Role of Micro-Finance Institutions in Women Empowerment in India with Special Reference to Jammu and Kashmir – Advancements in Literature

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Abstract

This paper attempts to study the role of micro finance in empowerment of women. The purpose of this paper is to review the existing literature and evaluate whether micro-finance promotes women empowerment. Large number of studies has been conducted in the field of micro finance and its impact on upliftment of marginalized section, especially women. The paper focuses on the individual concept of micro finance and gender empowerment and then links the two. It attempts to understand how micro finance can lead to empowerment of women and how successful has it been till now. The findings of the paper suggest that there are evidences of upliftment of under-privileged sector in terms of economic, social and psychological domain via micro finance. This paper keeps the scope of evaluating the concept of micro finance and its role in women empowerment through a wider prism which would include studying of negative side of micro finance as well. There are some inherent limitations of micro finance which cause disempowerment of women and hence need to be addressed. As literature is available on both positive and negative impact of micro finance on women empowerment, further empirical work is required to understand the gravity of the concept.

JEL Classification: G21, I32, J21, J71,

Keywords: Micro finance, Poverty, Women Empowerment, Employment Generation, Discrimination.

INTRODUCTION

A general notion of poor people being a source of credit-default keeps commercial banks away from penetrating into rural market and paves way

for micro finance. Concept of micro finance was propounded in 1846, by a theorist, Lysander Spooner, who was an activist and an entrepreneur. He pointed out the benefits of providing small loans to farmers in order to eradicate poverty in America.

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Modern concept of micro-finance was given in 1970s, by Mohammad Yunus, a Nobel Laureate and an economist from Bangladesh, who could sense the need of financial services for rural, poor and under-privileged sects and foresee the potential of their prosperity. He incepted the idea of micro-finance by giving personal loans of \$27 to 42 poor people initially and then eventual setting up of Grameen Banks in 1983. As per World Bank, 160 million people are benefitting from micro finance and 90% of MFI clients are women. Micro-finance was mentioned in United Nations (UN) Agenda in 2000 when it held its millennial summit and kept struggle against poverty in its priority list. Micro finance is a strong element to empower women, reduce poverty and serve as a development tool. Year 2005 was declared as year of Micro credit by UN.

Inception of micro finance institutions (MFIs) in India in 1980s has brought a structural reform in its banking sector. MFIs in India are manifested in the form of an apex body, namely, National Bank for Agricultural and Rural Development (NABARD), Regional Rural banks (RRBs), Self Help Groups (SHG), Grameen Banks, Cooperative banks etc. India, being predominantly a rural country with 70% of its workforce residing in rural areas, has a strong need of an efficiently working micro finance sector. Rural economy constitutes 46% of national income. Despite the high rate of urbanisation, more than half of India's population is projected to be rural by 2050. This makes it necessary to focus on the growth of rural finance sector for the overall health of Indian economy. It has been mandated that banks allocate a certain fraction of their loans to the 'priority sector' and that they open 25 percent of their branches in unbanked areas. Furthermore, banks are urged to open bank accounts for all under the Pradhan Mantri Jan Dhan Yojana (PMJDY). As per some statistical data on portfolio distribution of SHGs and MFIs, Andhra Pradesh, Tamil Nadu and Karnataka together have highest share serving 56% of clients and having 59% of outstanding loans. After this are ranked Orissa, West Bengal and Maharashtra. South-India, as a whole, serves 66% of clientele and hold

75% of loan portfolio whereas north only serve 9% of clientele and holds 4% of loan portfolio. Average size of loan in north is highest (Rs 6,300) and in west is least (Rs 1,900). MFIs in India are witnessing considerable growth, medium-sized MFIs having the highest rate. Forbes had seven Indian MFIs ranked in top 50. Bandhan bank was ranked second.

Another demographic fact of Indian economy is that women (who form 48.5% of India's population) play a significant role in the Indian economy. India has a history of women contributing economically, especially in the area of art and handicrafts sector. Women have a history of being dominated and controlled by the other gender in the patriarchal framework of the society. 70% of world's poor population is of women. 63% of women in developing world lack formal bank accounts. The main reason has been lack of access to capital. There are regional differences in gender-equality in India. South India has Dravidian culture which is more liberal and flexible as compared to Aryan culture practiced in North India. This could be the reason that SHGs are more successful in south India. Female Literacy rate as per Census, 2011 is higher in South-India (92%- Kerala) as compared to North (57%-UP). A stereotype idea that women are meant for household chores and are not good with numbers causes them to have minimal access to banking services. There have been various schemes for promoting women entrepreneurship in India. Some of them are as follows: Annapurna Scheme (State Bank of Mysore), Stree Shakti Package for Women Entrepreneurs (State Bank of India), Bharatiya Mahila Bank Business Loan, Dena Shakti Scheme, Udyogini Scheme (Punjab and Sind bank), Cent Kalyani Scheme (Central Bank of India), Mahila Udyam Nidhi Scheme (Punjab National Bank), Mudra Yojana Scheme For Women. When women become financially independent, they automatically get decision making powers, respect from other gender and most important of all, self-confidence within.

Source: Hitesh (2015)

Figure 1 : Size of business owned by women in India:

“One is not born, but rather becomes, a woman.” ~Simone de Beauvoir. Women have always lived under subjugation and have been victims of the socially constructed idea of gender. To fight against existing gender-oppression, their empowerment is must. Empowerment is a multi-dimensional process that helps in gaining control over own lives. Empowerment of women can be measured with the help of various indicators such as decision making powers for oneself, children and family, increased wealth and assets owned, education, equal rights, improved health status, dignified job position, reduction in domestic abuse, and a perceptual change wherein a woman believes that she deserves an equal treatment.

With the emergence of MFIs, it has been possible and accessible for women to get funds and start business activities on their own. It is a weapon for women to free themselves from the trap of male hegemony. This inner reinforcement helps them to fight against their oppression. Also, Self-Help Groups (SHGs)

encourage women to participate in decision making, to keep up their opinions which, in turn, becomes a source of empowerment. Micro finance institutions objectively focus on economic upliftment of poor but inherently contribute to the social upliftment as well. It is a strong tool of women empowerment. Critics raise an opinion that empowerment is not all about money but beyond that. The critique holds good but micro finance is an imperative weapon to facilitate financial independence of women, which forms the grounds for women empowerment in rest of the domains like social, political, personal and psychological factors. Micro-finance provides a support and a platform for women to give a concrete shape to their entrepreneurial capabilities and stand at par with the other gender. It builds confidence in women to fight against their oppression.

LITERATURE REVIEW

Conceptual Framework

Micro-finance is the tool used to provide small amount of funds to financially-excluded people at

low cost. According to ADB's (Asian Development Bank, Manila) Micro finance Development Strategy, micro finance is the financial service such as deposits, loans, payment services, money transfers, and insurance to poor and low income households and their micro enterprises (Bank, 2000). MFIs across world, have adopted different lending models that are explained below:

1. Grameen Model: propounded by Father of Micro finance, Muhammad Yunus, this model mainly provides loans to a group of five women wherein loan is first provided to two members and later on provided to other members after the previous members repay the entire amount within 50 weeks with interest.
2. Group Model: in this model, each member is pressurized by other members to repay the loan and in case of the failure, rest of the member repay jointly on her behalf.
3. Individual Model: here loan is given directly to the individual and there is no peer pressure for repayment.
4. Community banking: it is run by NGOs. It trains community members into different financial activities to generate income and savings.
5. Bank Guarantee: here, banks play the role of lender by arranging loans via external sources or internal saving of borrowers for Self-Help Groups (SHGs) and individuals.
6. Rotating Saving and Credit Association: all members save certain amount per month, then the collected amount is given to one member selected by lottery or other agreed methods. The amount is to be repaid in regular/ monthly contribution.
7. Village Banking Model: Here, communities are formed in the village of around 30-50 people, mainly women. Loan is provided by internal mobilization of funds as well as provided by MFIs.

Women's empowerment refers to the women's acquisition of resources, capacities and the ability to exercise agency in a context of gender inequality.

Thomas and Pierson (1995) define empowerment as concerned with how people can be enabled to "gain collective control over their lives so as to achieve their interest as a group and a method by which social workers seek to enhance the power of people who lack it". Malhotra and Schuler (2005) have created an empowerment model. In this model, women empowerment has been measured under five dimensions, namely, economic, social, psychological, legal and political. The economic domain consists of ownership of assets, access and control over productive resources, training and skills. The social domain consists of status in the household and community, reduction in domestic violence, better health, and decision-making. Cheston and Kuhn's empowerment framework for the micro finance study includes material change (increases in income, employment opportunities, nutrition, education, health care, access and control over ownership of assets and income, etc.), perceptual change (increases in ability to plan for future, own abilities and capacities, own interest and values with the increase in recognitions and respect for individual value and contribution), relational change (increase in the role of decision making, self-reliance, bargaining power, etc.), and participation in organizational strength (Cheston and Kuhn, 2002).

Positive Contribution

International Domain

In the international context, micro finance sector has witnessed many success stories. The paper by William (2011), based on Ghana, West Africa, examines socio-economic characteristic of Opportunity International Savings and Loan (OISL) which is a micro finance programme and its impact on empowerment of women. It was found that within the family of the OISL members, income has increased and living standard has also improved. There has been significant improvement in business via OISL programme of micro-finance. Self-confidence among women has also strengthened. The author has recommended more training programmes to improve entrepreneurial skills

among women and to innovate more cost-effective ways of providing finance (William Ablorh, 2011). In another study (Chakraborty et al, 2013), it has been found that income of beneficiaries in Bangladesh, has increased considerably and women have been psychologically empowered. There is a strong participation of women under study in their family decision making. Consciousness level in respect of exercising votes has increased but using of contraceptives to control pregnancy is still low. Kashf Foundation, Pakistan allocated \$70 loan to a woman for her jewelry business which became very famous and provided means of education to her nine children. Similarly Kenyan Women Finance Trust gave loan to a Kenyan woman for her hardware store, who now employs 25 Africans. In another paper by Allasad, based on Bedouin Women of Arab, settled in Israel, it was found that all SAWA women (SAWA is a micro finance institute in Israel serving Bedouin tribe) were successful in creating employment and raising their family status. Contribution to their family also improved their relation with their spouses and the rest of the family. Earlier there was an emotional block and lack of faith in individual abilities within Bedouin women which got erased by their success in entrepreneurial activities facilitated by SAWA programme. Their work got converted into formal employment and earned recognition in national statistics as well. Micro-finance has empowered women across the globe (Nuzha Allasad, 2013). In another study, conducted in Pakistan by Masood et al (2016), the author has found that 94.44% of women reported increase in their income, 86.66% reported increase in savings and 88-88% ensure that their children go to school. Besides this, purchasing power has also increased. Most of the women feel that group lending model enhances their social interaction, increases their confidence and makes them aware of their basic and legal rights. There is a strong increase in participation in decision-making as well. In a research study conducted in Turkey by Soykut et al (2015), the author found that micro-credit has increased self-confidence of women, spending has increased, employment has been generated. Besides,

women, availing micro-credit, are able to think independently and feel liberalized.

India

There is a supporting literature in the area of women empowerment via micro finance. Lot of studies conducted across India suggests that there has been empowerment of women under economic, social and psychological domains. In an evidential work, Kodamarty has conducted research in the district of Gandhinagar, Gujarat, India, taking 109 as sample size and using descriptive and factor analysis. The author found significant improvement of women via micro finance. Micro-finance has led to improved social status, increased knowledge and awareness and enhanced sense of personal empowerment. In the economic context, income, savings and employment opportunities increased with availing of micro-financial services. Higher recognition and decision making about children education was also witnessed as a result of availability and utilization of micro-credit by women (Madhavi Kodamarty, 2016). Another research work was conducted by Panigrahi in Ganjham district of Odisha, India. 400 sample size is used and data was analysed by using logistic regression and Principal Component Analysis. The author evaluated the economic status of micro-credit borrowers and compared it to non-borrowers. The author also assessed the level of empowerment of SHG members as compared to non-members. It was found that borrowing credit has increased the economic status of the borrower households. There is a positive and significant relation between participation in SHGs and women empowerment. Decision making powers has improved. There is a strong opposition against wife-beating by SHG members. Income and employment has increased by credit-borrowings (Sangram Panigrahi, 2014). In a study by Lakshmi (2013), it was found that women have witnessed considerable increase in assets, income, self-confidence and status. Besides this material empowerment, there is an equal need for mental upliftment as well in order to achieve sustainable women empowerment in a holistic sense.

While comparing urban and rural micro-finance in another study by Ajwani, it was found that there were more significant positive changes in rural areas than in urban. Though, there are ample opportunities for urban women as well but pressure of sustaining dependent family and lack of community support and domestic violence are a hindrance (Ajwani, 2015). Overall, micro finance has great potential for empowerment of women, but it needs to overcome the lack of infrastructure and market-linkage. Micro finance has created individual identity for poor women, increased freedom level to live the life according to one's own choice and improved standard of living.

Jammu and Kashmir

There is minimal empirical work available in the domain of impact of micro finance on women empowerment in the state of Jammu and Kashmir (now a union territory). Shagufta (2018), in her work, states that in economic domain, 1% credit increase to women leads to 18% increase in household consumption whereas in case of men, there is only 11% increase. Besides, SHG loans to women increases income, consumption, employment, savings, standard of living and there is also an improvement in women's financial decision-making. In the social domain, decision-making by women, say in family planning and children education has increased and verbal and physical abuse of women has decreased. In the psychological domain, women members of SHG have improved sense of self-esteem, self-confidence and also attained pro-active attitude. There are also evidences of political upliftment of women members (Shagufta, Sangmi, 2018). In J&K, three RRBs operate, namely, Kamraz Rural Bank (KRB), Jammu Rural Bank (JRB) and Ellaquai Dehati Bank (RDB). As per one paper by Huma, RRBs have not been efficient in Deposit-mobilization lending and in recovering of loans. The author also points out the need of spotting of NPAs within RRBs in order to fix the problem and bring efficiency in its operations (Huma et al, 2014). In a paper (Mubashir et al, 2012) that aims to study the

availability and awareness of micro-finance in Jammu and Kashmir, it has been found that there is availability of micro-credit, micro-insurance, and micro-deposits in the state. 93.9% MFIs give micro-loan, 81.8% accept deposits, 51.5% give health-insurance, 57.6% provide financial literacy and 30.3% provide training. The main source of awareness about MFIs is NGOs. 81.2% of awareness is spread by NGOs. People are mainly aware of micro-loans, business and deposits. There is poor awareness about micro-insurance and fund-transfer. The level of awareness varies between districts with Anantnag being least-aware and Baramulla district being most-aware. It is required that banks and other financial institutes help in spreading awareness about micro-finance among rural people.

As Jammu and Kashmir is an epitome of handicrafts and handicrafts has significant contribution of women, Micro finance has got great potential in the stated industry in the state of Jammu and Kashmir (which is now a union territory). Handicraft industry in India is of utmost importance to micro-finance as it is mainly operated by under-privileged people, especially women. Research work conducted in this regard found ample scope of woman upliftment, provided some innovative changes are brought in the working structure of micro-finance. Women, irrespective of having major role in the handicraft industry, lack deserved recognition due to patriarchal mindset prevailing in the society. There is a need of easy access of credit and changing perception of gender in order to facilitate socio-economic upliftment of women in handicraft industry via micro finance (Touseef, et al, 2016). A research has been conducted on J&K Bank and its role in micro-finance sector of Kashmir by Khurshid et al using 200 samples collected from Anantnag district of Kashmir. The sectors covered by the authors are carpet, shawl, crewel, embroidery, and tailoring. These sectors majorly employ 5-10 people. It was found that factors that are mostly considered by micro finance borrowers are quick sanction of loans and low rates of interest. There is a lack of awareness in the region due to which borrowers

resort to local money-lenders for their needs. The problems with the working of J&K Bank, identified in the paper, are lack of promotion, financial illiteracy, poor customer relation system and lack of proper monitoring (Khurshid et al, 2013). In another research work by Rafiq Shah, the author has pointed out some major problems within the handicrafts sector which are: lack of infrastructure, financial illiteracy, poor packaging strategy, technological backwardness (Rafiq Shah, 2016).

Emerging innovations in Micro-finance

There are many emerging innovations and technologies in the field of micro finance. There have been innovations by NABARD. SHG-Post office programme has been started in five districts of Tamil Nadu. Social security system for SHG in two villages of Madhya Pradesh has been started. MYRADA-software has been built for efficient SHG-linkage. There has been emphasis on branch automation as well for time and cost efficiency. In respect of micro finance, social empowerment of marginalized in general and women in particular has been witnessed. Spending on education has increased. Value of assets held by rural women has increased. Women health has improved and dependency on money-lenders has declined. There has been evidence of regional equality in respect of micro-finance as well. SHGs, which were mainly concentrated in southern India, are spreading to non-southern (north, north-east and west) regions of India as well. Percentage of SHGs in non-southern regions has increased from 29% to 52% (Karmakar, 2009). In another research conducted by Sriram, the author evaluates various innovative banking techniques that have been carved out by different banks. Oriental Bank of Commerce, Rudrapur branch, actually sends its employees to the field in order to identify, motivate the target clients and also to attend meetings of SHGs. The offices remain closed on working days because the staff is on fields. Similarly, ICICI promotes SHGs in Madurai, Tamil Nadu. There is a partnership between NGOs and banks wherein NGOs have accessibility to the target

clients and banks provide credit and reinforcement to the clients. The author highlights the lack of regulation, issue of taxation in the sector and recommends proper systemization of banks (Sriram, 2005).

Negative Evidences

Despite all innovations, government policies and programmes, there are some inherent problems with micro-finance. In contrast to the favorable literature on micro-finance, there also exist the literatures that show unfavorable results in the area of role of micro finance in women empowerment. Some researchers have evaluated role of micro-finance in women empowerment beyond mainstream lines. Studies show that instead of using micro-credit for productive investment avenues, borrowers use it to meet consumption demands which bring no upliftment and growth via micro-credit. The problem of using micro-credit for consumption only instead of investment needs to be addressed and the demand of the poor must be listened to so that social purpose of micro-finance is served (Weber, 2004). Shagufta et al (2018) states that though micro-finance via SHGs have empowered women holistically but few evidences show 63% of women have no control over the loans that are sanctioned to them. Due to this, they end up repaying loans by selling their personal assets without being able to enhance their productivity with the credit allotted. This further leads to their disempowerment. Another study (Kotahwala, 2012) highlights the importance of background of clients before policy formulation and implementation. She states that lack of knowledge about clients and their background (religion, culture, e.t.c.) is the major reason of failure of MFIs.

A study by Kafle (2015), states that besides the positive reinforcement by microfinance, there is a negative side of it as well. Some married women take out loan but have no control over it. Despite this, they are responsible for repaying of loans with no resources. This drags them further into the trap and makes them more vulnerable. They are forced to

sell their personal assets to repay the loan. In such cases, credit proves counter-productive for them. On the other hand, divorced and widow women are immune from this problem and gain more empowerment via micro-loans. A study conducted by Subrata and Bass (2014) analyze how micro-finance serving women can adopt POE (Positive Organization Ethics) code to build positive ethical strength. It talks about institutionalizing of ethics in the micro finance institutions internally. It highlights the irony of micro-finance that serves to empower women, yet use physical, mental abuse to recover loans from women. The data has been collected from MIX (Micro finance Information Exchange) covering 275 MFIs in almost 58 countries across the world. Logistic regression has been used to test the hypothesis. The hypothesis has been built to determine the relation between MFIs serving women borrowers and MFIs adopting POE codes. The paper emphasizes on women abuse and exploitation within MFI. The remedy suggested by the author is adoption of POE in literal sense and not only for window dressing. The authors caution against over-optimistic approach towards micro finance by highlighting presence of institutional voids with regard to women empowerment.

The problems identified in the paper by Masood et al (2016) were lack of credit, women being easily threatened physically and mentally on non-repayment of loan. The authors have recommended formulating of policies related to insurance schemes, training and development, health counseling, financial help in case of death and disability. Also, over-commercialization of MFIs needs to be controlled. Women must be included in policy formulation panel. There is a huge potential in this sector for women empowerment as it one of those industries which has overwhelming share of women. Attention is required to be given to the aspects surrounding it such as insurance coverage for pregnancy, child birth, domestic-violence, e.t.c. (Pomeranz, 2014). In another study by Lakshmi, author highlights that material empowerment (such as increase of assets and income, self-confidence and

status) of women by micro finance is only an illusion until there is no change in the patriarchal setup of the society. The major hindrance in the path of women empowerment is women themselves as they easily accept the existing social hierarchy. They need to understand they are deprived and hence need to fight against it (Lakshmi Kumar, 2013).

Besides this, we need to understand that micro-finance is only one of weapons and not the only weapon that is needed to control gender-gap. Hence, there is need of ample changes and improvements in micro finance sector including other dimensions (such as social, psychological e.t.c.) as well in order to make it a sustainable and growing avenue of women empowerment, not just verbally, but in true literal sense.

Critical Evaluation of Micro finance

In one research, by Sunanda et al (2005), the authors, while evaluating impact of banking policies on micro-finance, argue that mainstream policies of financial liberalization leads to unequal distribution of credit. In India, despite the fact that SMEs play a significant role in the economy in both domestic and international context, there is a sticky lending process to SSIs. Regulatory measures are mostly favoring large banks and industrialists. There are multiple problems of merger policies as well. Banks merge to become serviceable to large corporate as they are more profitable. This leads to conflict of interest with social lending. There is no efficient disclosure system and no risk management system for micro-finance sector. Presence of multiple governing bodies for micro-finance leads to inefficient governance (Sunanda et al, 2005).

There is a lack of capital, policy limitation, and inefficient insurance policies in micro-finance sector. Also, subsidy to SGSY (Swarnajayanti Gram Swarozgar Yojana) leads to disintegration of already mature SHGs as members are switching to SGSY programme due to the incentive of available subsidy (Karmakar, 2009). MFIs, in India, need to give credit

supply funds like Bangladesh. Also, when we talk of financial inclusion, we overlook the source of credit. Though there has been increase in the credit availability by poor people but it comprises of a significant portion of informal sources of credit. In Jammu and Kashmir, 32% are availing credit from which 94% is using informal sources like moneylenders. Using of loans from informal sources represents financial exclusion. Mahendra Dev (2006), in his paper highlighted the problem with supply side and demand side of the micro-finance sector. While criticizing supply side of commercial banks, RRBs and Cooperative banks, author states that there is a very narrow branch network in rural areas which promotes regional inequalities. Agricultural credit is diverted to large wealthy farmers rendering small and marginal farmers as credit-less. Formal banking institutions are disinterested in rural areas due to lack of infrastructure, low scale of transactions. Banks need to consider rural banking as a business opportunity and also a social responsibility and hence come with some feasible ways of banking. Considering demand side of the micro-finance sector, rural vulnerabilities, risk and lack of awareness and literacy need to be considered

before implementing financial inclusion policies. Depoliticisation of financial system is a must to avoid crony capitalism and maintain viability of formal financial institutions (Dev, 2006).

In another paper by Heloise Weber (2004), the author brings in the political context behind micro-finance being promoted as a poverty-reduction and women empowerment tool. The author argues that neo-liberal capitalistic setup is in itself a source of poverty, gender inequality and women exploitation and micro finance is a strategy used to control the resistance against it. It attempts to criticize micro-credit as a crisis-management approach by two arms of capitalistic world i.e. World Bank and IMF to counter the crisis which is a result of capitalism itself. It critically evaluates the working of micro-finance wherein it mentions that micro-credit doesn't do away with collaterals but instead replace conventional collateral with social collateral like peer pressure, joint liability, e.t.c. The author points out the political implication of micro-credit. It (micro-credit) is structured in such a way that it facilitates compliance of neo-liberal capitalistic policies.

Table 1 : Summarized studies and their findings are given in the table below

S. No.	Year	Title	Author	Objectives	Findings
1.	2002 (Ghana)	Empowering women through microfinance	Susy Cheston, Lisa Kuhn	To study impact of Sinapi Aba Trust, a microfinance programme in Ghana, on women empowerment considering material change, perceptual change and relational change.	Material change: Improved business, assets and savings. Perceptual change: more respect within the community, confidence, and decreased discrimination towards daughters. Relational change: reduced domestic violence, good relation with spouses
2.	2004	The 'new economy' and social risk: banking on the poor?	Heloise Weber	Critical evaluation of microfinance	Micro-finance is a tool used by capitalistic society to eradicate self-created crisis of poverty
3.	2006 (India)	Financial inclusion and challenges	Mahendra Dev	To evaluate emergence of financial inclusion and its challenges	Lack of financial literacy and infrastructure, Depoliticisation of financial system needed

4.	2007 (India)	Impact of microfinance: a critical survey	Niels Hermes, Robert Lensink	To study impact of microfinance on poverty reduction	Women are more burdened as they don't have control over their loans but have responsibility to repay. Commercialization of microfinance
5.	2009 (India)	Emerging trends in microfinance	K.G. Karmakar	Emerging trend in microfinance in India	Capital adequacy and efficient insurance policies required.
6.	2010	Too good to be true: resilience of microfinance	Thomas W Ditcher	To evaluate microfinance as a poverty-reduction tool	Microfinance does not lead to poverty reduction but instead cause infantilization of economy by giving credit to low-skills, low-capital and low-tech activities.
7.	2011 (Ghana)	Microfinance and socio-economic empowerment of women: a case of opportunity international savings and loan clients	William Ablorh	Socio-economic characteristic of OISL(an MFI) and its role in women empowerment	Business improved, self-confidence within women increased, training required
8.	2012 (India)	Microfinance in india and how it empowers women	Vidhi Kotahwala	To study microfinance and its impact on poor using case studies across India	Reason of failure of MFIs is lack of knowledge of background of clients
9.	2013 (India)	Illusion of women empowerment in microfinance: a case study	Lakshmi Kumar	To compare condition of women before and after MFI, to find if microfinance leads to economic, social and political empowerment	Material improvement in women's status is only an illusion until there is no mental upliftment of the society towards women. Problems like lack of entrepreneurial skills, acceptance of social hierarchy by women are a major blockade
10.	2013 (India)	Microfinance: a step to empower the poor	India Brand Equity Foundation (IBEF)	To analyse microfinance and its working	Lack of financial literacy and capital
11.	2013 (Bangladesh)	Impact of micro-finance on women empowerment in Chittagong	Rajib Chakraborty, C.V. Jayamani	To find relation between microfinance and status of women availing micro-credit	Increased decision making, consciousness level and individual identity

12.	2013 (Israel)	"I earn, therefore I exist": impoverished Bedouin mothers who become entrepreneurs	Nuzha Allasad Alhuzail	To find impact of SAWA (an MFI) in upliftment of Bedouin tribe in Israel	Increased employment, work recognition and family status, improved relation with spouse,
13.	2014	Institutionalizing ethics in institutional voids: building positive ethical strength to serve women microfinance borrowers in negative context	Subrata Chakraborty, A Erin Bass	To study ironical behavior of MFIs by abusing women physically and mentally to extract repayment of loan	MFIs must adopt Positive Organization Ethics (POE) in literal sense
14.	2014	The promise of microfinance and women empowerment	Dina Pomeranz	Analyzing microfinance in the domain of women empowerment	Women Empowerment has been witnessed. Insurance coverage for child birth and domestic violence needed.
15.	2014 (India)	Empowerment of women with micro-credit: a study of women selfhelp groups in Ganjham district of Odhisa	Sangram Charan Panigrahi	To compare status of a) microcredit borrowers and non-borrowers b) SHG members and non-members	Increased income, employment and decision making power, decreased acceptance to wife beating
16.	2014 (India)	Role of regional rural banks in Jammu and Kashmir	Huma Naz, Sarita Parihar	To evaluate working of RRBs in Kashmir	Need to focus on efficient deposit-mobilization lending and recovery of loans
17.	2014 (Malaysia)	Empirical investigation on the impact of microcredit on women empowerment in urban peninsular Malaysia	Abdullah Al-Mamun, Abdul Wahab, Nural Huda	To find impact of Amanah Ikhtiyar Malaysia (AIM), a microfinance programme on urban poor Malaysian women	AIM has significantly increased participation of women in household decision-making, increased economic security, increased resource control, mobility and legal awareness.
18.	2015 (India)	Role of microfinance in women empowerment: a comparative study of rural and urban groups	Raji Ajwani	Empowerment of women via microfinance (MF) in rural (SHG) Vs urban (JLG) region	Rural women are more empowered than urban
19.	2015 (Nepal)	Microfinance and women's empowerment : a study of 'VDRC-Nepal in Jamuniya, Nepal	Surya Prasad Kafle	To study role of microfinance in women empowerment in Nepal	Women empowerment has been witnessed in terms of agency, identity and critical consciousness

20.	2015 (Turkey)	Women's empowerment and welfare transformation in the context of micro-credit in turkey	Y. Pinar Soykut Sarica, Elif Cagli	To study impact of microcredit on poor Turkish women	Employment, self-confidence and spending has increased but evidences of more use of microcredit by affluent rather than poor
21.	2015 (Iran)	Microfinance in Iran: a case study of the Rural Microfinance Support Project	Yasmine Di Pucchio	To find Impact of RMSP, a microfinance programme of Iran on empowerment of women	Women empowerment witnessed along five dimensions, namely, mobility, women's role in her community, participation in social life, involvement in decision-making process, ability to balance between work and family.
22.	2016 (India)	Role of microfinance for the empowerment of female artisans in Indian handicraft industry	Touseef mohi-ud din, Shekhar Maidamwar	Impact of MF in women empowerment in Handicraft Industry	Perception change and easy access to capital needed
23.	2016 (India)	Microfinance and women empowerment: self-perception of beneficiaries - a study with reference to Gandhinagar district of Gujarat	Madhavi Kodamarty	Impact of microfinance in uplifting women in Gujarat	Increased earnings, status employment, decision-making power witnessed.
24.	2016 (Nepal)	Microfinance and woman empowerment	Kristina Shakya	To compare two MFIs (city vs. village) in Nepal and their effectiveness in empowering women	Positive social feedback, strong self-confidence, increased decision making power. Suggestion to reduce interest rates in villages
25.	2016 (Pakistan)	Role of microcredit towards socio economic empowerment of Pakistani urban women	Naila Masood, Masood Ahamad	To study role of Akhuwat (MFI lending zero percent interest loan) in empowering women in urban Rawalpindi	Improved women's economic status and psychological growth. Recommended training, health counselling and women-participation in policy panel

RESEARCH GAPS

There are few gaps identified in the existing literature.

1. There are minimal studies related to working of micro finance in a political context. As many Indian states fall in politically disturbed zone like north-eastern states, Jammu & Kashmir, it demands a different market orientation by banking sector in general and micro-finance in particular.
2. Similarly, micro-finance needs to be studied from a perspective of religious and cultural constraints. As per shariah law, interest is prohibited due to which Muslims (who form a significant share of under-privileged section) hesitate to take loans and avail micro-finance services. Also, religious restrictions on Muslim women discourage them to take independent entrepreneurial activities. Hence, there is a scope of studying how micro-finance is serving and can serve better to this section while overcoming religious and cultural challenges.
3. The worst form of gender-exploitation is prostitution, wherein woman is not only dominated socially but she is being intruded by others into her utmost personal space and choice. There is a potential for research in this area as well as to how micro finance can provide dignified self-employment opportunity to women and drag them out of forced prostitution.
4. In the literature reviewed, the sample has been taken only from women borrowers (except one paper). Males should be interviewed too to know their perception towards financially independent women.

FINDINGS AND DISCUSSION

On the basis of reviewing of existing literature, it could be stated that micro finance is a powerful tool for socio-economic upliftment and empowerment of women. As explained by Pomeranz (2014) in her paper, Micro finance can be categorized into three categories, namely, 1. Micro-credit (defined as small

loans to micro-enterprises), 2. Micro-savings (defined as safe and accessible avenue to save against contingencies), 3. Micro-insurance (defined as mitigation of risk). Micro-finance can promote women empowerment in two following ways: a) easy and direct access to funds to women b) gender inequality reduces as poverty reduces. Micro-finance gives women an easy, affordable and reliable access to capital which was lacking before its evolution. Access to capital gives women entrepreneurial and investment opportunities. It facilitates financial independence of women and saves them from exploitation at the hands of their male-counterpart. Self-Help Groups (SHGs) besides being an avenue of savings and borrowings, promotes socializations of women and increases awareness among them. It promotes psychological upliftment of women. They get a sense of self-dignity and confidence. Micro-finance increases assets and income of women and increases their decision-making skills. A research conducted in Ghana by Ablorh (2011), showed 94% of the OISL (an MFI) clients reported increase in their household income. Due to financial self-sufficiency, they get respect from the opposite gender, participation in household decision making and recognition in the society. The main reason of women exploitation was their silence. Now, these financial intermediaries like SHGs and Joint Liability Groups (JLGs) encourage them to speak. It acquaints them to their rights. Women empowerment facilitates proper education of their children which, in turn, helps in breaking of generational cycles of poverty. A study by Panigrahi (2014) based in Odisha, showed that 75% of female SHG members participate in decision making process whereas only 50% of non-members do the same. Similarly, Ablorh (2011) suggests that 72% of MFI clients reported improved family relationships. Supported by evidences from various studies conducted within domestic boundaries of India and beyond, there has been empowerment of women with respect to various variables such as increase in assets and income, participation in household decision making, self-confidence, social status, health status, family planning, decline in domestic violence e.t.c via

institutes like SHGs, Grameen Banks, NGOs, RRBs and other micro-finance programmes.

Table 2 : Statistical summary of the women empowerment indicators via microfinance programs are given in the table below

Empowerment variables	Micro-finance members (%)	Non-members (%)
Participation of women in decision making	75	50
Power of women to work independently	55.9	46
Women disagreed on wife-beating	51	23
Level of awareness about social issues among women	82	93
Increase in amount of savings and income after joining micro-finance	60 above	-
Increase in social interaction	11 (Insignificant)	-

Source: Panigrahi (2014)

There is a deprivation of optimum utilization of human resources when women are being suppressed (William Ablorh, 2011). There are some negative findings as well related to impact of micro finance on women empowerment. Some research findings highlight the fact that women do not have control over the loans that they avail. Their loans are used by their spouses and in-laws and later on they are forced to sell their personal assets for repayment without getting any material benefit from the loans. 63% of women have no control over their loans as is reported in a paper by Shagufta (2018). This leads to their disempowerment. Also, in some cases women are beaten by their husbands if they become more successful entrepreneurs due to male-ego clash. This suggests that capital in itself can do no good until there is not improvement in the mental framework

of the people (Lakshmi, 2013). Micro-finance has immense potential to shrink the existing gender-gap but one need to understand that it is not the only tool but one of the tools to empower women. We need to accept status of women as equal to that of men and stop considering them as a second-gender. This social and mental upliftment is possible with education that can bring enlightenment to the society. Besides this, there are a lot of challenges associated with working of micro finance that need to be addressed. Increasing product effectiveness and financial viability is a major challenge. We have micro finance as a means to reduce or end poverty, but the question of how to channelize it to serve the mentioned purpose, needs to be considered seriously (Dina Pomeranz, 2014).

Source: Panigrahi (2014)

Figure 2 : Impact of Self-Help Groups on Women Clients

In Jammu and Kashmir, which is considered as a hub of handicraft industry, micro-finance has immense scope of operations. 47.42% of people in J&K's Handicraft sector are women. As per a survey, in J&K, 94% of credit borrowings are from informal sources (Dev, 2006). This is a case of high financial exclusion where micro finance can step in. Also, J&K Bank, which is a ruling bank of the state, has some operational problems. There is lack of monitoring by it. Hence people working in different small-scale sectors specially, handicraft industry, borrow loans from informal sources like money lenders who charge exorbitant rate of interest and ironically put borrowers in deeper troubles instead of helping them out (Khurshid et al, 2013). Thus, there is a need of further refining and deeper penetration of micro finance in Jammu and Kashmir in order to be more efficient and accessible to the target clients and serve its purpose in an optimum way.

CONCLUSION

After thorough reviewing of around 42 research papers portrayed in both national and international boundaries, it can be concluded that micro finance

has proved to be an efficient tool to empower women economically, socially and psychologically and bring gender-parity. Despite several methodological variations, studies accept that micro finance does empower women. SHGs, Grameen Banks, NGOs, and other government schemes in micro finance area are strong empowerment weapons provided they are efficiently implemented and operated. Some negative literature on empowerment of women via micro finance such as lack of control over loans by women, increased wife-beating due to ego-clashes demands psychological and social changes. There are some inefficacies in the industry that need to be fixed such as financial illiteracy, lack of capital, entrepreneurial skill training, proper regulation of MFIs, soft taxation policies, simple paperwork, favorable interest rate and Depoliticisation of working of MFIs. MFI is a powerful tool to wipe out gender-inequalities, if combined with other important tools like education, poverty-reduction, psychological upliftment, equality instead of patriarchy, and a united fight against male chauvinism.

As J&K has a well-spread handicraft industry to

which women contribute significantly, well-developed MFIs are needed for smooth functioning of the industry. Also, as it is a backward Muslim-majority state, there is a strong need of women empowerment and upliftment, both economically as well as psychologically. Hence, studying role of micro finance in women empowerment in Jammu & Kashmir has a lot of potential in an academic sense. As a politically disturbed region, there are many widows whose husbands have been killed or are disappeared and hence have the sole responsibility of sustaining the family. Due to this reason, there are many potential customers of micro finance. On the other hand, due to frequent hartals and curfews, business remains closed and hence people hesitate to borrow credit due to the fear of being unable to repay. Besides, there are also religious prohibitions and misconceptions due to which people (especially women) are reluctant to avail micro finance services. Considering all these facts, there is a large scope in studying how micro finance can bridge out these differences and help in empowerment of women in a culturally and religiously constrained environment.

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