

ROLE OF MICROFINANCE IN EMPOWERING WOMEN OF MINORITY RELIGION

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Abstract.

Since the ancient period, women are under the paws of inequality in our socio-economic environment. There was a few number of women in the elite society who were considered as the path finders of women development in that specific period but the other parts of women especially from the backward communities were completely neglected and underestimated in the society in comparison to their men-counterparts. All these invite gender inequality and as women are taken as the builders of socio-economic development of any society, human civilization seems to face tremendous trouble in its sustainable development. In this context, Minority women have been found to suffer more than the other groups. They have lowest literacy rate and lowest work participation rate as well as negligible participation in political activities. As weaker section of the society, women from Minority face insecurity. In India, the growth of minorities is found to be lower in comparison to other sections not only in rural but also in urban area. Hence, to equalize the social position of women in respect of men, Government, Non-Government Originations (NGO), Banks and other authoritative institutions have taken various steps like encouraging poor women clubbed under Self Help Groups (SHGs) wherefrom they can avail of the means of their sustainability. The assisting organisations can also provide training, basic

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education of daily life, skill, support to enhance health and hygiene related matter, financial strength for self-employment etc. The effect of SHGs ultimately brings Women Empowerment, the way to enrich women from all perspectives in socio-economic-culture views. It is the process which assists women to realize their identity, capacity, strength and power and its application in day-to-day life in various spheres like decision making, family planning, free them from irrelevant customs, tradition, practices and prejudices. In the same line, the empowerment is also associated with the entrepreneurial self-reliance through participation in policy making and planning process which can be enjoyed by SHGs.

This paper presents a review of available literature relevant to the study based on the role of Microfinance for Women Empowerment particularly focused on Minority Religion.

Keywords: Women Empowerment, Microfinance, Self Help Groups, Minority Religion.

1. Introduction

Every society should emphasise on the equal and inclusive aspect of both men and women in its socio-economic-cultural activities. The share of women population has been almost half in every society of the world, but their participation in socio-economic-cultural, familial, political and legal activities is not found to be identical with men (Arul and Packirisamy, 2015). In this very issue, the ratio of women in illiteracy and below poverty line comparatively high with the counterparts of men which seems to be responsible for socio-economic degradation of any country as literacy and per capita income are regarded as the main ways to develop socio-economic position in any country (Devi, 2014; Hossain, 2013;). Moreover, in developing and underdeveloped countries among the under-employed³ or unemployed populace, most are found from women community (Hossain and Moinuddin, n.d.) which also indulges poverty⁴ in this section as well as in the respective nations in multidimensional phases. In this context, in almost all of the societies, the women section has to fight for their basic rights, basic needs and necessities (Noreen, 2011). But sometimes, the socio-economic deprivation from all the basic

³A job which is inadequate to full utilization of worker's skill and relatively workers did not receive enough paid according to their ability. – <http://en.m.wikipedia.org>

⁴ 1.5 billion people suffer multidimensional poverty among them medium HDI and low HDI countries has high share among 102 countries according to HDI 2016 - V. K. Puri & S. K. Misra; Indian Economics 2017; pp 25.

needs specially from health, education make them completely distressed which can also be reflected in the report of Human Development Index (HDI)⁵.

Now, in response to inviting gender equality⁶ in all corners of livelihood and thus to ensure empowerment⁷ and sustainable livelihood promotion⁸ to the socially vulnerable gender section, different initiatives have been considered by world-wide authorities. The Millennium Development Goals (MDGs) (2000-2015 as 3rd Goal) and the subsequent Sustainable Development Goals (SDGs) (2016-2030 as Goal 5) are the most important examples in this context where expansion of education, employment in non-agricultural area has been encouraged along with proposition for increase in seats for women in Parliament⁹. Beside MDGs and SDGs, Bangladesh Rural Advancement Committee (BRAC) microcredit programme in Bangladesh, Ishraq programme in Egypt and South African intervention with Microfinance for AIDS and Gender Equity (IMAGE) were introduced to explore prospective promotional attitude for vulnerable sections. Continuing the effort, in 2010, United Nations Development Fund for Women (UNIFEM) was re-branded as the UN entity for gender equality and the empowerment of women (UN Women). In the same line, World Bank also gave priority on gender action plan for that include over 1800 world bank-aided project for the women's economic empowerment (Arnoff, 2011). This type of promotional programme provided potential to society to redress situation of women.

But as per the evidence of different research studies (Hossain, 2013; Mainuddin, 2011; Kazi, 1999), the policy formulation and declaration of promotional schemes are hardly materialised in practice mainly in developing countries like India which is supposed to be one of the largest

⁵ 1.5 billion people suffer multidimensional poverty among them medium HDI and low HDI countries has high share among 102 countries according to HDI 2016 - V. K. Puri & S. K. Misra; Indian Economics 2017; pp 25.

⁶ Gender inequality: Unequal access to and control over the various material and non-material resources and assets of the society. In all societies the woman's role is the inferior one in the relationship. There is still no country in the world where women have equal access to power and decision-making, and to decent and well paid jobs (European Institute for Gender Equality [EIGE], Source-<http://eige.europa.eu/gender-mainstreaming/concepts-and-definitions>)

⁷Empowerment of women as a concept was introduced at the International Women's conference in 1985 at Nairobi. The conference defined empowerment as a redistribution of social power and control of resources in favour of women. It encompasses many other aspects in addition to the economic self-sufficiency. It entails education including self-confidence and ability to take decision about their own lives". (Human Development report 2008: Meghalaya)

⁸Sustainable Development: "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs." (The report of World Commission on Environment and Development's, (The Brundland Commission), Oxford University Press, 1987). Livelihood may comprise of capability, assets (including both material and social resources) and activities required for a means of living (Chambers and Convey, 1992).

⁹As per global MDGs report of 2015, in southern Asia 103 girls are enrolled for every 100 boys, 41 percent women were paid worker and 90 percent of the countries have more women in the parliament. - (Kabeer, 2005).

democracy and Minority population¹⁰ of the world. Now, though India contains separate laws, clauses and regulations for Minorities welfare, the women section of the respective community generally faces discrimination in various scopes like security, equal rights, property, health, hygiene than the men counterpart (Munjial and Kaushik, 2013) amongst which Muslim women are supposed to face the worst condition¹¹ (Kazi, 1999). Moreover, lack of literacy, the least number of enrolment in school, huge number of dropouts from school¹², child marriage etc. make the class of socio-culturally poor people extremely locked in home for which they are associated with lower participation rate in productive operation than other class of religion of women (Nazeerudin, 2012; Devi, 2014; Hossain, 2013). The vulnerable condition of the women class of Muslim community in socio-cultural-economic-political-educational areas is detected as more severe than even other minorities as per caste (Sachar Committee Report, 2006).

In this context, Government has taken different policies like National Rural Employment Programme (NREP), Integrated Rural Development Programmes (IDRP), National Scheme of Training for Rural Youth for Self- Employment (TRYSEM), Sixth Five Year Plans, JawaharRozgarYojana (JRY), Jawahar Gram SamridhiYojana (JGSY), Rural Employment Generation Programme (REGP), scheme for Providing Self- Employment to Educated Unemployed Youth (SEEUY), Self- Employment Programme for Urban Poor (SEPUP), Prime Ministers RozgarYojana for Educated Unemployed Youth (PMRY), Swarana Jayanti ShahariRozgarYojna (SJSRY), Sampoorna Gram SworozgarYojna (SGRY), Swarjayanti Gram SworozgarYojna (SGSY) etc. to encourage self- employment and thus self-reliance, self-respect etc. to all communities, castes and religions. In this context, the world-wide forum of Microfinance can specially be considered which would provide savings, insurance, training facility together with credit facility to all beneficiaries including women for which the ‘neglected gender class’ of rural and urban area can enjoy empowerment in multi-dimensional facets confirming their sustainable development also (Rajendran, 2012). In this very issue, microfinance encourages joint movement of the group of poor people clubbed under a group

¹⁰ India has 79.8% Hinduism and 14.2% Islam while remaining 6% related to other religion (2.3% Christianity, 1.7% Sikhism, 0.7% Buddhism, 0.4% Jainism, 0.7% other religions and 0.2% religion not stated). India is the 3rd largest world’s Muslim population (172 Million) flowed by Indonesia (210 Million) and Pakistan (195 Million) - According to Census 2011.

¹¹In 1983 Gopal Singh Committee formed by the Government declared Muslim as a ‘Backward’ Community in India” (Kazi, 1999).

¹²As per Gross Enrolment Ratio by religious (2004- 05) : In Higher Education Muslim women has 6.16 which is pretty lower as compare to Christian women (19.98), Sikh women (14.99) and Hindu women (10.86). In Graduation Muslim women (5.81) also depress than Christian (16.02), Sikh (12.4) and Hindu (9.32) (Sharma, 2015)

named as Self-Help where they can jointly fight against their poverty and other drawbacks with the support of the special device in financial and non-financial aspects. The reflection of the microfinance movement in developing the poor members of Self-Help Group (SHG)¹³ has been found with the introduction of National Bank for Agriculture and Rural Development (NABARD) which with its promotional policy, Self Help Group–Bank Linkage Programme (SHG-BLP) (1992), has offered financial assistance to unbanked poor people of SHG where women from all castes, religions, age can perform. This effort the microfinance, therefore, can offer improvement in average annual net income, assets and savings of household etc. (Ghosh, 2012). Besides, the financial assistance of Microfinance provides credit to the deprived who were unable to take financial support from any formal agencies with which they will be able to enjoy their fundamental rights in education, health, hygiene, nutrition etc. and make their dependent get the same (Bella, 2011; Arora and Meenu, 2011; Ghose, 2012; Nasir, 2013). Moreover, the financial and non-financial support as offered by microfinance to the members of SHG would encourage them to promote self-employment generation (Bella, 2011). All these circumstantially empower them and encourage them to get sustainable livelihood promotion for socio-economic backward gender class. Now, socio-economic benefitting attitudes of microfinance would add more flavour to countries socio-economic development, if it includes backward minority community as per religion, Muslim under its purview which would protect the interest of the women section and allow them to enjoy their fundamental rights with self-employment, generation (Ali, 2002; Devi, 2014; Rahmutulla, n.d.; Sharma, 2015).

1. **Review of Related Literature:**

The study of different dimensions of women empowerment and the role of microfinance in empowering women in divergent areas are supposed to be significant study areas of recent time for which several researchers have extended their studies in this field. In this section, attempt has been made to explore the literature till reviewed in different themes – **women empowerment and sustainable livelihood, movement of microfinance in empowering women in different dimensions, microfinance and women empowerment for minority community.**

• **Women Empowerment and Sustainable Livelihood: A Conceptual Framework:**

¹³ The small, informal and homogenous group of not more than 20 members. The SHGs are characterised in empowerment of women through focusing attention on women of below the poverty line to improve their status in the family as well as in the society and to create better awareness in health, education and environment among rural people (Mula&Sarker, 2013).

Among different problematic areas where the human civilization faced tremendous threatening, unemployment and resultantly poverty seemed to be the most hazardous ones. In this context, gender discrimination might have special significance due to its high impact on socio-cultural aspect of a country (Jickling, 1994) bringing complexity in people's livelihoods. These type of problematic issues showing their effect in all over the world but the condition of developing and underdeveloped country would be more shocking (Krantz, 2001). Respecting this issues British Department for international development (DFID), 2000 define livelihood as well as also develop sustainable livelihood framework (SLF), the element of the framework including vulnerability context (critical trends, shocks and seasonality) which might relate to the external environment and had very strong influences on the people's livelihoods for individual or household (DAIF, 2000; Krantz, 2001). Through various livelihood assets women could acquire the ability to create assets access the assets which sustain them towards sustainable livelihood (Morse, McNamara and Acholo, 2009). Skill, knowledge, ability to labour and good health (Human capital) might involve them to livelihood strategy as well as enable them to achieve their livelihood objectives (Kabir, Hou, Akther, Wang and Wang, 2012). Livelihood objectives could be received through social capital i.e. involvement in social resources upon which people acquire their livelihood objectives like connectedness with family, friends and society and formal organisations like membership of more formalised group (co-operative, social organisation, NGOs and SHGs etc.) and natural capital related to the natural resources i.e. dealing with natural resources with farming, fishing, gathering in forests, mineral extraction with which entrepreneurial set ups could be found (Kabir et al., 2012). In this very context, the basic infrastructure which needed to make environment more productive, came under physical capital, while financial capital, associated with financial help (loans, contribution etc.) of assisting organisation, would enable them to overcome food insecurity, poverty and thus would made them capable to generate income, activities, to acquire better health, hygiene, good nutrition, etc. (Krantz, 2001).

All these effort could assure empowerment in women section of society i.e. the emancipation of women from the vicious grips of multi—dimensional areas like economic, socio-cultural, familial/interpersonal, legal, political and psychological (Malhotra et al., 2002). It could be described as the process in which women could achieve possession over the knowledge,

information, idea and financial resources along with enjoying the decision making power in home, community, society and nation (Misra, 2006; Duflo, 2012). It could be brought by the participation of inside and outside decision making activities together with the male members of the family or separately in different issues like child education, investments, savings and expenses etc. (Misra, 2006; Duflo, 2012). In all these cases, women could have control over their own lives and their family in socio-economic and health-hygiene related issues and would thus enjoy empowerment (Santillan, Schuler, Anh, Minh, Trang and Duc, 2004; Hazrika, 2011) through sustainable livelihood (Jickling, 1994). Empowerment would supposed to be the process of increasing the capacity of individual or groups to make choices and to transform those choice into desire action and outcomes (The World Bank Report, 2002,). Here, women section could feel the power to choose where 'choice' might be categorised into two-order - first order choices were related to strategic life choice like choice of livelihood such as where to live, whom to marry, whether to marry, whether to have children, how many children to have, who has right over children, freedom of movement and choice of friend. The second order choices were important for life quality but it had not any defining parameters (Kabeer, 1999). In this context, three dimensions had been identified like accessibility of resources (material resource) agency and achievements. These dimensions worked as a process of social change to acquire the ability of strategic life choice and would be used interchangeable. Women empowerment could also be measured through estimating women's literacy rate of any country (Kabeer, 1999) because education could shape women's self-esteem and self- awareness to empower themselves and made them able to know about laws, regulation on behalf of themselves to prevent domestic violence as well as unnecessary pressure of society on their personal life related issue. Basic education and training would be helpful on women entrepreneurship and brought women self-confidence, self- reliance and independence (Sharma sand Varma, 2008). It could further be improved with the help of skill developmental activities and the use of technology but due to lack of efficiency on operating technology the women would have to face many social barriers in their entrepreneurial activities (Yadav, 2014). Women participation in entrepreneurship could be brought opportunity of equality through education, economic and political empowerment (Khan and Bhatt, 2014). In this issue, some researchers have claimed that female would be supposed to have more efficiency than men in management and entrepreneurial related activities because of

their hard working nature, desire to become economically independent and desire to upgrade family status in the society (Sharma, Dua and Hatwal, 2012).

- **Movements of Microfinance in Empowering Women:**

Women empowerment would explore in multi-dimensional aspects like economic, socio-cultural, familial/ Interpersonal, legal, political and psychological (Malhotra et al. 2002) which can be explored in the below mentioned paragraphs.

Microfinance and Women Economic Empowerment:

Women economic empowerment by Microfinance approach could be described from the context of economic development of women which would be related to increase in the income level and standard of living of the people of BPL (Below Poverty Line) (Bansal and Bansal, 2012). With the policies of microfinance, women entrepreneurial activities could be enhanced and women could enjoy self-reliance and self-confidence in performing different economic activities with adequate banking facilities at soft terms and conditions (Noreen, 2011; Owusu, Akanbasiam and Anyesepari, 2013; Mula and Sarkar, 2013; Alshebami and Khandare, 2015;). The positive effect of microfinance in empowering financially excluded women section would start from household activities where women could uplift their positions by taking different financial decisions like investments etc. (Bansal and Bansal, 2012; Jose and Jose, 2013; Rehman, Moazzam and Ansari, 2015) and also several health and hygiene related decisions for their children (Noreen, 2011). The beneficial effect of different policies of Microfinance would not only increase the levels of net income, assets and savings of the participatory women group but also would make them free from the clutches of the money lenders etc. (Baru and Woller, 2004; Barr, 2004; Corsi, Botti, Rondinella and Zacchia, 2006; Banerjee, Duflo, Glennerster and Kinnan, 2009; Khavul, 2010; Bella, 2011; Ebimobowe et al., 2012; Jain and Jain, 2012; Duflo, 2012; Rajendran, 2012; Ghosh, 2012; Mahanta, Panda and Shreekumar, 2012; Nasir, 2013; Kannan and Panneerselvem, 2013; Owusu, et al., 2013; Hassan, Rahman, Bakar, Mohd and Muhammad, 2013; Ahmad, Abdullah, Yousop, Ramdhan, Hassan, Latif, Mohamed, Jaffar, Alaudeen and Malik, 2014; Shah, Imam, Qureshi and Hanif, 2014).

But in this context, though Microfinance showed much progress but the problem had not yet been solved. In India, most of population lived in rural area, who earned less than \$1 in a day they had not any practical access to formal financial sector (Pimpale, 2012). The problems of microfinance might also be raised due to slow progress in deposit generation and default in meeting the loan amount etc. (Nasir, 2013). Commercialisation growth of Microfinance would be found as very low and it should be very complex to grow organically (Sriram and Upadhyayula, 2002).

Microfinance and Women Socio-Cultural and Familial Empowerment:

Microfinance could have a positive effect on socio-cultural and familial empowerment of the women participants (Barr, 2004; Bella, 2011; Mula and Sarkar, 2013;) with which women could enjoy respect, confidence, freedom to move and got important position in household decision making activities in different aspects including maintenance of their legal rights on the assets of father (Banerjee et al., 2009; Bella, 2011; Sarumathi and Mohan, 2011; Noreen, 2011; Mahanta, 2012;Mula and Sarkar, 2013; Al-Shami, Majid, Rizal, Mohamed and Rashid, 2014; Kudachi, 2014; Rehman, et al., 2015). The social respect as generated through the employment and self-employment generation with microfinance movement, somehow could redress off the domestic violence and gave self-respect to the beneficiary women (Arora and Meenu, 2011; Noreen, 2011; Kudachi, 2014; Al-Shami, et al., 2014).

But all the efforts of this financial device might face trouble due to the illiteracy of the beneficiary women section of society (Rahaman and Sultana, 2011). This was also echoed in the indices used in measuring social index of women empowerment like household autonomy index, mobility index, attitude towards gender index and attitude towards domestic violence index (Gupta and Yesudian, 2006; Banerjee, et al., 2009; Khavul, 2010; Arora and Meenu, 2011; Augshurg, et al., 2012; Rajendan, 2012; Ghosh, 2012; Kannan and Panneersevlam, 2013; Owusu, et al., 2013; Alshebami and Kandare, 2015; Ebimobowei et al., 2012). In the same line, the lack of consciousness of the women participants on hygiene aspect might make the effort of microfinance in generating healthy life a hazardous one (Noreen, 2011, Jahanian et al., 2012). Microfinance in this context made its attempt to generate scope to promote proper medical treatment and better nutrition for the women participants in SHG (Corsi et al., 2006; Ghose,

2012; Banerjee, et al., 2009; Hassan et al., 2013). But due to some infrastructural difficulties like lack of proper understanding of loan uses, proper literacy, questions of safety for women etc., microfinance sometimes could not explore expected benefit to the poor in their socio-economic development (Ebimobowei, Sophia and Wisdom, 2012).

Microfinance and Women Political and Legal Empowerment

Beside the socio-economic-cultural-familial and hygiene aspects, microfinance would also invite political empowerment with appropriate scale of encouragements to women participants in participating in political activities such as participation in the local administrative bodies, availing of knowledge of politics, enjoying voting rights (Baru and Waller, 2004; Rahman and Sultana, 2011; Bella, 2011; Jose and Jose, 2013; Kudachi, 2014).

Microfinance and Women Psychological Empowerment

Women empowerment in varied areas, therefore, would invite psychological empowerment to all the women participants of SHG. As member of SHGs enjoyed freedom of economic, freedom of choice, decision making power and bargaining power towards creation of self-revaluation, self-esteem, self-capacity and self-confidence (Sarumathi and Mohan, 2011; Jose and Jose, 2013). The population who were socially-economically and culturally deprived should be needed these promotional programmes for increasing their capacity towards more productivity which would gift them sustainable development (Corsi et al., 2006; Ebimobowei et al., 2012).

But sometimes, the women participants of SHG might be exploited by the leaders of the group and other male members of the group which would demotivate them to continue their membership and thus invited a question in the way of their sustainability (Al-Shami, 2014;).

- **Microfinance and Women Empowerment for Minority Community:**

Women nourished a whole family like their children. If women would be educated and self-employed they could give proper education to their children, took better individual decisions of their own and their dependents, could contribute in household expenditure and gradually could take as an important part in the nation's global development (Sharma, 2015). But, women would

have to suffer due to deprivation might be for religion etc., which would invite a threatening to the existence of civilisation (Ali, 2002). In this context, the minority women might not enjoy equality in all of their rights like rest of the society which should be arrested through benefitting them with all of their rights equally (Hossain, 2013).

Among the vulnerable religion section of society, Muslim would be supposed to hold a notable place as per discrimination among the gender class in term of enjoyment of right (Mahanta, 2012; Munjial and Kaushik, 2013; Shah et al., 2014). In Islam, though it was found that the women should have the right to get education and also to get preference in familial matters like claim to divorce on certain ground, right to remarriage etc. (Munjial and Kaushik, 2013), in reality, they could not enjoy any right to participate in any important activities and might not enjoy any freedom to take decision about their own and for their dependent family members (Rocrué, 2015). For this, Muslim women were found as inferior community in socio-economic matters in comparison with the minority Muslim men as well as the women of other religions (Munjial and Kaushik, 2013; Devi, 2014). The negative thought of western education, traditional religion obstacles on nutrition and education of girl child, lack of social security, not having any benefits like health insurance, low participation in political activities (Kazi, 1999) and absence of bargaining power (Devi, 2014) might be responsible for this situation. Basically, the discrimination in formal employment would force Muslim women to take part in home based work like sewing, bidi rolling etc. which could be categorised as unorganised, low income activity (Kazi, 1999; Devi, 2014). Now, microfinance might hold the hands of the respective women in empowering them in different dimensions. The evidence of Bangladesh could be considered in this respect (Shah et al., 2014).

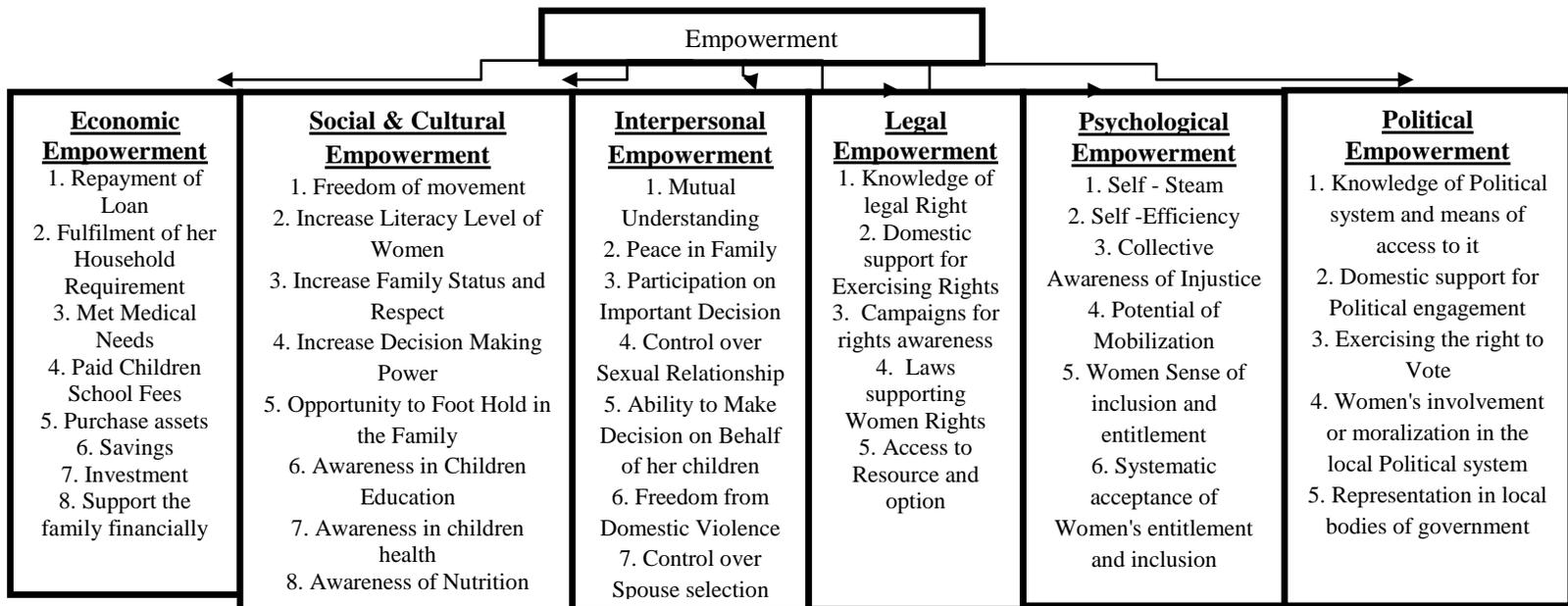
The conventional microfinance could be recognised as an effective tool of poverty reduction, income enhancement, health and education empowerment (Bansal and Bansal, 2012). However, it would have to face some obstacles for high interest rate of loan which would strictly be prohibited in Islam (Hassan, 2013). For that purpose, the Islamic Microfinance had been evolved. Microfinance, due to higher interest rate might have negative effect on the lives of its borrowers (Bella, 2011) while Islamic Microfinance under the context of liabilities, modes of finance, process, target group and profit through the sha' riah principle of Islamic Microfinance

provided most important source of fund to the poor without taking any interest (riba) and thus it could help to overcome the poor women from poverty and developed the source of income generation (Ahmad et al., 2014; Rulindo and Pramanik, 2013). Now, in this context, the Grameen Bank model also identified as inferior with the comparison of Akhuwat Foundation models of Microfinance (Shah et al., 2014). It offered interest free loan with which women could increase the capacity to manage increase self-respect and confidence of beneficiary women, manage various socio-economic hazards (Bella, 2011,). But, interest free zakat fund based on Microfinance had not been very satisfied because of lack of motivation among members of institutions and major drawback in quality of services (Rahmutullah, n.d.).

2. Conceptual Framework for Women Empowerment:

Empowerment can be explained as the process of enhancing the capacity of individuals or groups to make choices and to transform those choices into desired action and outcomes (www.worldbank.org.in). Therefore, women empowerment means not only to give economic support to poor but also to promote development in all socio-economic dimensions of women as like as the other gender class in our society (Noreen, 2011). All these issues ultimately encourage the promotion of sustainable livelihood (maintenance of development without creating trouble to others) of the socio-economic excluded gender section of the society on the basis of four inter-related pillars: economic development, social development, environmental protection and cultural diversity. Figure-1 shows the dimensions of women empowerment.

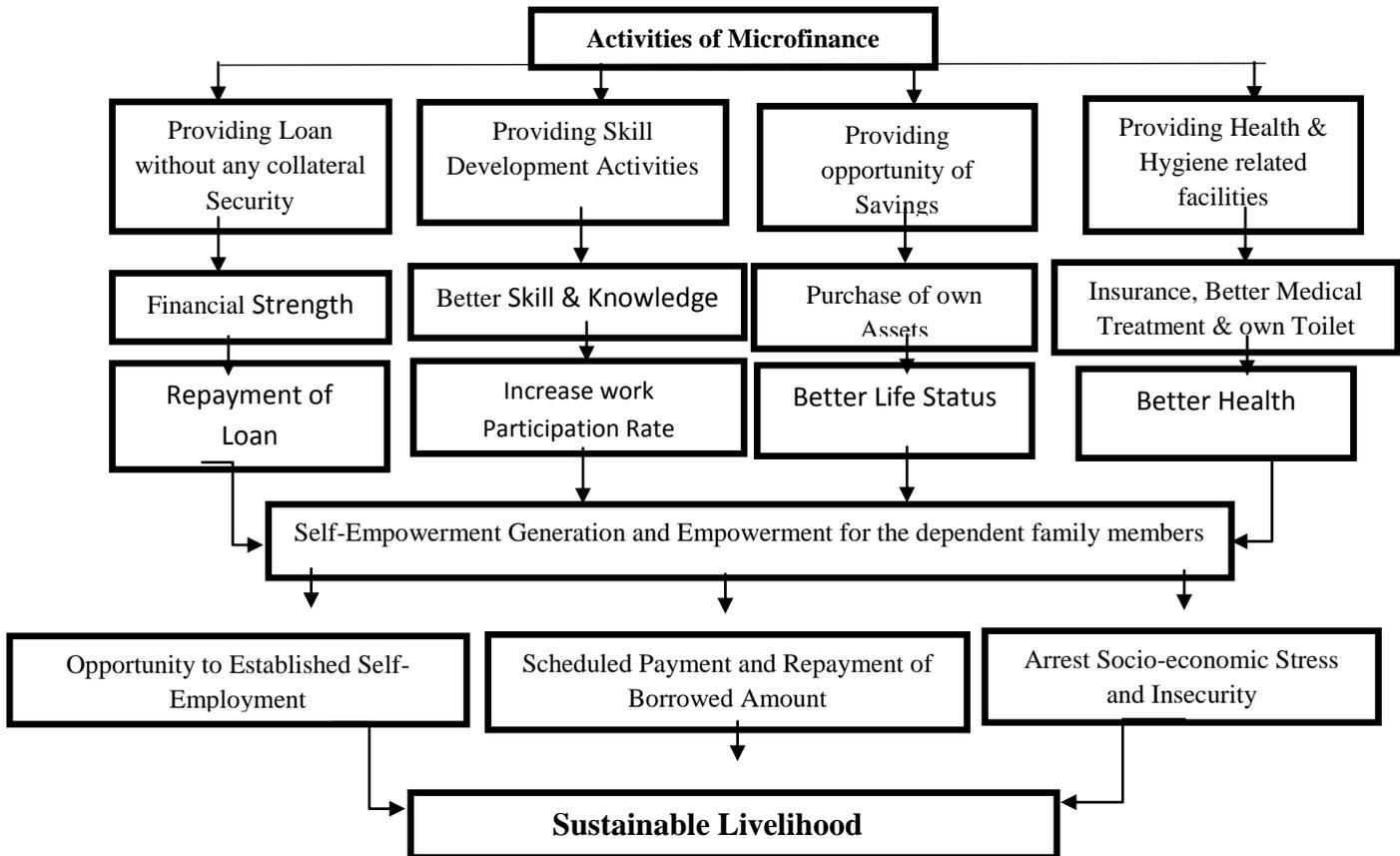
Figure – 1: Dimensions of Women Empowerment



[Source: Malhotra, et al]

‘Livelihood’ comprises of the capabilities, assets (including both material and social resources) and activities required for a means of living. Hence, activity can be sustainable only if it holds a capacity to cope with and recover of the deprived from stress and shocks to maintain and enhance assets with livelihood opportunities for the next generation at local and global levels in the short and long run (Chambers & Conway, 1992). The definition continued the fact that livelihood could be adopted as sustainable if it ensured economic effectiveness, ecological soundness (activities do not degrade natural resources) and social equitability (UNDP, 1997). From all these contextual perspectives, a conceptual framework for livelihood (sustainable) promotion for vulnerable section, may be structured where livelihood should adopt a systematic movement with an adoption and understanding of (a) the assets people draw (tangible and intangible), (b) the context within which a livelihood is developed (social, economic, political), (c) the strategies people develop to make a living, (d) those factors that make livelihood more/less vulnerable to shocks and stress (ability to resilience to shocks, seasonal changes and trends) and (e) livelihood interdependence (one livelihood may be relied on other livelihoods to access and exchange assets) (Eldis, 2010; Krantz, 2001).

Microfinance has several wings to bring sustainable livelihood through economic and non-economic aspects like skill development, health, hygiene related supportive activities. In its channel of performance, microfinance distributes term loan without any collateral securities with reasonable interest rate to the poor who cannot access financial support from any organisation due to their negligible or no income. By repaying the 1st term loan after a sufficient time period (Mazumder, 2015), the assisted may receive higher amount of loan from financial sources. Side by side, microfinance lunches different types of insurance, saving schemes etc. Thus we can say microfinance is a fully loaded supportive package including finance, health, housing etc. The income generating process assists the poor people to sustain in their livelihood which not only empower them but also their dependent family members in different angles including education, health, security of food etc.(Jickling, 1994; Blondeau, 2006; Vincent, n.d.). All these could promote self-employment which again invites sustainability in the livelihood of the poor engaged in microfinance related activities directly and indirectly. Figure – 2 shows the relationship between microfinance, empowerment and sustainable livelihood for poor women.

Figure – 2: Microfinance, Empowerment and Sustainable Livelihood

3. Measurement of Empowerment and Sustainable Livelihood:

Besides household autonomy index, mobility index, attitude towards gender index and attitude towards domestic violence index (Gupta and Yesudian, 2006), Multiple Indicators and Multiple Causes (MIMIC) type Structural Equation Model (SEM) (Bhattacharya, 2010) could also be used in measuring empowerment. In the first part of this Model, the latent variables (η_i) [the broad group of empowerment i.e. economic (η_1), socio-cultural (η_2), familial (η_3), legal (η_4), political (η_5), and psychological (η_6)] would be estimated through the combination of some observed indicators (i.e. factors under broad group of empowerment e.g. control over income under economic empowerment, freedom of movement under socio-cultural empowerment etc.) and some socio-economic cultural factors or the characteristics of the respondents of the selected units (marital status, religion, caste, relationship with the household head, housing condition, occupation and age) would be selected.

Let, the indicators would be denoted by $Y_1, Y_2, Y_3, \dots, Y_p$. Here, $Y_p = Y_p(\eta_i)$ which means Y_p , the p-th indicator variable associated with η_i is influenced by η_i , while different socio-economic and cultural factors would be denoted by X_1, X_2, \dots, X_7 e.g. marital status (X_1), religion (X_2), caste (X_3), relationship with the household head (X_4), housing condition (X_5), occupation (X_6) and age (X_7) of the respondents (Bhattacharya, 2010).

Let, each of the six latent variables (economic, social & cultural, interpersonal, legal political and psychological) would be linearly determined, subject to a disturbance, by a set of seven observable exogenous factors.

$$\eta_{ik} = \sum \gamma_{ji} X_{jik} + \varepsilon_{ik} \quad \text{--- (1)}$$

Where, $i = 1, 2, 3, \dots, 6$; $j = 1, 2, 3, \dots, 7$;

$k = 1, 2, 3, \dots, n$ (number of observations).

The first latent variable η_1 manifests itself through 8 observable indicators. Similarly, other latent variables $\eta_2, \eta_3, \eta_4, \eta_5$, and η_6 manifest themselves through 8, 7, 5, 6, and 5 observable indicators respectively. Therefore, in this present model, 6 latent variables linearly would determine 39 indicators Y_{pk} subject to a disturbance u_{pk} and it might be presented as below:

$$Y_{pk} = \lambda_p \eta_{ik} + u_{pk} \quad \text{--- (2)}$$

Where, $p = 1, 2, 3, \dots, 39$; $i = 1, 2, 3, \dots, 6$; $k = 1, 2, 3, \dots, n$ (number of observations).

Putting the value of η_{ik} in equation (2) we have,

$$Y_{pk} = \lambda_p (\sum \gamma_{ji} X_{jik} + \varepsilon_{ik}) + u_{pk}$$

$$\text{Or, } Y_{pk} = \lambda_p \sum \gamma_{ji} X_{jik} + \lambda_p \varepsilon_{ik} + u_{pk} \quad \text{--- (3)}$$

Where, $\lambda_p \sum \gamma_{ji}$ would be the regression coefficient and $(\lambda_p \varepsilon_{ik} + u_{pk})$ is the disturbance term.

In the second part of Structural Equation Model (SEM), the regression coefficients of the measurement part of the MIMIC model were to be taken as weights in constructing the estimated capability scores as weighted average of indicators. The parts of latent empowerment index would have the estimated capacity score of each category, e.g., economic, socio-cultural, familial, legal, political and psychological. The regression coefficients expose the degree of influence of each capacity-score in quantifying the Empowerment Index.

Measurement of Sustainable Livelihood:

While measuring **sustainable livelihood through empowerment**, effort might be extended to find out the capacity of women participants to convert their employment to self-

employment related activities i.e. setting up of Micro Enterprises or so forth from SHG. It could be tested through the capacity of women participants in repayment of their loan or maintenance of the safety, security etc.

In measuring the sustainable livelihood related aspect in a specific region, Sustainable Livelihood Security Index (SLSI) (Singh and Hiremath, 2010) could be used. In this context, three interacting components - (i) Ecological security represented by variables such as forest cover, soil and water quality parameters, air pollution, groundwater depletion, etc. (ii) Economic efficiency represented by variables such as land productivity, labour productivity, marketable surplus, input– output ratio, etc. (iii) Social equity represented by variables such as distribution of land, asset and income, people above poverty line, female literacy, etc. would be considered.

$$SLSI_{ij} = [X_{ij} - \min_j X_{ij}] / [\max_j X_{ij} - \min_j X_{ij}]$$

$$i = 1; 2; \dots; I, \quad j = 1; 2; \dots; J$$

Here, $SLSI_{ij}$ would be the index for the i th component of SLSI related to the j th entity and X_{ij} be the value of the variable representing the i th component of SLSI related to the j th entity. Having calculated the $SLSI_{ij}$ for all the components ($i = 1, 2, \dots, I$) and all the sample entities ($j = 1, 2, \dots, J$), the composite index, which would measure the overall performance of a given entity ($SLSI_j$), can be calculated as a weighted average of all the component indices [$SLSI_{ij}$ ($i = 1, 2, \dots, I$)].

$$SLSI_j = \sum_{i=1}^I a_{ij} SLSI_{ij}$$

$$j = 1; 2; \dots; J$$

a_{ij} = Weight assigned to the i th component of SLSI of the j th entity and would have the property that: $a_{1j} + \dots + a_{Ij} = 1$. If a_{ij} is identical for all i and j and is equal to $1/I$, it means that equal weights is being assumed.

4. Conclusion

Microfinance is considered to be a significant and vibrant financial device in shaping developmental phase of any country through generating employment especially for women section of our society. The flavour of the very promotional attitude of Microfinance is found to be more effective in any developing country like India where women suffer a lot due to their

exclusion from all advancements and if the women would connect with any minority community as per religion etc., their socio-economic downturns are found to be most hazardous. The promotional attitude of microfinance in shape of economic up-gradation and self-employment promotion, therefore, would alleviate poverty from society at large and also empower women participants and their families from varied corners. The study on socio-economic contribution of microfinance in developing the excluded section of society, therefore, is considered to be an emerging issue for all dimensions of social science, dealing with the problems of women in society especially from the minority section. The literature review has identified very positive effect of microfinance on the life of deprived to pull them from poverty. Microfinance efficiently contributes in national welfare through empowering women and other vulnerable sections in the dimensions like socio-economic-cultural, familial, legal, political and psychological. But though the role of microfinance could somehow express its potentiality in upgrading the economic strength for the deprived poor, it would not be found as efficient enough in inviting progress in health and hygiene and education in the distressed section of the society.

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