment and lead to the growth of banking programmes.

Objective 1 and 2: According to the Managing Director of SEWA bank poor illiterate women needed regular income, viable livelihoods, social security, assets and insurance. The bank permitted small deposits, and customised repayments to accord with their cash flow. SEWA bank provided members with loans to redeem mortgaged houses or land and pawned jewellery. SEWA bank encouraged asset creation including women's title to agricultural land and houses, ownership of implements, shops, handcarts, and livestock, bank accounts, shares and savings certificates in their names.

Objective 3: The process of capitalisation began with providing financial services like savings to avoid indebtedness, credit created their own assets and funded their livelihoods, and insurance coped with unexpected crises and thus assisted poor women to improve their living conditions and ultimately themselves. The bank provided credit based on savings performance or loan repayment instead of collateral.

Objective 4: SEWA bank assisted members with the application process and lobbied governments' local, state and national, to act on their behalf in a number of ways. Lobbying gave members access to supply contracts, social security entitlements, government employment programs, vendor permits, membership of trade guilds and gave them better opportunities to earn a decent living. SEWA bank also provided support services in vocational training, health care, childcare, legal aid, marketing, technical services and business

4. 8. 2 Manager - SEWA Bank (Training and Capacity building)

The SEWA academy was founded in 1991 to bring training under one umbrella, to train, provide knowledge and working rights to its members in the country and city areas. India's social customs severely restricted a woman's social interactions and movements. After training, SEWA Bank members gained greater freedom to interact with the outside world. They could go to work, the market, the hospital, and learned how systems work. Training gave women the capacity and confidence to lead and to organize for the improvement and benefit of their neighbourhoods and local communities. Women even visited the Ahmedabad Municipal Corporation and solved their housing or community infrastructure problems like leaking roofs or drinking water problems

Objective 1 and 2: SEWA academy trained under-educated adults developed critical thinking, to challenge their socio-economic status. After training women requested further training on SEWA Bank services like banking and insurance, financial literacy and health. Women gained

self-confidence and esteem to be more assertive at home and at work. They promoted women's human and working rights with their newly gained communication skills.

Objective 3: India's social customs severely restricted a woman's social interactions and movements. Husbands were more likely to support their wives to attend training from SEWA Bank's female trainers because they could see the value of the training to their wives (increased income) and the communities interests (market linkages for local businesses). They could go to work, the market, the hospital, and learn how systems worked. They became less dependent on their husband and other family members.

Objective 4: SEWA Academy's training equipped members to approach local government and solved their housing or community infrastructure problems like leaking roofs or drinking water problems assisted by SEWA Bank's training staff with formal documentation and protocols.

4. 8. 3 Branch Manager – SEWA Bank (Rural)

Women were taught about the banking and saving process in groups and after a year saving together, usually understood the concept of banking. The loan extension system based on a 'character network' and responsibility rather than security reached women who would not have had access to bank credit. Women used loans to transfer title of mortgaged land to their names earning respect from their families. They also formed cooperatives offering stable employment, training to provide relevant skills and markets to sell their products at competitive prices boosting their incomes. Dependence on landlords, traders and money lenders was reduced and the cooperative was in a stronger position to negotiate on issues related to agricultural wages and credit. A small village union of women emerged and created cohesion across occupations. Women's Self-help groups met regularly at the bank premises

Objective 1 and 2: Members of SEWA Bank were encouraged to save in savings groups for a year to understand banking after which they decided who could get a loan based on their savings. Members with mortgaged land borrowed to regain their land and thus had the title in their names. Members had access to credit based on responsibility not collateral benefitting the poor and landless. Members also formed cooperatives offering annual employment, liberating women from exploitative work arrangements.

Objective 3: SEWA bank set up savings groups in a village, between one to three women's cooperatives representing different trades and services, and a small village union of women

emerged, creating cohesion across occupations. SEWA bank provided training and support including linkages to obtain a loan, a good quality animal, cattle life insurance and training in animal husbandry, dairying and veterinary skills. Women managed and ran their dairy, met regularly at the bank premises to exchange information about their cooperatives, supported each other, and advice from organisers at the bank.

Objective 4: There was no evidence of any government assistance.

4. 8. 4 Bank officer – SEWA Bank (Urban)

SEWA Bank adopted ‘a life cycle of a poor woman’ approach to banking insurance for emergencies, savings for education and marriage and loans for production. The bank used symbols and colour codes instead of written information, passbooks with a photo and privacy for personal finance. The bank governing board elected by its members were always focussed on the poor self-employed women it served. The bank also provided support services like medical and legal aid, capacity building and marketing. Members could attend financial planning classes weekly for eight weeks to understand the role of insurance for contingencies, saving for consumption needs and borrowing for productive needs. Individual counselling followed the training. In order for members not to overextend credit, bank staff advised members when to use their savings and when it was advisable to borrow. The bank worked with a number of private and government organisations to provide comprehensive services to its members.

Objective 1 and 2: SEWA Bank had a lifecycle approach to member’s banking focussing on their needs. The bank taught its members when to use savings for consumption needs, insurance for emergency needs and loans for productive needs. The bank provided support services like medical and legal aid, capacity building and marketing. The bank took an interest not only in how a member spent the loan amount but also assisted in getting the best deal for her money, whether it was a pushcart, a sewing machine or a one room house. The bank also assisted members to redeem heavy debts owed to moneylenders, pawnshops or to landlords.

Objective 3: Members could attend financial planning classes weekly for eight weeks and learned how to insure for emergency needs, save for life-cycle expenses and borrow productive needs. Individual counselling followed the training. In order for members not to overextend credit bank staff advised members when to use their savings and when it was advisable to

borrow. Member's husbands appreciated savings acting as a safety net and viewed their wives as partners rather than a burden. Women thus had a voice in the family

Objective 4: The bank worked with a number of organisations including the union and the Cooperative Federation a producer group and the Development of Women and children in rural areas (DWACRA). The bank provided financial services and contributory work security or insurance fund and housing services in conjunction with private and government organisations including The Housing and Urban Development Corporation and the Municipal Corporation. These networks provided opportunities for the bank to provide comprehensive services to its members.

4. 8. 5 Bank officer – SEWA Bank (mobile)

Bank officers visited time poor depositors in their workplaces and their homes their objective was to mobilise savers to deposit with SEWA bank, transport provided by SEWA bank with a helper. She had to be able to encourage members to save more, used humour to entertain potential members, empathised with members experiencing illness or loss. SEWA bank provided deposit boxes used by depositors opened with a key held by the bank officer. The depositors also had contact with the union that fought for their precarious rights to conduct their micro enterprises. Passbooks and deposits belonging to absent women workers could also be collected from neighbours and daughters. The deposits represented plans for family, production and housing contingencies.

Objective 1 and 2: Member's deposits were put into savings accounts, recurring deposit accounts and fixed deposits. The deposits represented plans for old age, for independent bank accounts for young daughters, for children's marriages, for expanding businesses, with new machine tools, or larger stocks for trading or raw materials in bulk. Some saved for additions to their houses to increase work or storage space beyond the one small room they now had, while others who lived in makeshift houses saved for a proper house. Still others who saved were covered under a group insurance plan premiums deducted from interest earned on deposits.

Objective 3: The Mobile Bank officer visited time poor depositors in their workplaces and their homes their objective was to mobilise savers to deposit with SEWA bank. The depositors also had contact with the union that fought for their precarious rights to conduct their micro enterprises. SEWA bank provided deposit boxes that were used by depositors opened with a

key held by the bank officer. The small savings boxes, their passbooks, the ability to save changed their lives through a small but significant daily action

Objective 4: Public banks do not have the specialised services that the SEWA Bank mobile bank officer provided to its members.

4. 8. 6 Staff member – SEWA Bank (energy innovation)

The rural population does not have access to cooking fuel and electricity to earn a living. Women need access to cheap energy to deliver them from the vicious illiteracy-poverty-drudgery cycle and a better standard of living for poor households. SEWA Bank conducted extensive need assessment survey to understand the energy needs for small business and the domestic environment. SEWA Bank's innovation unit wanted to know, how to correct problems with energy usage, ascertain the needs of its members and customise its energy services. Finally, to create entrepreneurs among its members for these technologies to ensure local availability of products, spare parts and service personnel as well as marketing of these technologies to poor customers.

Objective 1and 2: Members not have access to cooking fuel and electricity to earn a living. SEWA Bank provided energy solutions for its members through extensive research to ascertain their energy needs and product requirements and partnerships with technology suppliers. Before purchasing the products members saw live demonstrations of product use, got information about the products, low interest loans and payment plans and trained in their use.

Objective 3: SEWA Bank created entrepreneurs among its members for these technologies to ensure local availability of products, spare parts and service personnel as well as marketing of these technologies to poor customers. The entrepreneur made a needs based assessment for the product took a loan and sold the product at an affordable price to members.

Objective 4: There was no government involvement in the energy innovation program. However, there was a strong indication that members did not get reliable energy supply from the public grid especially in rural areas.

4. 8. 7 Project officer - VLSSS

VLSSS a research based non-government organisation offered a range of service including business, health, agricultural as well as linking members with markets for their products. The project officer mediated between government agencies that provided both social services,

housing loans through nationalised banks, employment schemes, initiatives for rural and urban development for the poor. VLSSS provided support services in vocational training, health care, childcare, legal aid, marketing, technical services, business development and work security or insurance fund and housing loan services. VLSSS networked with the National Bank of Agriculture and Rural Development (NABARD), local government, the state government, insurance companies, national housing finance organisations. VLSSS coordinated members' access to government social services including pension schemes, ration cards, employment programs, childcare, membership of trade guilds and housing loans. VLSSS also negotiated with local government to grant vendor permits and access to raw materials and favourable access to local government supply contracts on behalf of its members.

Objective 1 and 2: Female Village leaders trained by VLSSS encouraged female members to save, to budget, to access training that assists them with maintaining hygiene, providing nutritional food for the family, educating both male and female children, using available technology to assist them in their livelihoods, avoiding borrowing money at usurious rates and accessing credit from partner banks. VLSSS also negotiated with local government to grant vendor permits and access to raw materials and favourable access to local government supply contracts on behalf of its members as well as linking members with markets for their products.

Objective 3: VLSSS provided support services in vocational training, health care, childcare, legal aid, marketing, technical services, business development and work security or insurance fund and housing loan services. VLSSS coordinated members' access to government social services including pension schemes, ration cards, employment programs, childcare, membership of trade guilds and housing loans. The project officer liaised with staff to provide both door-to-door service and an office in Dungapur that provided a range of services for business, health and agriculture.

Objective 4: VLSSS networked with the National Bank of Agriculture and Rural Development (NABARD), local government, the state government, nationalised banks, and national housing organisations. Members were recipients of social services, housing loans and ration cards as well as credit based on savings for family both rural and urban based family businesses.

4. 8. 8 Consultant – VLSSS

The consultant was also the chief financial officer and was responsible for the financial operations of VLSSS. The Consultant assisted in the development of a dairy cooperative in a

village, increasing the incomes and productivity of the farmers collectively, as well as introducing new cattle and fodder management to make animal husbandry more efficient. He negotiated market linkages for its members with government and private industry to get better prices and a more reliable supply chain for farmers. He arranged loans for the development of village handicrafts so women could have secure employment in between the planting and harvesting seasons providing additional income for their families. The consultant with the insurance sector introduced connected personal and asset insurance products. These products were government subsidized, linked to each other and suited the low income SHG members.

Objective 1 and 2: The consultant was also the chief financial officer and was responsible for the financial operations of VLSSS. The consultant negotiated loans for family businesses and village cooperatives, increased their productivity and income. He negotiated market linkages for its members with government and private industry to get better prices and a more reliable supply chain for farmers. Many home-based businesses took loans from partner banks to grow their businesses buying machinery, small vehicles, and increasing storage and working spaces.

Objective 3: VLSSS sponsored a number of village handicraft industries that displayed their wares at handicraft trade exhibitions. This enabled local women artisans to establish village based handicraft centres with market linkages negotiated by the consultant. Women now had secure employment in between the planting and harvesting seasons providing additional income for their families. The increased income reduced the necessity to migrate to the town to seek employment.

Objective 4: The government was involved in the funding of a number of rural and urban projects that benefit poor women. These included dairy cooperatives and irrigation systems to loans for small business in the retail sector. The government was also involved in risk management subsidising composite insurance policies for the poor.

4. 8. 9 District coordinator - VLSSS

The District coordinator was responsible for setting up Self-Help Groups (SHG) of between ten to twenty members who provided support to each other primarily as credit savings group. Members opened an account with a partner bank who provided them with credit once they had acquired the discipline of saving and repayment in their Self-Help Group. Self-Help Group members generally had a better standard of living. Members also had improved housing using loans to increase housing space, connect electricity, and build internal toilets and keep

community areas clean to prevent contamination and disease. Training acquired literacy skills and credit provided by the NGO made them less dependent on moneylenders. Members helped by the NGO created new infrastructure with savings. SHG members became more self-confident, more aware of their rights convincing public officials to attend to their needs. Women were involved in village projects and were respected for their leadership and initiative.

Objective 1 and 2: The District coordinator created Self-Help Groups (SHG) with a partner bank provided credit once they had acquired the discipline of saving and repayment then assisted members with savings deposits, borrowing and loan repayments. Self-Help Group members used loans to increase housing space, connect electricity and build internal toilets. Access to credit improved the health of mothers, children with better diets and sanitation.

Objective 3: Rural and urban Self-help group members were empowered financially, respected by the community, decision-making at home. Women were involved in village projects and were respected for their leadership and initiative. Expenditure for production purposes increased and with rising incomes there was a decrease in violence against women. Training acquired literacy skills and credit made members less dependent on moneylenders. Members helped by the NGO created new infrastructure with savings.

Objective 4: Government provided access to the banking system at low interest rates prevented indebtedness. The public education system encouraged the tendency of SHG member's children to attend school regularly, stay at school longer, be better educated, so were more likely to have a better standard of living as adults.

Table 4.2 Staff Interview Summary

Respondent	Objective 1	Objective 2	Objective 3	Objective 4
1 Managing director	Membership, training to avoid indebtedness, increase in income, saving as collateral	Loans buy physical and financial assets and reclaim mortgaged land	Savings used as collateral Reliable repayment	SEWA lobby government and assists members to get work rights, jobs and membership of trade guilds
2 Manager training	Membership, leadership training Developing client's critical thinking	Clients demand social services through leadership and organisation	Challenge social norms, learn how systems work, gain independence, improve local communities	SEWA clients assisted with formal documentation to get government services
3 Branch manager	Cooperatives across trades form unions to support cross training, marketing and shared information to strengthen Cooperative viability	Clients avoid job exploitation in member managed cooperatives, improve health, housing, diet	Savings used as collateral Women have voice in the family	Investing in Cooperatives and vocational training
4 Bank officer	Lifecycle approach to banking using savings, loans, insurance, assistance with asset purchase and debt	Assets improve client security	Financial planning training gives clients' money management skills and a voice in the family	SEWA works with government social service and housing departments to assist clients
5 Bank office mobile	Multiple savings accounts for business, family, housing and insurance	Mobilising savings with deposit boxes,	Organising with SEWA and gaining independence with saving and credit	Public banks should tailor their services to their client's needs
6 Staff member (energy innovation)	SEWA creates jobs for clients and training for skills to sell, install and fix products	SEWA energy solutions contribute to improvements in working conditions, education, income, health and access to affordable innovative products	Organising to secure work rights, use insurance to protect business,	Investing in renewable energy, OH&S, domestic product innovation

Respondent	Objective 1	Objective 2	Objective 3	Objective 4
7 Project officer	VLSSS provides vocational training clients avoid indebtedness, supply contracts and membership of trade guilds	VLSSS training assists clients with hygiene, nutrition, educating children, using technology to improve livelihoods, and accessing credit from partner banks for housing.	Prompt repayment, use savings as collateral, increased independence	VLSSS networks with the National Bank of Agriculture and Rural Development (NABARD), local government, the state government, nationalised banks, and national housing organisations, access to government social services
8 Consultant	VLSSS provides market linkages and supply chain access, regular income, training, secure employment	Loans used for family business and village cooperatives, increasing productivity and income, personal and asset insurance products	Manage handicraft cooperatives, gain independence	Funding of a number of rural and urban projects and risk management
9 District Coordinator	Membership of VLSSS, access to credit, saving used as collateral, Credit to avoid indebtedness, low interest rates	Access to credit improves, health, sanitation, assets, housing and nutrition	Acquire rights, in the household and in the community, invest in the family, reliable repayment	Funding for clean water, sanitation, housing, health

4. 8. 10 Summary of Interview Results:

The results from the staff interviews revealed a number of initiatives by both organisations SEWA Bank and VLSSS have contributed to the social and economic development of their respective members.

Objective 1 - Identify the specific factors that contribute to successful microfinance outcomes for poor women at subsistence level in India

Staff interviewees reported that membership of NGO's VLSSS and SEWA gives respondents' access to a range of products and services to avoid indebtedness. This link between access to products and services and avoiding indebtedness was unclear. SEWA and VLSSS reported creating jobs through cooperatives and training, providing market linkages and secure supply chains for clients businesses. Training and marketing infrastructure is useless if recipients are unable to apply what they have learned. Staff reported using a lifecycle approach to banking using savings, loans, insurance, allowed recipients to establish a livelihood, assisted asset purchase and provided economic security. Recipients need to be consistent with their investment and use of financial products in order to achieve economic security.

SEWA and VLSSS' staff interviewees reported that poverty alleviating strategies for recipients although helpful, did not always work or could cause conflict with family arrangements, cultural awareness was paramount for their initiatives to succeed. Cultural norms can be resistant to change.

Objective 2 - Identify the impacts of microfinance for poor women in India

SEWA and VLSSS staff interviewees reported training, credit and saving improves health, sanitation, assets, housing and nutrition. These claims are partially verified by members reporting similar benefits related to saving and credit availability. Staff reported loans disbursed for family business and village cooperatives, increased productivity and income and composite insurance products covered life, health, crops, assets and accidents. These claims were partially verified by case study recipients. Staff also reported members avoided job exploitation in member managed cooperatives and SEWA energy solutions improved working conditions. These claims were partially verified by case study recipients.

SEWA and VLSSS's reported comprehensive private services filled the gaps left by the public sector requiring recipients to pay for services and products that should be provided by the government. Organisations can lobby governments to provide services recipients are unable to do so due to social exclusion and power imbalances.

Objective 3 - Reasons why poor women succeed in using these programs to rise above subsistence level in India

SEWA and VLSSS staff interviewees reported that training, managing cooperatives and union membership gave poor women a voice at home and in the community. These claims were partially verified by case study recipients. Also, recipients appreciated the value of credit used saving as collateral and had a high repayment rate. These claims were partially verified by case study recipients.

Staff reported recipients challenging the social system and acquiring rights in the home and in the community based on their work success was no easy task. Their new found independence was only sustained with an increased workload added on to domestic duties. Cultural norms and those who benefit from them are resistant to change.

Objective 4 - Articulate policy implications to raise poor women above subsistence level in India

VLSSS and SEWA interviewees reported lobbying government to assist members to get work rights and membership of trade guilds. These claims would have to be verified by members or other evidence. Staff also reported that their organisations networked with government agencies to access social services and assisted their members with the formal documentation to get these services in addition to funding and grants for local projects, housing and sanitation. These claims were partially verified by case study recipients. SEWA and VLSSS initiatives in product innovation to make home and work places safe could assist with women's health.

4.9 Discussion of the results

The following discussion will examine each set of variables associated with each of this study's four research objectives below and make reference to the conceptual framework based on Amartya Sen's capability theory (refer to chapter 2). In addition the discussion will refer to the relevant literature and policy implications will be suggested at the end of the discussion.

4. 10 Objective 1 and 2

The following discussion identifies the specific factors that contribute to successful microfinance outcomes for the poor at subsistence level in India and the impact of microfinance on poor women in India.

4. 10. 1 Borrowing and access to loans

SEWA Bank officer and VLSSS district coordinator reported that loan requirements used savings as a discipline and collateral, instead of assets required of poor female borrowers in Peru (capability deprivation). Poor women controlled their loans unlike poor Ghanaian women handicapped by husband's control of loan taken (personal conversion factor). Interest rates were low and repayment flexible to reflect member's irregular income unlike poor Ethiopian women on low incomes who struggled with repayment. Members got large working capital loans unlike the small loans African women obtained insufficient to make a capital investment or income (Belwal, Tamiru & Singh 2012; Ganle, Afriyie & Segbefia 2015; Sen 1999b; Weiss & Montgomery 2005).

4. 10. 2 Home ownership and maintenance

SEWA bank manager and VLSSS consultant reported that the Sri Mahila Housing Trust and partner banks provided housing loans and savings accounts for members to purchase land and housing in their own names (social conversion factor) as opposed to a fifteen percent cash collateral and two guarantors to access a loan imposed on poor Ghanaian women (capability deprivation) (Chonga & Laufer 2016; Sen 1999b).

4. 10. 3 Household income

SEWA Managing director and VLSSS Project officer coordinated members' access to government social services and membership of trade guilds that entitled poor women to regulated wages and conditions (social conversion factor). Cooperatives favourable access to local government supply contracts resulted in increased income (agency freedom) (Sen 1999b). Haile, Bock & Folmer (2012) found that microfinance increased savings and financed related marital conflicts were resolved when Ethiopian women increased domestic income and were financially independent (agency freedom) (Sen 1999b).

4. 10. 4 Household diet and diet crises resolution

SEWA Managing Director and VLSSS Project Officer reported assisting members with child-care and nutrition services, obtaining government ration cards, registering for employment programs, registering with trade guilds to ensure income security and credit to ensure a proper diet for their families (well-being achievement). Female microfinance client households in famine areas in rural Ethiopia provided more nutritious meals, than male client or community controls clients (agency achievement) (Doocy et al. 2005; Dwivedi & Sharma 2014; Sen 1999b).

4. 10. 5 Membership and children's education

SEWA Manager Training and Capacity Building and VLSSS District Coordinator reported encouraging members to educate their children, especially girls, providing child-care, credit and education savings accounts (social conversion factor). In Nepal, Peru and Zimbabwe women's access to credit improved schooling for both boys and girls who continued to work at home (personal conversion factor), in urban areas the presence of children under five and mothers working outside the home kept older female children away from school (Ersado 2005; Sen 1999b).

4. 10. 6 Membership and sanitation

SEWA Energy Innovation Officer and VLSSS Consultant reported liaising with municipalities, to assist in toilet construction and education in its use and maintenance to forestall members open defecation (well-being achievement). Although women and girls in Odisha, India, managed sanitation in their households, lacking education and control over resources and finance, sanitation related decisions were usually made by men even if NGO's were involved (capability deprivation) (Routray et al. 2017; Sen 1999b).

4. 10. 7 Membership and health

SEWA bank Manager Training and Capacity Building and VLSSS Project officer reported supporting the training of local women as health workers and lobbying local government for better occupational health and safety codes and by-laws, and providing relevant training for their members. They ensured member benefits for government funded health and maternity care, health insurance, sewage and water connections. Private health organisations with business skills training providing microfinance and health education significantly increased

client health knowledge and public health outcomes in Africa (Leatherman et al. 2011; Sen 1999b).

4. 10. 8 Membership and clean water

SEWA bank Manager Training and Capacity Building and VLSSS Project officer reported training members to maintain the quality of water resources by focusing on critical elements like hygiene, sanitation, storage and disposal. They also reported liaising with government bodies to attract funding for water connections. Women and young girls in Africa typically fetched water from water sources some distance away from their homes, be it public taps or natural flow risked infections through poor hygiene (Cumming et al. 2014; Sen 1999b).

4. 11 Objective 3

The following discussion examines reasons why poor women succeed in using these programs to rise above subsistence level in India.

4. 11. 1 Saving

The Bank Officer at SEWA Bank and VLSSS District Coordinator reported members saving in multiple accounts, including recurring fixed deposit accounts, saving to purchase a new home and saving for weddings and pensions (social conversion factor). A savings mobilisation program in Niger trained members to be managers and designers of the products and services offered and disburse loans to members and non-members. The total amount saved and interest earned was finally distributed to the members of the program (capabilities) (Grant 2002; Sen 1999b).

4. 11. 2 Progressive loans

The Bank manager at SEWA Bank and the Project officer at VLSSS reported that progressive loans provided working capital and earnings break member's dependency on supplier credit, by purchasing stock using both cash and credit. Working capital gave members control of their businesses and their lives transitioning from selling used clothes to managing their own used-clothing business. Lenders in Tanzania found progressive loans easier to manage than multiple loans as the lender could gather information about the borrower, diminished the possibility of lending to unreliable borrowers (Charles & Mori 2017; Sen 1999b).

4. 11. 3 Emergency funds

SEWA Bank 'Bank Officer' and VLSSS District Coordinator reported that member's savings acted as a safety net is appreciated by their husbands who viewed them as partners rather than a burden. SEWA bank also offered health, life and asset insurance allowing members to be covered for major risks that could devastate their lives. A village bank in Burkina Faso recognizing members' need for emergency and consumption loans used a Village Group Fund, funded by a 5% share of each loan to fund it (Schrieder & Heidhues 1995; Sen 1999b).

4. 11. 4 Income from business

SEWA Bank Manager Training and Capacity Building and the VLSSS Consultant reported accessing handicraft trade exhibitions to display member's handicrafts enabling them to establish village based handicraft centres. Members thus had a secure income in between the planting and harvesting seasons. Similar support for poor women entrepreneurs in Ethiopia provided credit and non-financial services in marketing and quality control and links to handicraft outlets provided them with a secure income (Belwal, Tamiru & Singh 2012; Sen 1999b).

4. 11. 5 Viability of business

SEWA Bank Branch Manager reported providing members with an integrated package of training in animal husbandry, dairying and veterinary skills and supportive services including linkages to obtain a loan and cattle life insurance effectively integrating poor women into cooperatives (social conversion factor). CreCER microfinance group lending and pressure strategy to encourage micro businesses failed due to secure social networks that governed access to resources vital to survival and production (personal conversion factor) (Maclean 2010; Sen 1999b).

4. 11. 6 Making changes and expanding the business

VLSSS Consultant and SEWA Bank Manager (Training) reported providing support services in marketing, and business development to expand businesses, with tools, larger stocks or raw materials in bulk (social conversion factor). FINCA Microfinance's poor female client's in Malawi were forced to change their businesses failed due to lack of skills, information, bargaining power, movement in the male dominated market place (capability deprivation) (Johnson 2005; Sen 1999b).

4. 11. 7 Child labour

SEWA Bank Managing director and VLSSS consultant reported encouraging members to save for children's education (social conversion factor) and providing child care to facilitate both male and female children's regular school attendance. Access to credit in rural areas in Bolivia and Malawi led to increased child labour and therefore gaps in education for both boys and girls who undertook household domestic chores (capability deprivation) (Maldonado & González-Vega 2008; Sen 1999b; Shimamura & Lastarria-Cornhiel 2010)

4. 11. 8 Training

According to the SEWA Manager (Training and Capacity Building) SEWA and VLSSS (Consultant) members were more independent after training, could go to work, the market, the hospital, and learned how systems work. Female members of a microfinance program in Peru receiving business training over a period of one to two years had improved business skills and income (capabilities) and clients were more loyal and paid on time (Karlan & Valdivia 2011; Sen 1999b)

4. 12 Objective 4

The following discussion looks at policies to raise poor women above subsistence level in India.

4. 12. 1 Banking services

The Managing Director of SEWA Bank and The Project Officer of VLSSS supported member cooperatives to obtain loans from rural banks. Poverty thus a lack of education, assets and lack of employment stopped Banks' lending to poor South African women ignoring the finding that predominance of female clients in MFOs is associated with lower risk (capability deprivation) (Biyase & Fisher 2017).

4. 12. 2 Ration card

The Managing Director (SEWA Bank) and Project officer (VLSSS) reported their organisations assisting their members to obtain ration cards as members are able to provide details of residence and household members and access the Governments biodata database to verify their identity (social conversion factor). Malawi's Social Cash Transfer Scheme provided the income used for both food expenditure and farm inputs increasing agricultural

yield for consumption or sold for income (capabilities) (Miller & Spoolman 2011; Sabates-Wheeler & Devereux 2010; Sen 1999b).

4. 12. 3 Employment Programs

The Administrative Officer (VLSSS) and Bank Manager (SEWA Bank) reported that members employed in a government work program got equal wages, child care, supervisory positions and could sit on monitoring and social audit committees (capabilities). Labour intensive public works programs in Tanzania, Botswana and Kenya generated employment and income for the rural poor proximate to work sites with inflation adjusted minimum wages but little community involvement (capability deprivation) (Holmes & Jones 2011; Sen 1999b; Tesfaye 1994).

4. 12. 4 Health care programs

Managing Director (SEWA Bank) and VLSSS (Project officer) reported that health cooperatives ran health centres assisted by government medical officers and private doctors (conventions and rules). Patients pay for medicines and laboratory tests and medical insurance was handled by Vimo SEWA (capability enhancement). Health care professionals were given financial and business skills training in Uganda. Clients reported quality improvements but patronised these clinics based on availability of medicines, affordability, hygiene and privacy (well-being freedom) (Leatherman et al. 2011; Sen 1999b).

4. 12. 5 Training services

Staff at VLSSS and SEWA Bank reported members accessing both finance and training provided by government agencies to manage water and agricultural projects to completion (social conversion factor) (Sen 1999b). Mohanty, Das and Mohanty (2013) found that training provided by NABARD in Karnataka to poor women in Self -Help Groups, through a rural Bank linkage program, improved their self -confidence, and entrepreneurship skills. They also became involved in social and community development activities (agency achievement) (Sen 1999b).

4. 12. 6 Infrastructure

The Managing Director (SEWA Bank) reported on the 'Parivartan' (change) project improving basic infrastructure with cost sharing equally divided between the municipal cooperation, the private sector and resident's association (rules and conventions). A government road project in Morocco improved agricultural production, and the staffing of schools, medical supplies for of

health services, and affordable butane eliminating smoke from cooking and heating (well-being freedom) (Pouliquen 2000; Sen 1999b).

4. 12. 7 Housing Loans

SEWA Bank managing director and VLSSS coordinator reported convincing local bodies and banks to adopt community owned housing infrastructure projects to combine water, sanitation and housing finance for asset creation (capability enhancing). Loan officers in Ghana provided support services to poor clients including the checking of title documents, and monitoring the construction of homes. Interest rates however were 42% per annum and cash collateral at 10% was deducted from the loan reducing loan size (Chonga & Laufer 2016; Sen 1999b).

4. 12. 8 Education

SEWA Bank and VLSSS staff reported providing members with loans and savings products to cover school expenses, electricity connections and solar lamps and assisted members to apply for government scholarship programs which include accommodation and living expenses to encourage their children's further education (capability enhancement). Poor women in Peru were more likely to borrow to send their children to well provisioned government schools instead of putting them to work in the family micro business (habits and routines) (Maldonado & González-Vega 2008; Sen 1999b).

4. 12. 9 Policy recommendations for objectives 1, 2, 3, 4.

Objectives 1 and 2 examined specific factors that contributed to successful microfinance outcomes for poor women at subsistence level in India and the impact of microfinance on poor women in India. The implications of the findings are that savings, loans, insurance being critical to the acquisition of assets, livelihood and economic security could be provided by NGO's. NGO's can increase poor women's income by providing them access to housing, market linkages and secure supply chains for clients businesses, enabling diversification for income earning. Access to a range of financial products is important for poor women to avoid moneylenders and indebtedness. Cultural awareness could assist in changing women's family and working conditions.

In addition, borrowing and saving provides scope for improvements in nutrition and minimises dietary crises. Cooperatives could allow for secure less exploitative work. Loans for toilets, piped water and health insurance are critical to safeguard poor women's health so they can

continue to work and earn a living. Governments should provide more comprehensive social services.

Objective 3 examined reasons why poor women successfully use microfinance programs to rise above subsistence level in India. Implications of these findings are that training and managing cooperatives and union membership could give poor women a voice at home and in the community but also increase their workload. In addition, access to savings accounts could enable poor women to use credit more effectively and avoid debt crises.

Objective 4 examined policy implications to raise poor women above subsistence level in India. Government could play a bigger role in the training, upskilling and legislating on behalf of poor women to ensure that they are able to pursue livelihoods that could be covered by national labour legislation and employment benefits. The application processes for the pensions and family payments could be more accessible to poor women through better training of social welfare staff to assist in the application and transparency in the granting of benefits.

NGO's could play a role as lobbyists to attract investment in rural and urban areas as well as innovation to make the homes and the workplaces of poor women safer.

4.13 Summary of the discussions: survey, case studies and staff interviews

Table 4.3 below is a summary of the triangulation of the three sets of conclusions from the survey, the case studies and the staff interviews. It provides the conclusions in point form for each of the three data sets and a brief analysis of the conclusions in terms of commonalities and differences noted.

Table 4.3 Summary of Triangulation

Respondent	Objective 1	Objective 2	Objective 3	Objective 4
Survey	Membership of SEWA and VLSSS, access to credit, low interest rates, avoiding indebtedness, regular income	Purchasing assets, income increases, diets improvements, children attending school, access to an indoor toilet, health facilities and clean water	Appreciate the value of credit Saving and borrowing progressively using saving as collateral High repayment rate Invest in the family Credit provides independence from social restrictions	Access to banks and credit, ration card availability, access to employment programs, access to pensions and family payments, access to health care, access to training, access to public transport, investment in road infrastructure
Recipient case studies	Membership of SEWA and VLSSS, access to credit, low interest rates, avoiding indebtedness, regular income	Recipients reported loans used for own and family business, education expenses, increased income, housing, reclaiming mortgaged land, improving diet, family member training and accessing insurance	Appreciate the value of credit Recipients using saving as collateral High repayment rate Investing small loans in the family Credit allows independence and domestic rights	Grants and payments, scholarships, land grants, housing, vocational training, village infrastructure funding, legal aid, access to fair price shops, licences to operate a business
Manager case studies	Recruiting members to SEWA and VLSSS, providing credit, low interest rates, training to avoiding indebtedness, increase in income, a lifecycle approach to banking using savings, loans, insurance, assistance with asset purchase and debt, energy solutions improve working conditions, market linkages and supply chain	Staff reported health, training assists clients with hygiene and nutrition, Employment based in member managed cooperatives, Multiple savings accounts for business, family, housing and insurance, demand social services through leadership and organisation, accessing government loans for housing, composite insurance products, increasing productivity and income	Appreciate the value of credit Staff reported reliability of clients repayment rate, using savings as collateral, clients using saving to ensure independence, clients investing in the family clients use credit to leverage rights in the household and community	National Bank of Agriculture and Rural Development (NABARD), local government, the state government, nationalised banks, and national housing organisations networking with NGO's SEWA and VLSSS, legislating work rights, funding for rural and urban projects, subsidising composite insurance policies, housing, education, providing reliable energy supply, simplifying documentation process for government housing and social services and membership of trade guilds.

Objective 1 - Identify the specific factors that contribute to successful microfinance outcomes for poor women at subsistence level in India

Membership of NGO's VLSSS and SEWA gives respondents access to a range of value added services. Low interest rates provide an alternative to moneylenders, for poor women to both borrow larger amounts and make easy repayments. A lifecycle approach to banking using savings, loans, insurance, allows poor women to establish a livelihood and assistance with asset purchase, economic security and diversification of income earning activities.

NGO's also provided members with market linkages to reach distant markets as well as a supply chain to regularly access affordable raw materials and finished products for their business. In addition, innovative products for example solar lamps were also provided by NGO's to improve member's working conditions and increase productivity to ensure a member's business succeeded instead of just breaking even.

Objective 2 - Identify the impacts of microfinance for poor women in India

Respondents, case study recipients and SEWA and VLSSS staff interviewees reported borrowing and saving contributed to income through investment in family businesses, home and land purchase. Borrowing and membership improved health care and health training lead to employment. Members and staff interviewees linked savings accounts and borrowing to children's education, improved diet, as well as assisting in toilet ownership and clean water. Staff reported training in hygiene improved member's health.

Training provided by SEWA and VLSSS did not acknowledge enabled members to demand social services, as an organised group, as well as accessing government loans for housing. The organisation's composite insurance products increased member productivity and income. Member managed cooperatives set up by SEWA and VLSSS provided members with stable employment.

Objective 3 – Identify the reasons why poor women succeed in using these programs to rise above subsistence level in India

Members of SEWA and VLSSS, case study recipients and staff interviewees supported the view that poor women who seldom had access to credit appreciated its value and used saving as collateral to borrowing progressively. The credit incentive reinforced their high repayment rate as their investments were mainly directed at improving the welfare of the family. Credit

also provided them a voice in the family and independence from social restrictions when they proved their worth as breadwinners or heads of households.

Members did acknowledge, as staff interviewees did, that credit could ultimately be used to leverage women's rights as earners and investors in the household and as citizens who had skills and expertise to help their communities to prosper.

Objective 4 - *Articulate policies to raise poor women above subsistence level in India*

Members and staff of SEWA and VLSSS supported government poverty alleviation policies in key areas, poor women's access to banks and credit, easy access to employment programs and access to pensions and family payments. In addition, access to decent health care, access to vocational training and a functioning education system, investment in public transport and road infrastructure, access to legal aid and ration cards and access to food and fuel in government fair price shops.

SEWA and VLSSS guided members through the complex networks of local, state and federal government agencies to lobby for housing and enabling legislation to provide members with licences to operate a business, access to trade guilds, employment rights and provision of a reliable energy supply. Members were also assisted with documentation processes for government housing and social services.

4. 14 Policy directions

The following section will provide a discussion of the policy directions stemming from the three discussions conducted in chapter 3 (section 3.8) and this chapter (sections 4.3 and 4.9). The discussion will examine policy directions under each objective of the study. Recall that the following are the objectives of the study:

1. Identify the specific factors that contribute to successful microfinance outcomes for poor women at subsistence level in India
2. Identify the impacts of microfinance for poor women in India
3. Identify the reasons why poor succeed in using these programs to rise above subsistence level in India
4. Identify policy implications to raise poor women above subsistence level in India

4. 14. 1 Objectives 1 and 2

The following discussion focuses on providing policy directions for specific factors that contribute to successful microfinance outcomes for the poor and the impacts of microfinance for poor women in India

The provision of credit for poor women should take into account their lack of assets. Therefore, saving accounts and savings could fulfil both collateral requirements and ensure repayment of loans. Poor women's precarious livelihoods deliver irregular incomes so low interest rates and flexible repayment is necessary to prevent indebtedness. In addition poor women require assistance with training, insurance, union membership and access to cooperatives with negotiated contracts. Loans used to purchase land and housing registered in poor women's names as well as for improvement and maintenance of the dwelling, provide both shelter and a potential workshop with storage for their livelihoods. Loans used for capital investment can make poor women's diversified economic activities viable leading to a regular income flow.

Borrowing also allows assists poor women to maintain and improve their family diet and NGO support enable them to access ration cards thus discounted food items from government fair price shops. Savings accounts and loans can also contribute to the education, boarding, feeding and clothing of poor women's children. NGO's can facilitate public authority intervention to ensure toilet installation and sewage or septic tank connection as well as clean tap water, contributing to poor women's health. In addition health cooperatives, health workers and midwives can provide basic medical care and dispense affordable medicines for poor women and their families in partnership with hospitals and the medical establishment.

4. 14. 2 Objective 3

The following discussion focuses on providing policy directions based on reasons why poor women succeed in using microfinance programs to rise above subsistence level in India.

In order for poor women to cope with lifecycle expenses they need access to saving in multiple accounts, including recurring fixed deposit accounts, to fund a dwelling, pay for weddings and pensions. Progressive loans provide working capital and earnings give members control of their businesses and their lives transitioning from selling used clothes for example to managing their own used-clothing business. Poor women also require savings, as well as health, life and asset insurance to be covered for major risks that could devastate their lives. It is vital that profit from self-employed businesses are reinvested or saved, supporting both business and lender

viability. NGO intervention to exhibit handicrafts at trade exhibitions, establishing village based handicraft centres with market linkages ensure income for self-employed women between planting and harvesting seasons.

NGO's could provide an integrated package of training and supportive services effectively integrating poor women into viable cooperatives. Poor women also require support services in marketing and business development to make changes or expand their businesses. Poor women earning a regular are less likely to utilise their children's labour and more likely to send their children to school. The provision of child care facilities will also ensure that female children, who provide family child care, can attend school. Training can, in addition to integrating poor women into mainstream society through learning how systems work, also assist them in rural areas to grow products for social programs like the Public Distribution System.

4. 14. 3 Objective 4

The following discussion focuses on policy directions governments can adopt to raise poor women above subsistence level in India.

Financial organisations should be innovative for example using photographic identification, for illiterate poor women to access bank accounts. Government organisations like the National Bank for Agriculture and Rural Development (NABARD) should be more involved with financing village infrastructure projects to add value to the livelihoods of poor women. Processes involved in acquiring entitlements like a ration card or government employment schemes should be simplified for poor women as it may substantially to their food and income needs. A cash transfer system paid directly into poor women's bank accounts to augment the ration card should be also be considered. Public health care and insurance should be streamlined to enable poor women to access to a health care clinic or a hospital. Government training provided for example by the Development of Women and Children in Rural Areas (DWCRA) and NABARD can improve poor women's self -confidence, and entrepreneurship skills as well as enabling them to sit on committees and supervise government funded local projects to completion.

Government funded road infrastructure to more easily access markets can greatly benefit village handicraft and agricultural cooperatives. NGO's working with government and private organisations can for example organise a cost sharing urban infrastructure project using a community based approach to provide for poor women with much needed housing, water and

sewage connections. NGO's can also assist poor women to apply for government scholarship programs for their children's accommodation and living expenses to encourage their children's further education. Government can make provision for minimum wages, fair conditions of employment, social security, as well as licenced spaces for self-employed women. In addition government can directly promote economic development for poor women with an emphasis on small industries and representation of self-employed women in cooperative societies and on government bodies.

4.15 Summary

This chapter analysed the case studies of twelve members and interviews with ten staff of two organisations in India, Vagad Lok Seva Shod Sansthan in Rajasthan and Shree Mahila SEWA Shahakari Bank Ltd in Gujarat, using the four objectives of the study. This chapter also included a discussion of the member case studies and staff interview results. In addition this chapter provided a synthesis of the survey, member case studies and the staff interview discussions and provided a set of policy implications for each objective.

The following chapter will provide the outcomes of the research question by examining the findings of the research objectives, the outcomes of the application of the theoretical framework, an analysis of the study methods used to gather the data, recommendations and limitations for the study and recommendations for other studies.

Chapter 5 Conclusions and Recommendations

5.1 Introduction

The previous chapter discussed the findings in chapters three and four to elucidate the trends as they relate to the objectives for this study and the theoretical framework based on Amartya Sen's capability theory. In this chapter, the major areas of the research and the results presented in previous chapters will be summarised. The discussion will examine the research question, then an analysis of the theoretical framework revolving around Amartya Sen's Capability theory. An analysis of the quantitative and qualitative methods used to gather data for the thesis followed by conclusions on the four areas above.

Recommendations for policies to lift poor women at subsistence out of poverty. Then a short discussion on the limitations of the study. Finally, areas for further research will be highlighted.

5.2 The research Question

Does the provision of finance alongside government welfare programs and intermediary institutions providing knowhow and access to subsistence level female borrowers, have the potential to alleviate poverty in India?

The research question centred on the role that microfinance plays in meeting development goals for poor women at subsistence level and the role it could play potential to alleviate poverty in India. Poor women are disadvantaged in many ways, gender discrimination robs them of the power to control money, restricts their mobility in 'male space', deprives them of skills and education, imposes time constraints due to household duties. Microfinance and Non-government organisations provide professional assistance, training and support, with credit to enable poor women to start microenterprises thus giving them an opportunity to succeed in the face of pervasive inequality (Mayoux 1995, p. 20). Government policies can play an instrumental role in providing the necessary infrastructure in health, education, housing and an open economy to further develop these initiatives and make for a more equitable society.

The specific aims of the thesis were firstly to identify the specific factors contributing to successful microfinance outcomes for the poor at subsistence level. Membership of NGO's VLSSS and SEWA give respondents' access to a range of value added services. Low interest rates provide an alternative to moneylenders, for poor women to both borrow larger amounts and make easy repayments. A lifecycle approach to banking using savings, loans, insurance,

allows poor women to establish a livelihood and assistance with asset purchase, economic security and diversification of income earning activities. SEWA and VLSSS staff reported providing members with both market linkages to reach distant markets and a supply chain to regularly access affordable raw materials and finished products for their business. In addition, innovative products provided by NGO's improved working conditions and increased productivity to ensure a member's business succeeded instead of just breaking even.

Secondly to identify the impact of microfinance on poor women in India. Poor women who were members of two organisations SEWA Bank and VLSSS reported that access to credit, insurance, and training increased incomes from their livelihoods improved their lives and gradually increased their standard of living. The majority of respondents reported a link between membership of SEWA Bank and VLSSS borrowing and owning their homes. The homes had both water and sanitation with loans taken from their financial institutions. Children both male and female educated by opening savings accounts and avoiding the temptation of child labour. Health services accessed using health insurance and health cooperatives and dispensaries provided by their organisations. Their diets improved with nutritious ingredients thus overcoming diet crises. Training provided by SEWA and VLSSS enabled them to demand social services, as an organised group, as well as accessing government loans for housing. The organisation's composite insurance products increased member productivity and income. Member managed cooperatives set up by SEWA and VLSSS provided members with stable employment.

Thirdly to identify the reasons why poor women succeed in using these programs to rise above subsistence level. Respondents reported having multiple savings accounts for education, pension schemes, weddings, business; emergency funds, steady incomes from their business that they reinvested and saved, businesses that were viable, were expanded or changed and did not use child labour. They reported training provided by their organisations contributed to their independence, and implementing skills learned. Members of SEWA and VLSSS, case study recipients and staff interviewees supported the view that poor women who seldom had access to credit appreciated its value and used saving as collateral to borrowing and invest progressively. The credit incentive reinforced their high repayment rate their investments mainly directed at improving the welfare of the family. Credit also provided them a voice in the family and independence from social restrictions when they proved their worth as breadwinners or heads of households.

Finally policy implications to raise poor women above subsistence level in India. Although respondents reported using public goods the staff of SEWA bank and VLSSS provided more detailed accounts of partnerships between government organisations and their members allowing them more effective use of services for example bringing health professionals and midwives together to provide health solutions in villages, health cooperatives and dispensaries selling cheap medicines in urban areas. Assisting members to get scholarships and other forms of assistance with children's education. Persuading municipalities to provide street and sanitation infrastructure with housing. Assisting illiterate members with applications for ration cards, and government employment and training program. The organisations also reported acting as intermediaries between members and nationalised banks to use the bank's financial services. Organisations play a major role in poor women's lives and can either enhance their efforts to escape poverty or constrain their attempts to achieve a better standard of living.

5.3 Conceptual framework

The capability approach which this study used as its primary guiding theory to analyse the experiences of poor women (Sen 1992). Respondents functionings (achievements) including being an active member of the community and being respected was constrained by personal characteristics gender and the inability to access credit and employment, social characteristics that proscribed respondent's freedom of movement and ownership of property and environmental characteristics exposure to the elements due to inadequate housing and unsanitary conditions. These conditions were reinforced by the organisations both familial and communitarian through rules regarding what respondents were entitled to, norms that governed every aspect of their behaviour and conventions that stopped their access to credit and the independence it allowed thus constraining their economic and social transactions.

Poor women controlled by these organisational rules, norms and conventions had no choice but to absorb these restrictions as habits or personal attributes and routines or domestic drudgery. NGO SEWA Bank and VLSSS intervention, government policy initiatives delivered through their instrumentalities and women's cooperatives, facilitated social freedom through credit, political freedom through participation on committees and cultural freedom through asset ownership, increasing the productivity and employability of respondents, as well as their income and well-being. Facilitated by access to credit from SEWA Bank and through VLSSS respondents reported changing their habits and routine enabling them to convert resources into functionings (achievements) and capabilities (opportunities) through borrowing and

repayment; improving their livelihoods and families', income, education, health, sanitation, housing.

Self-improvement, social interaction, being healthy gives poor women freedom to achieve their personal goals. Respondents reported being liberated from habits (submissive personal attributes); routines (crushing domestic drudgery) that reinforce poverty through training and capacity building; adapting to new habits (enterprising personal attributes); routines (productive livelihoods); rules (freedom of movement), norms (owning assets), conventions (taking leadership positions); that assisted them in economic (running successful enterprises) as well as social transactions (being respected and admired). Respondents were then able to achieve well-being freedom (significant opportunities); agency freedom (freedom to pursue goals) acquiring assets, regular incomes, respect in their household and communities, success in their livelihoods (Nambiar 2013).

5. 4 Methods used to gather data (Analysing results using statistics/Results)

This study used three methods to gather data the first involved using a survey with questions narrowed down to the demands of the aims of the study. The questions by necessity consisted of a declarative statement and multiple choice response categories or dichotomous items (1= yes, 2 = no) to cater to the respondents needs. This was a limitation as more detailed responses could have provided more detailed information as the case studies demonstrated. The number of questions in the survey were also an issue as subjects unused to lengthy interviews can fatigue very quickly and have to take precious time off work or other duties. In addition the survey method relied heavily on the honesty of the respondent as there was no inbuilt lie scale to crosscheck the veracity of the responses. The inevitability of the questions drawing limited responses meant that some of the data was not complete and inferences had to be made regarding the detail. The data could only be analysed using descriptive statistics rather than a more comprehensive statistical analysis from which more conclusive results could have been obtained.

The second method, the case study, although providing some rich detail regarding the before and after experiences of the respondents with the two organisations relied very heavily on the questions asked of the respondent at the time of the interview only as there was no follow up to augment the information obtained. There was also the potential of the 'halo effect' that is respondent's loyalty to the organisation influencing the story she told.

The third method, the staff interviews, providing insights into the processes and procedures of the two organisations in their dealings with their clients and their customised services were more transparent as the detail could be and was verified by the clients interviewed for both the case study and survey. The verification was limited however to the questions asked in either method.

5.5 Conclusions (Objectives/Results)

The study found that even when poor women are able to have access to credit, savings accounts, insurance and ownership of assets and are respected in their communities, their achievements remain localised and they have to do battle with the rules, norms and conventions that govern the behaviour of women in the wider society.

That respondents reported using microfinance successfully and improving their standard of living was apparent with examples of housing, health, children's education underpinned by their borrowing and repayment of loans from their organisations. However there is no doubt that the assistance that the organisations provide through banking processes and procedures, forming cooperatives, capacity building and training play an important role in these reported successes .

Respondents report being successful in their borrowing and repayment of loans due to their ability to save and control their finances, and invest in their enterprises so they are constantly evolving with family welfare in mind. Assets however play an important role as a house is a home, a workshop and storage space and gives respondents status in an unequal society. Their reported ability to manage risk using savings and insurance reinforced by training and support from their peers, families and organisations give them stability to pursue the gradual accumulation of the trappings of success and provides hope for the next generation.

Government assistance was reported coming in the form of ration cards, public schools, health clinics, housing loans often intermediated by SEWA and VLSSS to ensure better outcomes for their clients. Government intervention although successful when properly mediated was welcomed by respondents who received shelter, sanitation, infrastructure, food staples, and durables for children's education. However, respondents are especially disadvantaged due to their lack of education, and thus lowly status that affects their ability to negotiate the bureaucratic processes and procedures that accompany all social services they are entitled to.

5.6 Recommendations

This study has determined that cooperative banks like the SEWA bank that are ideally suited to the conditions in rural areas where access to credit at reasonable interest rates is limited should be encouraged. In addition, the institution of a modern banking sector that deals with vendors, artisans, small and marginal farmers with low interest rates that responds to the needs of their economy.

The setting up of industry boards for women in the informal sector on which women workers, employers, labour officials sit together to guarantee minimum wages, fair conditions of employment, social security. The inclusion of urban self-employed workers in urban planning to create licenced spaces for self-employed women. A State Development Commissioner for Women to coordinate the state departments to support poor women in their multiple occupations; a separate Labour Commissioner for self-employed women alongside Women's Development Corporations promoting economic development for poor women.

The promotion of women's cooperatives to counter exploitative production relationships and focus economic development on small industries. The reservation of seats for women office bearers in cooperative societies and on government bodies.

Training local women to provide health care and links to government health care services and to act as pressure groups to improve work conditions through occupational health training. Child care should be expanded to prevent daughters looking after younger siblings. Child care should also be managed by local women overseen by existing government organisations, employers and parents using the service. Training and employment programs to train women to produce a range of agricultural products for social programmes like the Public Distribution System. The regional food supply network can also link directly with nutrition programmes in child care centres and local schools.

To change attitudes and values toward women a media monitoring unit to adapt media to the interests, concerns, and development issues of women working in the informal sector. The unit would ensure realistic images of women as workers are presented. Information, economic schemes and rights should be available in local language publications and through radio programs broadcast in the evening so poor women can listen to them and respond to them using the SMS function on their mobile phones.

5. 7 Limitations

This study has certain limitations based firstly on the inability to generalize the results to the states where microfinance lending was studied, as only two microfinance programs in the two states in India were examined, excluding India's thirty four states and union territories. In addition the services provided by SEWA Bank and VLSSS credit, training, market linkages, housing and health programs are unique services and cannot be generalised to service users in other states.

The small sample sizes for both methods used in the study is a limitation especially since there was no follow up data collection to provide a more substantial response from the respondents in the sample.

The capability approach, as a conceptual framework is difficult to operationalise and as a result the findings may not be as valid as other frameworks.

Additionally, limited access to complete data on the respondents borrowing, repayment, and default behaviour is a limitation.

This study also has limitations starting with the sample size of approximately two hundred women who are drawn from two specific organisations, the Shri Mahila SEWA Sahakari Bank Ltd. In Ahmedabad, Gujarat State and the NGO Vagad Lok Seva Shod Sansthan (VLSSS) in Dungapur, Rajasthan State, may not be representative of the population so results cannot be generalised to the general population in these or other states. The sample used in this study is not randomly selected for logistical reasons. However, a convenience sample chosen by administrative staff from the two organisations above are used to simplify the selection procedure.

The study finally uses an exploratory rather than an explanatory research design to analyse microfinance outcomes for poor women at subsistence level using descriptive datasets.

5. 8 Recommendations for further studies

This study has focussed primarily on the experiences of poor women receiving microloans and the staff of the NGO's' involved in the provision of loans. The experiences of borrowers' families should also be examined to provide additional information about the success of these transactions. Respondents in only two states were interviewed in this study a comparative study could well be conducted in other states in India. A study could also be done on the changes in

microfinance lending practices of other banks that could have been influenced SEWA Bank's approach to the provision of financial services. The use of before and after survey of respondents involving staggered interviews to more accurately determine the effects of microfinance on borrower behaviour and outcomes.

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Appendices

Appendix 1

SURVEY FORM NUMBER:

CLIENT NUMBER:

INTERVIEWER NUMBER:

DATE:

Reviewed by Field Unit Leader:	Initials:	Date:
Quality review in Office:	Initials:	Date:
Data entered in computer by:	Initials:	Date:
Data cleaned by:		Date:

Sampling Group/Client Status (Confirm client name and status before starting interview)

1 = Clients of first sampling group 2 = Clients of second sampling group

Area: 1 = Area 1 2 = Area 2 3 = Area 3

Impact Survey

(Introduce yourself; explain the purpose of the survey and the voluntary nature of the interview)

Individual Level: Basic Information

1a. Are you a member of the (insert organization name) _____ program?
1 = Yes 2 = No

1b. If yes, how long have you been a member? (Enter number of months)

1c. Do you save money in order to secure loans?
1 = Yes 2 = No

1d. How much do you have to save to get a loan?

1e. What multiple of the saving can you get as a loan?

1f. Does the amount increase each time you borrow?
1 = yes 0 = No

1g. Are you currently borrowing from another source for your enterprise?
1 = Yes 2 = No

1h. Which other source do you borrow from?

1 = Informal Money Lender; 2 = Family Member without cost

3 = Bank; 4 = Other Program; 5 = Other _____

1i. How much interest do you pay on each loan?

1 = Loan1 2 = loan 2 3 = Loan 3

1j. What are the usual loan periods?

1 = 3 months 2 = 6 months 3 = 1 year

1k. For what purpose is the loan taken?

1 = for business or livelihood

1.

2 = household expenses

2.

3 = marriage

3.

4 = festivals

4.

5. = repay debt

5.

6. = medical expenses

6.

1l. Was it an easy process to get the loan?

1=Yes 2 =No

1m. Which of the following requirements did you have difficulty with?

1 = Savings account	
2 = Collateral	
3 = Waiting period	
5 = Repayment schedule	
6 = loan restrictions	
7 = Other: Specify	

2. Repayment methods

2a. How often do you make repayments? (Specify)

2b. What methods do you use to ensure you meet repayments?

1 = minimise expenditure on luxuries

1.

2 = cut back on food expenses

2.

3 = insurance

3.

4 = saving

4.

2c. Have you been able to make repayments without any difficulty?
1 = Yes 2 = No

2d. What do you do if you cannot make repayments?

1 = borrow from family

 1.

2 = borrow from friends

 2.

3 = request deferment

 3.

4 = pay when you can

 4.

3. Repayment – differences between men and women

3a. Are women more reliable loan repayers than men?
1 = Yes 2 = No

3b. Why are women more reliable loan repayers than men?

1 = manage money better

 1.

2 = manage household finances

 2.

3 =future oriented

 3.

4 = social or moral obligation

 4.

4, Family duties being a poor woman and impact on managing an enterprise

4a. Do family duties restrict you starting an enterprise?
1 = Yes 2 = No

4b. How do family duties restrict you starting an enterprise?

1 = household duties

 1.

2 = family restrictions

 2.

3 = community restrictions

 3.

4 = working odd hours

4c. Do family duties assist you in starting an enterprise?
1 = Yes 2 = No

4d. How do family duties assist or help you starting an enterprise?

1 = Encouragement/help from husband

 1.

2 = children help

 2.

3 =relatives help

 3.

4 = other_____

4e. Does being a poor woman affect your ability to be self-employed?
1 = Yes 2 = No

4f. How does being a poor woman affect your ability to be self-employed?

1 = social perceptions

1.

2 = access to loans

2.

3 = competition

3.

4 = access to markets

4.

5 = other _____

4g. Does your husband approve of your being self-employed?

1 = Yes 2 = No

4h. Does the community support your self-employment by buying from you?

1 = Yes 2 = No

4i. How does dealing with strangers especially men affect your MF enterprise?

1 = Loss of sales

1.

2 = stability of business

2.

3 = Bargaining power

3.

4 = Negotiations with suppliers

4.

5 = Negotiations with customer

6 = other _____

4j. How does dealing with strangers affect your self-employment?

1 = Disrespect

1.

2 = Insecurity

2.

3 = Self-confidence

3.

4 = Threatening

4.

5 = other _____

5. Enterprise Level: Management, Income and expenditure

5a. Is your enterprise activity...? (Read answers and enter only one)

1 = Primarily your own 2 = Primarily a business enterprise 3 = A household enterprise or a partnership with others not in your household

5b. What is your product cycle for this enterprise--how long does it take from the time you purchase inputs to the time you sell most of the product (Read the possible responses.)

1 = Weekly 2 = every 2 weeks 3 = Monthly 4 = Other

(specify) _____

5c.What and how much were your costs for your last product cycle?

Expense	Cost per week	Cost per 2 weeks	Costs per month

5d. For the same product cycle, what were your total sales (cash and credit)?

Weekly sales	Sales per 2 weeks	Monthly sales	Sales per month (Please specify)

5e.For the same product cycle, after covering your enterprise costs - but before you spent your earnings on your family- what was your profit?

Weekly profit	Profits per 2 weeks	Monthly profit	Profit per month (Please specify)

5f. During the last 12 months, in what **three (3)** principal ways did you use the profit from your enterprise activity? Tell me the one you used the most money for first. (Do not read answers.)

1 = Buy food

5 = Buy items for the house

2 = Buy clothing

6 = Reinvest in my enterprise

3 = Pay school enterprise

7 = Save activity

4 = Pay health-related costs.

8 = Animal raising

9 = Other (specify) _____

99 = Don't know

98 = Not applicable (has no enterprise related activity)

6. During the last 12 months, did you make any of the following changes to your enterprise activity? (Read list of possible changes. Mark the appropriate box with an X.)	1=Yes	2 = No	99 = Don't Know
a. Expanded size of enterprise/business facility			
b. Added new products			
c. Reduced costs			

7. During the last 12 months, did you purchase or invest in any of the following assets for your enterprise activity? (Read list of possible changes. Mark the appropriate box with an X.)	1=Yes	2 = No	99 = Don't Know
a. Purchased new equipment?			
b. Invested in storage area			
c. Invested in marketing			
d. Purchased new means of transport			

8. When you are deciding to undertake an enterprise, what factors do you consider?
(Do not read answers. Multiple answers are possible. Probe by asking, "And anything else?")

- 1 = Work I am familiar with
- 2 = Whether the product/service appears to be profitable because there seems to be high demand
- 3 = How much working capital and/or Income is needed
- 4 = Whether I can do business and still take care of my family
- 99 = Don't know

9. In managing your enterprise activity (Read) (For clients, read across the row by item.)	Mark appropriate Answer with an X		
	1=Yes	2 = No	99=DK
1. Do you keep your enterprise money separate from the money you have for personal and household expenses?			
2. Do you know which product(s) bring you the most profit?			
3. Do you have a fixed location with protection from the weather to fix, sell and store your products			

10. During the last 12 months, was there ever a time when you did not have enough money to conduct your enterprise?

1 = Yes 2 = No 99 = Don't know

10 a. (If yes) What caused your repayment problems? (Do not read answers. Probe)

- 1 = Loan activity was not profitable 5 = Death in family
- 2 = I or others in my family had been sick 6 = Family celebration (wedding, birth, etc.)
- 3 = Lack of sales/ demand 7 = Used enterprise capital for consumption
- 4 = Sold on credit and did not get paid back 8 = Other (specify) _____

Education of Children (Adjust ages used to define "school-aged" to each situation)

- 11. How many children in your household are school-aged (5-17 years of age) or college-aged (18-22 years of age)?
Number of school-aged children
- 11a. How many of these children currently attend school/college, full or part-time?
Total number in school
- 11b. How many of these children have never attended school?
Total number never in school
- 11c. What is the highest grade level that any of your children has completed or are completing?
Highest grade in terms of number of years in school/college

14b. (If increased at all) Why did **your income** increase?
(Do not read answers. Multiple responses are possible. Fill in an answer for each box.)

- 1. Expanded existing enterprise 1 = Yes 0 = No 1.
- 2. good agricultural/festive season 1 = Yes 0 = No 2.
- 3. Sold in new markets 1 = Yes 0 =No 3.
- 4. Increase in demand/sales 1 = Yes 0 = No 4.
- 5. Alternative family employment 1 = Yes 0 = No 5.
- 6. Other (specify) _____
- 99. Don't know 99

Repairs to Home

15. During the last two years were any repairs, improvements or additions made to your home that cost more than Rs.50?

1 = Yes 2 = No 99 = Don't know

15a. Did the funds for these improvements or additions come from your enterprise?

1 = Yes 2 = No 99 = Don't know

15b. Which of the following have you done in the last two years?

Housing Repairs, Improvements, or Additions (For clients, read across the row by item.)	Read and check if "yes"	Were you a member of the program when this was done? if "yes." Mark with an X)	
		1= Yes	2= No
1) House repairs or improvements (for example, fixed or improved existing roof, floor, or walls)			
2) House expansion (for example, built new room, shed, attic, or fence)			
3) Improved water or sanitation system (for example, new well, drainage/sewage system, or showers-latrine-wash basin)			
4) Lighting/electricity			

15c. Has being a member of your organisation helped you to make these improvements?

1 = Yes 2. = No

15d. Has being a member of the organisation helped you to buy a house?

1 = Yes 2. = No

Household Diet

16 During the last 12 months, has your household's diet (Read answers and indicate response.)

1 = Worsened 2 = Stayed the same 3 = Improved 99 = Don't know

16a. (If worsened) How has it worsened? _____

16b. (If improved) How has it improved? (Multiple answers possible. Probe by asking, "And anything else?")

1 = Able to buy more cereal staples such as maize, rice products--
 3 = Able to buy more animal/dairy meat, milk cheese, eggs
 5. Other (Specify)_____

2 = Able to buy more Spices, vegetables, dahls, to eat with staples
 4 = Able to eat three meals a day

16c. Was there ever a time when it was necessary for your household to eat less or eat less well either because of a lack of food or a lack of money to buy food?
 1 = Yes 2= No 99 = Don't know

16d. How long did this period last? (Specify number of months/years)
 99 = Don't know

16e. What did your household do to get through this difficult situation? (Read answers. Multiple answers possible.)

1 = Borrowed money or food from family/friend at no cost
 4 = Self or someone else in family left area to seek employment

2 = Borrowed money at cost
 5 = Self or someone else in family got local employment

3 = Sold personal property
 6 = Other (specify)
 99 = Don't know

Savings Accounts

17. What are the advantages of a bank savings account?
 1. Control over own account
 2. Access to credit
 3. Access to banking services
 4. Other _____

18. Do you currently have any personal cash savings that you keep in case of emergencies or because you plan to make a major purchase or investment?
 1 = Yes 2 = No 99 = Don't know

19. During the last 12 months, has your personal cash savings...? (Read answers and enter response.)
 1 = Decreased Greatly 2 = Decreased 3 = Stayed the same 4 = Increased 5 = Increased Greatly 99 = Don't Know

Children's assistance in enterprise

20a. How many young children (under 11 years) and older children (11-17 years old) assist in the two principal income-earning enterprise in the last four weeks

1= children under 11 years

2= children 11-17 years

20b. Number of young children (under 11 years) and older children (11-17 years old) who missed school in the last four weeks or never enrolled to assist the entrepreneur

1 = children under 11 years

2= children 11-17 years

Government services

21. What government services are provided in your area?

(Read the services listed and put an X in the box next to it if mentioned)

- | | | | |
|-----------------------|------------|----|--------------------------|
| 1= School | 1=Yes 0=No | 1. | <input type="checkbox"/> |
| 2 = Clinic | 1=Yes 0=No | 2. | <input type="checkbox"/> |
| 3 = Bank | 1=Yes 0=No | 3. | <input type="checkbox"/> |
| 4 = livelihood advice | 1=Yes 0=No | 4. | <input type="checkbox"/> |
| 5= Ration card | 1=Yes 0=No | 5. | <input type="checkbox"/> |
| 6= Family payments | 1=Yes 0=No | 6. | <input type="checkbox"/> |
| 7= Employment | 1=Yes 0=No | 7. | <input type="checkbox"/> |

21a. Does the ration card, contribute to the family's food needs?

1 = very little

 1.

2 = substantially

 2.

3 = not at all

 3.

4 = other _____

21b. What does the ration card give you?

1. Grain staples

 1.

2. Fuel

 2.

3. Other

 3.

21c. Do you use government funded employment programs?

1. Road projects

 1.

2. Dam projects

 2.

3. Rail projects

 3.

4. Other employment projects _____

21d. Do you get government funded social security benefits?

1. Old age pension

 1.

- 2. Payments to the poor 2
- 3. Food subsidies 3
- 4. Fuel subsidies 4.

21e. Do you have transport to go to market to sell your products and services?

- 1. Buses 1.
- 2. Trains 2
- 3. Other 3

21f. Do you have access to health care programs?

- 1. Consultation with government health care worker 1.
- 2. Government Health clinic 2.
- 3. Government Hospital 3.
- 4. Private healthcare 4.

21g. Do you have access to government training programs?

- 1. Budgeting and finance 1.
- 2. Health and hygiene 2.
- 3. Animal/crop husbandry 3.
- 4. Other _____

21h. Do you use government schools/colleges

- 1. Primary 1.
- 2. Secondary 2.
- 3. College 3.
- 4. University 4.

21i. Do you have a government housing loan?

- 1. = Yes 2. =No

21j. Are the roads maintained by the government? 1=Yes 0=No

22. Do you have access to a mobile phone/network?

- 1. = Yes 2. = No

23. Is the marketplace large enough for you to sell your products and services?

- 1=Yes 2=No

24. Are there many vendors selling the same products and services you have on offer?
1=Yes 2=No

25. Do you have own transport to conduct your business?
1. = Yes 2. = No

Borrowing and benefits

26. How does borrowing benefit you?
1 = financial security
2 = security for the family
3 = supports increase in living standard
4 = helps with unexpected expenses

27. Has borrowing made it easier to provide health care for your family?
1 = Yes 2 =No

27a. Has borrowing made it easier to provide education for your children?
1 = Yes 2 = No

27b. Why has borrowing made it easier to educate your children?
1 = Children have time to study 1.
2 = You can buy school uniforms and books 2.
3 = Children can work less to support family 3.
4 = other _____

28. Has borrowing made it easier to provide food for your family?
1 = Yes 2=No

29. Has borrowing given you easier access to clean tap water?
1 = Yes 2 = No

29a. Does your family have access to a toilet? (If yes, go to 29b)
1 = Yes 2 = No

29b. Is the toilet private or communal?
1 = private 2 = communal 3 = open area

30. Are you able to keep your surroundings free of waste water and rubbish?
1 = Yes 2 = No

Business skills and Training

31. Is training provided by your organisation?
1 =Yes 2 = No

31a. What types of training are provided by your organisation?
1 = financial literacy 1.
2 = microenterprise management 2.

3 = health/hygiene

3.

4 = leadership

4.

5 = other _____

32. Training and management of your business?

1 = ability to spot a business opportunity

1.

2 = provide product/service people want

2.

3 = thrifty use of resources to maximise profit

3.

4 = borrowing and prompt repayment

4.

5 = other _____

32a. How has training improved your money management skills?

1. invest wisely

1.

2. maximise returns

2.

3. reinvest surplus

3.

4. grow business and increase savings

4.

5. other _____

32b. Training and skills acquired

1. budgeting and investment

1.

2. microenterprise related

2.

3. primary products value adding

3.

4. asset management

4.

5. other _____

32c. Training and life skills

1. financial planning

1.

2. managing community

2.

3. household management

3.

4. educating self and family

4.

5. managing cultural obligations

5.

6. other _____

32d. Training and marketing skills

1 = customising product or service

1.

2 = flexible delivery

2.

3 = self-promotion

3.

4 = competitive pricing

 4.

5 = other_____

34a. How do these skills assist you in your work/business?

1 = prompt delivery of product or service

 1.

2 = prompt payment

 2.

3 = more opportunities for work

 3.

4 = increased earnings

 4.

5 = other_____

Respondents Bio-data

33a. How old are you? (Specify number of years) 99 = don't know

33b. How much do you earn?

33c. Are you married?

1 = yes 2 = no

33d. How many children do you have?

1 = male 2 = female

 1. 2.

33e. What is your level of education?

33f. Can you read and write?

1 = read 2 = write 3 = both read and write

33g. Can you use numbers? 1 = yes 2 = no

Appendix 2

INFORMATION TO PARTICIPANTS INVOLVED IN RESEARCH

(Translated into Hindi or Gujarati for respondents)

You are invited to participate

You are invited to participate in a research project entitled “What role can microfinance play in achieving development goals for borrowers at subsistence level in India?”

This project is being conducted by a student researcher Robert Mackenzie as part of a Doctoral study at Victoria University under the supervision of Dr. Segu Zuhair and Dr. George Messinis from the College of Business, Victoria University.

Project explanation

This project will be looking at the role microfinance or the provision of thrift, credit and other financial services such as money transfer and micro-insurance products for the poor at subsistence level, to enable them to raise their income levels and improve their living standards’.

What will I be asked to do? How much time is involved?

Participants will be asked a number of questions from a prepared survey. This should take about 40 minutes. Following this exercise, the research assistant will then ask you a few questions to clarify some of the information given previously. This process will take an additional 15 minutes. You may also be asked to tell your story about your borrowing experience, how this has helped you, your family and your husband. Time involved in this exercise will depend on how much you have to say. You can ask to have a break during the survey process to collect your thoughts and have a rest.

What will I gain from participating?

This research will enable the researcher to have a close look at the benefits, problems, methods of repayment, and other factors that will inform the institutions you borrow from so improvements can be suggested to them and the government. Also, to look at what governments can provide in the way of additional services to you, so you can make better use of the amounts you borrow.

How will the information I give be used?

The information will be treated as confidential and will only be seen and used by the researcher Robert Mackenzie to write up his research, and his supervisors Dr. Segu Zuhair and Dr. George Messinis. The data will be seen by the person collecting the data but said person will not have access to the data after the conclusion of the interview. The data will not be made available to any person or governments in India.

What are the potential risks of participating in this project?

There will be no risk to you or your family as the information you give cannot be linked to you as you will be assigned a number and your person in your case study will be assigned a name not associated with your real name.

How will this project be conducted?

You will be fully informed about the questionnaire and the interview questions. You will practise answering questions with the research assistant before the questionnaire is completed. You can ask questions about the process and the research assistant will answer all your questions. You may at any stage of the process withdraw if you desire not to be part of the study. You should try to be as open and honest about your borrowing experience and the outcomes it delivered as this will help the researcher to get a good idea about your unique situation.

Who is conducting the study?

The study is being conducted by the student researcher Robert Mackenzie and the Chief investigator Dr. Segu Zuhair and Associate investigator Dr. George Messinis all attached to the College of Business, Victoria University. The data from the interviews will only be used by the university and will not be accessible to the Shree Mahilā SEWA Sahakari Bank and Vagaḍ Lok Seva Shod Sansthan organisations or to any other organisation public or private in India.

Any queries about your participation in this project may be directed to the Chief investigator and Associate Investigator

Chief Investigator:

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Australia Melbourne,
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Any queries about your participation in this project may be directed to the Chief Investigator listed above.

If you have any queries or complaints about the way you have been treated, you may contact the Research Ethics and Biosafety Manager, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC, 8001 or phone (03) 9919 4148.

CONSENT FORM FOR PARTICIPANTS INVOLVED IN RESEARCH

(Translated into Hindi or Gujarati for respondents)

INFORMATION TO PARTICIPANTS:

We would like to invite you to be a part of a study looking at the role that Microfinance plays in the lives of borrowers and how this information can be used to influence wider development programs and policies in India.

Aims of the project:

To identify specific reasons why microfinance works for the poor, and how microfinance loans lift their families out of poverty. Finally how the government can use this information to provide better services for the poor.

Procedure, nature of project and potential risks involved:

The research will use research assistants known to you who will ask questions from a questionnaire based on who you borrow from, amounts borrowed, repayment of loans and how these borrowings assist in meeting your and some follow up questions based on your answers. The questions will be revealed to you and you can refuse to answer any or all of the questions. Your name, your address and the location of your village will be kept confidential so there will be no risk to you or your family if you take part in this research.

CERTIFICATION BY SUBJECT

I, the respondent in the village/town of

certify that I am at least 18 years old* and that I am voluntarily giving my consent to participate in the study: looking at "the role that Microfinance plays in the lives of borrowers and how this information can be used to influence wider development programs and policies in India" being conducted at Victoria University by: "Robert Mackenzie"

I certify that the objectives of the study, together with any risks and safeguards associated with the procedures listed hereunder to be carried out in the research, have been fully explained to me in my language by:

Research Assistant for designated village and that I freely consent to participation involving the below mentioned procedures:

- Respond to questions asked from a survey questionnaire
- Respond to questions to answers given in the survey questionnaire
- Respond to questions relating to experiences that have benefited me and my family as a result of my participation in a microfinance borrowing method.

I certify that I have had the opportunity to have any questions answered and to discuss this participation with my family members. I understand that I can withdraw from this study at any time and that this withdrawal will not jeopardise me in any way.

I have been informed that the information I provide will be kept confidential.

Signed:

Date:

Any queries about your participation in this project may be directed to the student researcher Chief investigator and Associate Investigator

Student researcher:

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Email: robert.mackenzie@vu.edu.au
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Appendix 3

Case study questionnaire

Respondents should be asked to reflect on their experiences with the MFI and the changes that they have experienced in their lives as a result of this relationship. The items below should be used as a framework to organise their responses.

	PROMPT
How has MF borrowing impacted your family life?	Confidence Security Ambition Optimism Respect
How has your obligations to loan taking and repayment affected other activities?	Family activities Education and training Social activities Interest
What have been the changes in your family life since you participated in the program?	Finance Nutrition Educating the children Health Housing
What have been the changes in your work since you participated in the program?	Morning Afternoon Evening
Does your husband share the housework with you? Do your children share the housework with you? Does your husband share the MF obligations with you? How does your husband assist with the MF financial obligations? How does your husband assist with the business? Do your children share the MF obligations with you? How do your children assist with the MF financial obligations? How do your children assist with the business?	Regularly In what way Positively Creatively Supportively Cheerfully
Are there any changes in the relationship between your husband and you since you participated in the program?	
How has borrowing changed you? Are you a different person now to what you used to be? Are you more active in your community? Outside your community? What are your recent achievements?	Skills Experience Knowledge Voice
Do you often give your opinion in program meetings? Have you taken responsibility for managing your self-help group? Is your self-help group successful?	Group meetings Special subject meetings Skills/experience acquired Savings Insurance

Do you often discuss family issues with your husband? Who makes the decisions	Both Wife Husband
Do your daughters receive the same living and education conditions as your sons?	Going to school Family activities Social activities
How has your family's living standard changed since you participated in the program?	Average Better Poorer
Are you saving money now for a future business?	
Will you invest in something else if you receive another loan?	Production Raising Trading Handicraft
Are there or were there any difficulties with debt repayment?	Marriages Death Medical/health Natural disaster

SURVEY FORM NUMBER:

STAFF NUMBER:

STAFF POSITION:

DATE:

Reviewed by Field Unit Leader:	Initials:	Date:
Quality review in Office:	Initials:	Date:
Data entered in computer by:	Initials:	Date:
Data cleaned by:		Date:

Staff member status (Confirm staff name and status before starting interview)

1 = Staff member of SEWA 2 = Staff member of VLSSS

Location: 1 = Office staff 1 2 = Trainer 2 3 = Field officer 3

Staff Survey

(Introduce yourself; explain the purpose of the survey and the voluntary nature of the interview)

Individual Level: Basic Information

1a. Are you a staff member of the (insert organization name) _____?
1 = Yes 0 = No

1b. If yes, how long have you been a staff member? (Enter period)
(Check that information matches expected staff status listed above.)

1c. Is your position a full-time designated position in the enterprise?
1 = Yes 0 = No

1d. Which of the following positions fits your job description?
1 = Manager; 2 = Trainer
3 = Bank officer; 4 = Field-worker; 5 = Other _____

1e. Do you enjoy working with the clients your organisation serves
1 = Yes 0 = No

1f. Why Do you enjoy working with the clients your organisation serves?
1 = Social obligation 2 = helping the poor 3 = making a difference

2.0. What is the basic aim of the Program?

2a. Who decided to start the program, and why?

2b. How did it develop and get to where it is today?

2c. Why was the program organised in its current format?

2d. How long has the program been running for?

2e. How does the program work for its participants (borrowers)?

2f. How are the participants inducted/invited into the program?

2g.What qualifications, experience, specialised knowledge must your staff have to be selected?

2h.How are the staff sourced/chosen?

3.0. Tell me about the participants of the program

3a. How do participants find out about the program?

3b. How do people approach you?

3c.Who is able to participate?

3d.How is the program costed and resourced?

3e.What are the defining characteristics of the participants chosen for the program?

3f.Why were those characteristics chosen?

3g. How has this profile been changing and is there anything about this profile that you would change for the future?

3h. What sort of feedback have you had from women?

3i. What types of benefits do you think the program has for women?

3j. How many participants would you think go onto start their own businesses?

4.0. What sort of one-on-one assistance do you provide?

4a. What sort of women would seek one-on-one assistance?

4b. When would they seek assistance?

4c. What about this process in your opinion works well?

4d.What could be improved?

4e. What are some of the benefits you feel this has to the women?

5.0. Tell me about your role in the Program

5.a. What is your role in the Program, and why do you think it works?

5b. How does the management involve staff in the aims of the program?

5c. What is the purpose of the organisational network?

5d. What are the characteristics of the staff involved?

5e. Why do staff join the program?

5f. Do staff leave the program? Why?

5g. Are there any comments about the program / process that we haven't covered and you would like to add?

6. How old are you?

6.1. What qualifications do you have?

6.2. What experience do you have?

Thank you very much for your contribution.

Appendix 4

Case Studies

5.1.1 Hasina – A married woman and Weaver

Thirty-year old Hasina is a mother of three and married to a man who has both assisted her at times but has also been a problem because of his drinking. She had a hard life having to drop out of school at standard three and worked in a factory for ten years to support the family. She had to suffer hunger and other deprivations was married at fifteen and had three children. Her mother-in-law harassed her continuously, so she eventually left her in-laws home and moved into a home of her own.

SEWA assisted her to organise a weavers group eventually forming a weaving cooperative. She has rented properties, provided training and invested in weaving equipment. The members earn a good living. The initiative has spread to other villages.

Hasina says her life was miserable before SEWA's intervention but is now respected as a founder of the weaver groups and is now Hasina the breadwinner. Her husband stopped drinking. Hasina took a loan of Rs.6000 for her husband's tuberculosis treatment in a private hospital, her husband paid off the loan by doing construction work continuously for four months.

Hasina received Rs.25,000 from the Ministry of Rural Development to finance the taking of photographs of women in the DWCRA (The development of women and children in rural areas) groups that she organised. Hasina now has the fancy clothes that she could only dream about earlier. Hasina says, saving has given her peace, security and stability for her children. Hasina has taken a loan of Rs.600 to pay for their education and board at a hostel and they are well fed and clothed.

5.1.2. Kirin – A married woman and Agricultural worker

Kirin 30 years grew up in a poor farming family. Kirin studied up to the fourth standard. At the age of 15 years, Kirin married spending Rs.20,000 on the marriage. Kirin received lots of jewellery from her family and from her in-laws.

Kirin unable to have children had an operation and subsequently had three children. Kirin was sterilised to avail of a government land grant. Kirin and her husband built their own house on the plot of land in the village. Kirin put her sons in the SEWA childcare centre. With the help of the childcare centre, she and her husband were able to work regularly.

With SEWA's help Kirin has become financially secure. She has sent her three children to primary and secondary school. They are well looked after by the school authorities. The parents want them to continue their studies so they can get good jobs and earn a decent living.

Kirin works at the childcare centre as a replacement teacher. She also does paid agricultural work and receives a meal. She works for SEWA's plant nursery and receives a daily payment. The family's combined earnings are not sufficient to cover their expenses and she has to borrow. Having earned the respect of her fellow villagers' she has access to local credit.

Kirin has savings and fixed deposit accounts with SEWA bank. Working in the SEWA movement, Kirin has acquired both experience and on the job training and recently received a large payment after her father-in-law's death. She is successful and well liked in her village has lots of self-confidence is respected by her husband and her fellow villagers.

5.1.3. Karina - A married woman in the tailoring business

Karina now 50 years old bought land in a slum in the city erecting a flimsy dwelling on it. She did manual labour, her husband worked in a factory. She supplemented her income, tailoring. Her five children attended school. Their expenses exceeded their savings

Karina joined SEWA Bank and borrowed to expand her sewing business. She also borrowed to start a candlewick business. Her family joined her business and it thrived, as did her tailoring business. Karina invested in her home making it secure and weatherproof. She had electricity installed as well as equipment for her businesses.

Karina's husband opened a cobbler shop supplementing the family income. The family have invested in real estate earning rental income and until her children move in. She can now pay of her loans easily and borrow to buy a vehicle for her son's transport business as well as finance a son's college education.

She has continued borrowing for herself and family members, has a savings investment account. She has invested in a pension scheme, insurance policies, managing the family's financial affairs. She has received a government incentive payment for her first grand daughter. Karina is a very active SEWA member. She has encouraged neighbours to join SEWA from assists them with their financial affairs.

5.1.4. Meera - A single woman in the Bidi making business

Meera now 53 years old married her husband who was a drunkard, gambler and squandered what he earned. Meera started rolling *bidis* to earn a livelihood. She lived in a rented house with her children. She supported her husband and children but could not afford to send them to primary school.

She moved to a city and lived in a rented house but by then Meera's husband had exhausted all her resources and her jewellery leaving her with nothing. She eventually became homeless living in a makeshift dwelling burnt by rioters in communal violence that swept the area she was living in. SEWA negotiated for her getting Rs.22,000 as compensation and a house from the Ahmedabad Urban Development Authority (AUDA) which she contributed to.

She presently shares her home with her extended family. All her sons have incomes working in the trades. She has health insurance to cover her illness and continues to work. Meera saves with SEWA Bank and has enough to borrow for family expenses, repaying on time. She has investment accounts and a well-appointed home. She is very involved with SEWA grateful for their giving her a roof over her head.

5.1.5 Manju – Married woman and Agricultural worker

Manju now 50 years old grew up on a farm, had no education but looked after the family instead doing housework and farm labour. Manju married young and had a large family. Manju acquired a government-funded home. She invested in livestock that provided her family with milk. Manju worked to support her family and borrowed for family expenses with no assistance from her husband.

Manju has paid back what she borrowed. She joined SEWA Bank and has saved enough to borrow and repay. Her loan of Rs 2000 financed her daughter's wedding and dowry. While paying back the first loan, Manju took another loan from the SEWA Bank, to purchase a vehicle for her husband's a carrier service for people in the surrounding villages transporting wood, wheat and other foodstuffs between villages. She borrowed to invest in land and grow hay. Manju has taken three more loans to sustain her agricultural business, repaying all of them.

Manju stopped borrowing from moneylenders, borrowing exclusively from SEWA Bank. She has become more assertive attends SEWA meetings and has persuaded her relatives and friends to join the bank and take advantage of the credit and services it offers.

5.1.6. Namita – Married woman and Child care centre operator

Namita now forty years old was raised in a village in a large family. She had to leave school to contribute to the family income. Namita married at 14 years and moved to the city with her husband and bought a house for Rs.3500, with no toilet facilities and water fetched from a tap some distance away. Namita had three children and later had a fourth.

Namita took sewing lessons and produced mattresses to neighbours unable to leave her small children alone. The business did not work out so she switched to making bindis assisted by her daughter. The work was repetitive and led to physical ailments. Her earning were meagre due to the low rate paid for each set of items she produced.

She started working for the Indian Childcare Department Services, for a salary of Rs.90. The centre closed down after three years but Namita opened a childcare centre in her own house. She earned Rs.400 per month. Namita was also paid for her involvement in a vaccination campaign. Namita continued making *bindis* in the evening. She started a sewing business and earned extra money.

Namita works hard at her three businesses, with little rest. Her daughter attends school and two children assist her in her business. Her husband lost his job after the factory where he worked shut down but his severance pay was used to building a *proper* house. They also purchased an adjoining house.

Namita a longstanding member of SEWA borrows money from SEWA Bank to finance her various activities. She repays her loans regularly, has savings and investment accounts and earns interest from a fixed deposit account. Namita's experiences with SEWA have given her a better standard of living and relief from a previous life of poverty. Namita works for SEWA encouraging her neighbours to join SEWA to raise their standard of living. She encourages them to open saving accounts as she did to buy her house and consumer goods.

5.1.7. Nalini – single woman and VLSSS organiser

Thirty-year old Nalini comes from a large farming family. She had a middle school education. Nalini was married at the age of 18 years the family having to go into considerable debt to finance the marriage and pay for an expensive dowry. She was able to retain her gifts of jewellery when she left home.

Nalini had three daughters in quick succession and eventually moved to Ahmedabad with her husband. However, the marriage soon dissolved and she moved in with her parents. She has had to prosecute for alimony from her husband paying expensive legal costs. She has been able to get the money her husband agreed to pay her.

Nalini started working for VLSSS but lost her alimony when her husband sued her for expenses incurred in their marriage. Her family are hostile towards her and her children although she lives with her family.

Nalini sent her daughters to school one of them as a boarder for whom she pays Rs. 100 per month. She finds it very difficult to find the money to pay the education costs. Her separation from her husband has led her family to accuse her of being immoral. Her contact with VLSSS and the work she does for them with her neighbours has distracted her from her problems. Having gained her independence working with VLSSS, Nalini continues with her legal case. She has plans to start a new life and own a property to live a life separate life and not depend on the charity from her family. She has come to terms with her difficulties working with women like herself who are members of VLSSS. Her daughters continue with their education.

5.1.8. Pali – Widow and Team leader VLSSS

Thirty-year old Pali has been working to start a nursery. She persists with dry cultivation, and believes that the harder she works, the better the plants will grow. She was a child labourer and lived in dire poverty.

Pali's father married her at seventeen to a sick husband so she had to work the farm single handedly. She was also responsible for rearing her children and sold the land to finance treatment for her husband. She did not receive any assistance from the government and got into severe debt. Her husband died but she was able to get a bursary for her children's education in primary school.

Pali was able to support her family on her meagre earnings of Rs. 400-500 per month with irregular work. She borrowed and repaid her loans slowly in order to maintain her credit rating. Like her husband, she is respected in the village refusing handouts from generous well-wishers.

Pali met Reena a district coordinator for VLSSS who wanted to assist the village women to increase their household incomes. She urged Pali to start a nursery with other women on village council land. Pali agreed to do so despite the absence of a water source near any available land. She had to battle the land and was able to earn an income, invested in a cow to feed her children and process the milk for ghee that she sells.

Pali hoped to have a house of her own so she was not dependent on her relatives. She planned to settle her debts and send her children to school so they did not have to live a life beset by poverty.

5.1.9 – Rani a married woman and embroiderer VLSSS

Rani now 55 wanted to study but her parents who wanted her to work on the farm. She married at sixteen had two children who were unschooled. She worked with her husband farming salt for meagre earnings. When the village council stopped her working, Rani was encouraged by Sara a VLSSS organiser to do embroidery for a piece rate. She soon earned a good living from her embroidery making items in demand and formed a village embroidery group working as a VLSSS organiser. She persuaded the women to open savings accounts and attend courses in embroidery.

Rani with people from her village joined a dam construction project and a committee to oversee the project. She and her husband played a leading role in a dam and irrigation project and a project to provide water for cows attracting a large grant from the government of Rs160,000. Rani and her husband were able to earn a substantial salary from their work and saved enough to get their mortgaged land back. They grew cash crops on the land and earned enough money to construct a dwelling for the family.

Rani's businesses gave her good returns. She had not educated her children but they had escaped a life of poverty. The village had a good water supply and the women did not have to carry water to their homes and could focus on income earning. She put her mind to planning for other much needed projects in her village. She was held in high esteem in her village for the enormous amount of money she was able to get from the government for the dam project and became the chief advisor in the village.

5.1.10. Vani a married woman and mid-wife

Vani is 38-years old, she was born into an impoverished large family, but was able to survive working for a living on meagre wages and a middle school education. She married at eighteen living with her husband and relatives in the country where she had to work in the fields and soon had a daily income.

Vani had a large family and was able to send them all to school one of her children is a teacher at the SEWA Bank. She borrowed to send her children to school and college. She is able to afford all the necessary items they need to finish their education skimping on her meals in order to do so.

Vani not being supported by her drunken husband trained as a midwife at a government institution. She has a fulltime job as a midwife in her village even though she is from a lower caste and earns a fee plus extra money donated by grateful families. She has been able to get further training to augment her skills and her standing in her profession.

Vani struggles to make a living and is unable to earn enough to cover all her domestic expenses and the energy bills. The family has to buy all of their needs at regular prices as they only get kerosene and sugar at a discounted price from the fair price shop.

Vani has been able to weather proof her home by borrowing from SEWA Bank but does not have an indoor sanitation. SEWA has provide her with additional training in financial and a few other field associated with midwifery. She also contributes to a saving fund for her children's education. She has been able to lift herself and give herself something to aim for using the support of the Bank and her new experiences that have allowed her to gain more control over her life.

5.1.11 Haifa – married woman and tea vendor

Haifa 45 a mother of two sons was a tea vendor renting a cart for Rs.10 and earning Rs.20 a day. Sushila a rag picker and member of SEWA introduced Haifa to SEWA Bank. Haifa opened a savings account for her meagre earnings and saved daily. She borrowed Rs.1500 to buy a cart and replace the roof of her hut with a waterproof sheet. As Haifa now owned her business, her second loan of Rs.5000 paid for her stock. Previously she had to buy stock on credit at a 10% per month interest rate saving her Rs.450 per month on interest.

The third loan of Rs.5000 was used to buy her neighbours hut to double her floor space. A fourth loan of Rs.10,000 was used to buy tin sheets for the roof of her hut to save on periodic recurring expenditure on plastic sheets and also pay for auto rickshaw driving lessons for her husband. A fifth loan of Rs.10000 funded an electricity connection to her hut and a connection to the stormwater drain. The sixth loan of Rs.15000 enabled her to put a cabin on her cart adding more room and a wider variety of eatables for example biscuits, snacks and chocolates in addition to the tea. A seventh loan is planned to buy another cart for her son, a second cart for herself to serve hot lunches and a toilet.

Her borrowings have increased her income and assets. Her family's living conditions have improved, she has created employment for her son and saved Rs.16,000 in her bank account. Her family eats three times a day. Her husband earns Rs.50 per day from his rented rickshaw. She intends buying him an auto rickshaw when she can. She has paid her son's fees to train as an auto mechanic. She has linked 100-120 neighbours and relatives to SEWA bank. She has been to hospital twice and had her fees covered by medical insurance offered by the bank. She is a gold card member of the bank and is entitled to quick personalised service.

She still has problems for one a constant fear her unlicensed cabin cart being destroyed by the city authorities who refuse her a license. She has to pay bribes to the police to continue her business. Her husband has mental issues and she has a sickly mother. Haifa however is very happy with her life and is very grateful to SEWA Bank for giving her access to banking services and advice that has changed her and her family's lives.

5.1.12. Neela: A married woman in the used clothes business VLSSS

Neela 52 years old came from a village near the city in search of secure work. Both Neela and her husband were agricultural workers earning an irregular Rs.3 a day work permitting. She lived in a slum in a rented house and joined her grandmother's business repairing old clothes obtained by exchanging them for new cooking utensils - bought on credit at 10% per month interest - from housewives. Neela and husband took sewing lessons worth Rs.125 for six months, to repair the old clothes and sell them for a good price. Due to poor housing and storage conditions they struggled to make a living.

A VLSSS Field worker introduced Neela to the organisation's partner bank. Neela took a loan of Rs.500 at 17% p.a., which she expended on a basket and utensils and some food grains and

oil. She made a profit of Rs.400 from this investment that she reinvested in her business and took a second loan of Rs.1500 at 17% p.a. She continued to borrow and repay a number of loans at the same interest rate, using the funds and profit to reinvest in her business as well as acquiring a house and furniture, investing in gold and silver, getting her daughter married and building her savings in the bank. Neela borrowed from the Bank to buy business equipment stock and land to expand her business.

Neela was grateful to VLSSS and the bank for delivering her from a life of poverty to one where she was not only a proud owner of a well-appointed house with a full larder. She employed a tailor to repair the old clothes and a washerman to wash and press them, ready for sale. Neela had, through responsible and wise investment, a thriving business which she and her husband ran from their properly built three-room house in a village, just outside the city.

Staff Interviews

5.2.1. Managing Director – SEWA Bank

According to the Managing Director the aim of the SEWA Bank program is to link its self-employed members to a registered bank. However, sophisticated bank staff were not able to relate to poor women as their clientele. These self-employed women formed their own trade union The Self Employed Women's Association in 1972 in Gujarat state and four thousand members of its trade union members founded SEWA bank registered in 1974. The main aim of the bank is the capitalisation of its members by providing financial services like savings to avoid indebtedness, credit to create their own assets and fund their livelihoods, and insurance to cope with unexpected crises thus assisting poor women to improve their living conditions and ultimately themselves.

SEWA bank tailors its services to suit the needs of poor illiterate women with savings, credit, insurance, financial counselling, and an Automated teller machine. Member's illiteracy requires the use of thumb prints or their account numbered photograph in their bank passbooks and staff assisting them with filling in forms. The bank is able to stay solvent using its member's savings to provide a capital base to build operations, paying of interest and affordable loans build member's commitment and leads to the growth of banking programmes. Access to financial services is insufficient to transform economic activities into profitable economic enterprises. SEWA bank also provides personal support services, business development and work security or insurance fund and a housing services department

SEWA Bank networks with major government and financial organisations. The bank coordinates members' access to government social services including pension schemes, ration cards, employment programs, childcare, membership of trade guilds and housing loans. SEWA bank also negotiates with local government to grant vendor permits and access to raw materials and favourable access to government supply contracts on behalf of its members.

Banking with the poor and illiterate requires special procedures to suit their culture, needs and economy, repayment schedules based on their cash flow, savings and credit schemes that permit small amounts of major savings and banking policies that adapt to their crisis situations. They also require training and assistance to understand and deal with banking procedures. SEWA bank encourages asset creation including women's title to agricultural land and houses, women's acquisition and ownership of implements, tools, shops, handcarts, and livestock, and

financial products in women's names. SEWA also provides members with loans to redeem mortgaged houses and land or pawned gold and silver.

The board, on which the members are represented makes all major decisions. The board sanctions all loans and decides the interest rate to be charged for different categories of loans. Board members illiteracy has not affected members making decisions or finding solutions. The performance of the bank is ultimately tested on the impact it has on the lives of its depositors and borrowers. The sustainability of the microcredit programme depends on its savers and borrowers, not the inflexible rules of the banking system. Poverty is primarily characterised by vulnerability, powerlessness and dependency as well as the lack of a regular income. The democratic structure and functioning of member-owned and controlled microcredit institutions provides a model for equitable development

5.2.2. Manager (Training and Capacity building)

A key part of the SEWA bank strategy is training delivered to members on a priority basis, according to the recommendations of local team leaders, field workers and organisers. "Barefoot trainers" who are co-ordinated by district training co-ordinators deliver Member Education Training in the rural areas. They reach the bulk of SEWA's vast membership and provide much of the basic information required by new members. The SEWA academy was founded in 1991 to bring training under one umbrella, to train, provide knowledge and working rights to its members in the country and city areas.

India's social customs severely restrict a woman's social interactions and movements, so that women are generally confined to the domestic sphere, while their husbands dominate the "public space". Any freedom a woman enjoys largely depends upon her husband's approval, and is generally dictated by economic necessity. However communities and husbands are more likely to support their wives to attend training from SEWA Bank's female trainers because they can see the value of the training to their wives (increase in income) and the communities interests (market linkages for local businesses). Women's reputation and status improves as does community respect as a result.

After training, SEWA Bank members gain greater freedom to interact with the outside world. Members identify with their own names not their husbands name or as their husbands' wife. They can go to work, the market, the hospital, and learn how systems work. They become less dependent on their husband and other family members. Women speak of self-awareness, self-confidence and importance they learn how to respond to others with their newly gained communication skills learned in interactive training.

Training gives women the capacity and confidence to lead and to organize for the improvement and benefit of their neighbourhoods and local communities. Local groups approach them for information and then seek out relevant public authorities for example to get them to address local hygiene and sanitation issues. Training Staff observe what they described as drastic changes in the women following training. After training women become more active, they come to field workers for advice and request further training on SEWA Bank services like banking and insurance, financial literacy and health.

Before training women had little or no savings, after training they go to SEWA Bank to ask about different schemes and to open accounts. Women start making their own decisions about investing money. Women even visit the Ahmedabad Municipal Corporation to solve their

housing or community infrastructure problems like leaking roofs or drinking water problems. They approach training staff for help if Ahmedabad Municipal Corporation requires them to write a letter of complaint. Training motivates women to leave their houses and to improve their capacity for involvement in promoting infrastructure work, teaching other women about SEWA, inviting them to use its services to improve their livelihoods and well-being.

5.2.3. Branch Manager (Rural)

In the city, women are used to handling cash, in rural families men control the money while women barter for food grains. Therefore, the first objective is to inculcate a sense of cash in rural women. The second is to organise women around cash, using rural savings groups, very soon women in 40 villages were organised. The women decide how much money they want each member to deposit each month and how long it had to remain in the bank before withdrawals are allowed. Savings group leaders are elected members of the group learn enough numeracy to be able to check their accounts and deposits are given to the leader after her trust is earned. The SEWA Bank rural team visits twice a month to collect the deposits and meet the entire group to sort out any difficulties.

After the year saving together, most of the initial problems are solved and the women usually understand the concept of banking. They are then asked by SEWA bank how they would like to use their funds. Many groups opt for loans against their deposits and collectively decide which women in the group should be extended credit. Women with mortgaged land can make an appeal to the group for a loan to recover her land. The condition for extending credit on deposits means the land must be put in her name as borrower. The husband agrees to the transfer of title as this is probably their only chance of recovering the land. Women thus earn status and respect in their families and come out of the husbands and in-laws shadows. The loan extension system is based on a 'character network' where people are known to each other and are responsible to each other – the savings group and the bank. Through this method based on responsibility rather than security, SEWA bank has reached women who would not have had access to bank credit.

Members also form cooperatives offering regular employment, training, and economies of scale with larger revenues. Middlemen are eliminated, cooperatives have a better bargaining position and to get credit and set wages. Cooperatives provide annual employment, liberating members from exploitative work arrangements. SEWA bank sets up savings groups in a village, between one to three women's cooperatives representing different trades and services, and a small village union of women emerges, creating cohesion across occupations.

SEWA bank has formed dairy cooperatives catering to all village women but especially to the poor, landless and small landholding women by creating and making accessible an integrated package of training and supportive services. The package includes linkages to obtain a loan, a good quality animal, cattle life insurance and training in animal husbandry, dairying and veterinary skills. SEWA bank has been successful in integrating poor members into cooperatives due to this service package. SEWA bank has also converted a male-run dairy cooperative operating at a loss to a women's cooperative with profits exceeding Rs.18,000 in its second year of operation. Women pour hundreds of litres of milk, test fat, check accounts, issue payments, deduct loan instalments, discuss fodder options, sanitize vessels and solve weekly problems

Women in cooperatives are involved in an 'exposure programme' the programme exposes women to all the physical steps involved in the production from their village to the central market. The women had no idea about how milk was transported, processed and distributed nor the value of the milk outside the village. They watched thousands of litres being processed into pasteurised cheese, milk powder, butter and clarified butter and the distribution channels to booths and shops in town. The bank has developed a training programme for women in cooperatives including cooperative management, legal issues, functional literacy, marketing and communications incorporating learning both cooperative and business skills, as well as trade skills

Women's Self-help groups meet regularly at the bank premises proximate to their villages to exchange information about the cooperatives they are involved in. The process allows them to get support from each other and also get advice from organisers from the bank who listen to their reports and answer any technical questions that need addressing. The meeting is also a social occasion for the women giving them relief from their domestic duties and responsibilities and making it more likely for them to be more open to new ideas and creative solutions to their problems.

5.2.4. Bank officer

The main objective of the bank when it started was to make available credit and savings facilities to its self-employed women members and the bank and its services would grow at their pace, in the direction of their needs - a life cycle of a poor woman approach to banking. The bank has always been innovative for its illiterate members for example symbols and colour codes instead of written information, and passbooks with a photo and superimposed account number. Part of the Bank Officer's job is to teach members how to sign their names or even store their passbooks so their families are not aware of their personal finances. The bank is governed by a board elected by its members and run by professional staff, this keeps SEWA bank constantly focused on the poor and self-employed women it serves.

Once a member's credit pattern is established the bank can assess her creditworthiness. Members being illiterate need to be assured with verbal explanations and assistance with filling in forms. Members also require information about banking options and products and services to suit their needs. Members can attend financial planning classes weekly for eight weeks. For emergency needs that is death, sickness, birth, insurance is required; for consumption needs, children's education, marriage, old age, members need savings; and for productive needs, a return on hard work requires a loan. The bank also provides support services like medical and legal aid, capacity building and marketing.

Individual counselling follows the training. In order for members not to overextend credit bank staff advise members when to use their savings and when it is advisable to borrow. Members who take loans to make ends meet can easily fall into indebtedness. Borrowing within their limits for example two to three times what they have allows them to consider other options. Spending money on food or medicine or on equipment – consumption or production can make a difference in member's lives.

The bank has thousands of women depositing small and large amounts of money in their savings accounts for different purposes, to avoid indebtedness. They can save in a recurring fixed deposit account or use a saving scheme to borrow promptly. There are five year saving

accounts with regular deposits for the purchase of a new home. Women can also save for weddings or save small amounts until the age of 58 for a pension. Also thousands of loans, usually by repeat borrowers, are taken each month. The rates are set by the board usually the market rate to encourage deposits and stop members sub-lending using lower interest loans.

Loans are given throughout the day, loans taken to buy back gold ornaments from moneylenders or to rebuild homes after floods or riots; to purchase new tools of member's trade like push carts or machines or raw materials to expand current businesses or start a new one. Loans are also taken to buy mobile phones a production tool used to communicate with suppliers and contractors. Loan procedures have become simpler and more decentralised it takes a week from submitting the application to receiving the money in hand.

By focusing on building programs that maintain constant and continuous contact with its members, the bank is better able to gauge the women's needs and capacities. The bank takes interest not only in how a member spends the loan amount but also assists in getting the best deal for her money, whether it is a pushcart, a sewing machine or a one room house. The bank also assists members to redeem heavy debts owed to money-lenders, pawn shops or landlords. This frees up members to increase bargaining power with wholesalers and suppliers.

Women feel more self-confident once they see money building in their bank accounts a safety net which is appreciated by their husbands. Women are then regarded as partners rather than a burden. Women thus have a voice in the family. In addition the bank provides inflation protected savings like mutual funds invested in safe securities and life-cycle savings for old age pensions, children's education, weddings, or housing. SEWA bank also offers health, life and asset insurance allowing members to be covered for major risks that can have a devastating effect on their lives.

The bank works with a number of organisations including SEWA the trade union and with other economic organisations such as the Cooperative Federation a producer group and the Development of Women and children in rural areas (DWACRA) and other associations. The bank provides financial services and contributory work security or insurance fund and housing services in conjunction with private and government organisations including The Housing and Urban Development Corporation and the Municipal Corporation. These networks provide opportunities for the bank to provide comprehensive services to its members.

5.2.5. Bank officer (mobile)

Bank officers visit depositors in their workplaces and their homes their objective is to mobilise savers to deposit with SEWA bank. She must be able to encourage members to save more, use humour to entertain potential members, empathise with members experiencing illness or loss. She collect money from women who have no time to come to the bank due to work commitments. She knows hundreds of women's work schedules and times her visits when they have their earnings ready for deposit. Every day is different depending on the trade groups she is to collect from and their work schedule. For example 'Bidi'(cigarette) workers in the morning, fish and vegetable vendors in the evening, carpenters, used-garment dealers and head loaders are an end of week collection.

SEWA bank provide transport is by with a helper and she collects between Rs.50 and Rs.100 on average from each depositor. Women prefer this method as it prevents their husbands breaking into their piggy banks. They are conscious of how important this process is for them

to save a substantial amount used to borrow money for their enterprises. She has to yell out like a hawker to announce her arrival or send children with messages and soon surrounded by women and children with passbooks and small amounts of cash. The women are pleased with the service as they would not be able to save otherwise. SEWA bank provides deposit boxes used by depositors and opened with a key held by the bank officer. Members are more likely to want a round figure when the money is counted and send their children home to get the extra rupee or two.

The bank officer has to earn the trust of the depositors in the beginning. As they have been regularly cheated in the past they think she will disappear with their money. The depositors also have contact with other parts of the SEWA organisation in particular the union that fights for their precarious rights to conduct their micro enterprises. The members have stories about hardships suffered and their deliverance from their desperation by the bank's mobile officers. The small savings boxes, their passbooks, the ability to save for them can change their lives through a small but significant daily action.

Passbooks and deposits belonging to absent women workers can also be collected from neighbours and daughters. As the bank officer collects deposits from little shops, clothing stalls, snack vendors new women approach her and ask to open an account. Those who can sign their names are issued with passbooks those who cannot are asked to bring a small photograph of themselves and are given the date of her next visit.

The deposits are put into savings accounts, recurring deposit accounts and fixed deposits. The deposits represent plans for old age, for independent bank accounts for young daughters, for children's marriages, for expanding businesses, with new machine tools, or larger stocks for trading or raw materials in bulk. One woman was saving for birth of her next child. Many use their savings in emergencies like illness. Some save for additions to their houses to increase work or storage space beyond the one small room they now had, while others who lived in makeshift houses save for a proper house. Still others who save are covered under a group insurance plan premiums deducted from interest earned on deposits.

5.2.6. Staff member - energy innovation

The rural population does not have access to cooking fuel and electricity to earn a living. Women need access to cheap energy to deliver them from the vicious illiteracy-poverty-drudgery cycle and a better standard of living for poor households.

SEWA Bank conducted extensive need assessment survey to understand the energy needs for small business and the domestic environment. SEWA bank wanted to provide smart toilets, lighting and solar drying of agricultural produce. The SEWA bank innovation unit also wanted to create educate its members about the energy services and soft loans to purchase them.

SEWA Bank's innovation unit wanted to know, how to overcome the problems with current energy options, ascertain the needs of its members and customise its energy services. Finally, to create entrepreneurs among its members for these technologies to ensure local availability of products, spare parts and service personnel as well as marketing of these technologies to poor customers.

SEWA Bank in collaboration with SELCO Solar Pty. Ltd has created low maintenance, economical and reliable solar products customised for homes and vendors. The solar lantern

has replaced dangerous kerosene lanterns and used for businesses at night to increase income and at home for children to study. Fixed solar panels are used for Home lighting Systems and to power the facilities in cooperatives. A solar headlamp generates enough light to enable midwives to have their hands free to carry out the delivery process safely

SEWA Bank and SELCO Solar Pty. Ltd. also developed a cheap, efficient, smokeless stove SEWA Bank's members were given masonry training to making these stoves to earn a living. The masons can also construct biogas structures that are used by the poor in both in rural and urban areas using human and animal waste as to produce methane gas for cooking and other purposes.

SEWA Bank uses a van fitted out with the solar devices and miniature versions of the stoves. Members can experience these devices and get training to use them. Before purchasing the products members get information about the products, low interest loans and payment plans. Both the demonstration van and energy fairs organised in urban and rural areas have attracted hundreds of potential users and are effective marketing tools for the poor to gain awareness and assist in their decision making to purchase the life changing products.

SEWA Bank encourages entrepreneurs (members) to buy in bulk and sell solar products to its members. The entrepreneur makes a needs based assessment for the product takes a loan and sells the product at an affordable price to members.

5.2.7. Project officer (VLSSS)

Vagad Lok Seva Shod Sansthan (VLSSS) is a research based Non-government organisation (NGO) registered in the state of Rajasthan providing services to suit the needs of poor illiterate women in the urban and rural hinterland of Dungapur a provincial town three hours away from the city of Udaipur. VLSSS provides both door-to-door service and has an office in Dungapur which provides a range of service including business, health, agricultural as well as linking members with markets for their products. VLSSS mediates between government agencies that provide both social services, housing loans through nationalised banks, employment schemes, initiatives for rural and urban development for the poor.

The Project officer administers the staff including, a consultant who is also the chief financial officer, a qualified professional; a number of field officers who are trained in the provision of services and led by a District coordinator who attends regular briefings by both management and partner organisations. The director and chairperson are responsible for the business end of the operation liaising with the government and other bodies that provide both funding for projects and support services through different instrumentalities for example bore wells and head pumps in rural areas and sanitation and housing services in urban and rural areas.

Members are encouraged to open savings accounts and credit is provide by nationalised banks at low interest rates with financial counselling, provided by VLSSS discouraging borrowing from moneylenders and encouraging saving and budgeting for daily, planned and emergency expenses. Member's illiteracy requires the use of thumb prints or their account numbered photograph in their bank passbooks and staff assisting them with filling in forms. VLSSS' operational costs are subsidised by the government and private donations, for services rendered. Access to financial services is insufficient to transform economic activities into profitable economic enterprises. VLSSS provides support services in vocational training, health care, childcare, legal aid, marketing, technical services, business development and work security or insurance fund and housing loan services.

VLSSS networks with the National Bank of Agriculture and Rural Development (NABARD), local government, the state government, insurance companies, national housing finance organisations. VLSSS coordinates members' access to government social services including pension schemes, ration cards, employment programs, childcare, membership of trade guilds and housing loans. VLSSS also negotiates with local government to grant vendor permits and access to raw materials and favourable access to local government supply contracts on behalf of its members.

VLSSS does not employ many staff but relies on the training of female leaders in villages and Self-help groups of female members to support the development projects carried out with funds provided by the government through NABARD. Village leaders encourage female members to save, to budget, to access training that assists them with maintaining hygiene, providing nutritional food for the family, educating both male and female children, using available technology to assist them in their livelihoods, avoiding borrowing money at usurious rates and accessing credit from partner banks.

5.2.8. Consultant (VLSSS)

The consultant is also the chief financial officer and is responsible for the financial operations of VLSSS. VLSSS as non-government not for profit organisation has to account for the funds that are provided by the government and the chief financial officer is responsible for the provision of detailed reports to government departments to justify the expenditure of these funds and the application for further funds to continue the poverty alleviation programs it is set up to develop for the urban and rural poor. The Consultant can assist in the development of a dairy cooperative in a village where farmers sell to an agent individually, increasing the incomes and productivity of the farmers collectively as well as, introducing new cattle and fodder management to make animal husbandry more efficient. He can arrange loans to purchase of farm equipment like tractors and irrigation systems to make farming more productive. As well he can negotiate market linkages for its members with government and private industry to get better prices and a more reliable supply chain for farmers.

Partner Banks also provide loans for the development of village handicrafts, so VLSSS sponsors a number of village handicraft industries that display their wares at handicraft trade exhibitions. This has enabled local women artisans to establish village based handicraft centres with market linkages negotiated by the consultant. Women now have secure employment in between the planting and harvesting seasons providing additional income for their families. The increased income reduces the necessity to migrate to the town to seek employment.

Home based businesses producing products or providing services also benefit from the access to credit to buy stock or raw materials and his advice to access marketing channels. Many home based business take loans from partner banks to grow their businesses buying machinery, small vehicles, and increasing storage and working spaces. Retail businesses selling products like eggs have benefited also from scaling up buying from farmers and supplying grocery shops around town after investing in a motor vehicle purchased with a VLSSS facilitated loan.

The majority of poor households do not have any insurance cover. The consultant has introduced composite micro-insurance for life, health, crops, assets and accidents. These insurance products are subsidized by the Government to assist the poor.

5.2.9. District coordinator (VLSSS)

The District coordinator is the lynchpin in the organisational structure as she and the field representatives deal directly with the poor female members in the urban and rural areas. They conduct training sessions for women at the head office in Dungapur. She also assists members with their savings deposits, borrowing and loan repayments with partner banks. India's social customs severely restrict a woman's social interactions and movement, women are generally confined to the domestic environment, while their husbands dominate the "public space". Any freedom a woman enjoys largely depends upon her husband's approval, dictated by economic necessity. Even when approval is given, limits are set regarding where they can go, who they interact with and what time they return.

The District coordinator is responsible for setting up Self-Help Groups (SHG) of between ten to twenty members who provide support to each other primarily as credit savings group. They save in a group account, lend at low interest rates and open an account with a partner bank who provides them with credit once they have acquired the discipline of saving and repayment in their SHG.

Self-Help Group members generally have a better standard of living. Members also have improved housing using loans to increase housing space, connect electricity, and build internal toilets. They keep their village clean to prevent contamination and disease. They can read and write through training provided by the NGO. Members become less dependent on money-lenders as they have access to credit at low interest rates thus preventing indebtedness. Members invest in common property and are respected in their communities.

SHG members become more self-confident, more aware of their rights. In government schools where teacher absences are very frequent they can lobby the education department to require teachers to attend and provide their children with a decent education. SHG member's children tend to attend school regularly, stay at school longer, and are better educated so are more likely to have a better standard of living as adults.

Being a member of a SHG allows women to head households and respect from their husbands, Access to credit means healthier children, better nutrition, housing and health. Increased income enables a better standard of living and reduces domestic violence.