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Women's agency for empowering tribal communities: an empirical analysis of microfinance-based developmental processes

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Abstract: This study is primarily based on the empirical field evidence and secondary data from relevant databases to decipher microfinance-led empowerment of tribal women and impact on local communities. Tribal women are marginalised entity even in tribal community and tend to face the brunt of societal discrimination in and out of the house, which leads to disempowerment. Over the years, microfinance interventions have also ignored their plight barring few aberrations. This makes the study relevant and important from policy perspective. The evidence suggests that even though microfinance as a developmental model, it is not a runaway success, but did make some positive impact on the tribal community, especially in the lives of tribal women. The findings reveal a positive linkage between microfinance initiatives and empowerment. It is the outcome of multiple cycles of value creation, allowing tribal women to fight against abject poverty. The study shows that microfinance interventions empower tribal women economically, socially, psychologically, and politically. Nevertheless, the broad impact can only be realised if the government and non-government organisations work in convergence for women led local development.

Keywords: microfinance; women; tribal; SHGs; microfinance institutions; MFIs; empowerment; India.

JEL codes: D71, G23, J16.

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1 Introduction

Discriminative practices towards women are prevalent in the Indian societal structure. The preferential behaviour toward sons and the gap in the national sex ratio are testimony to predominant gender discrimination. Irrespective of socio-economic background,

women face problems in various spheres of life. For equitable development, women should be equipped with equal opportunities to realise capabilities (Sen, 1993). Although the contribution of women is significant but largely remains unpaid, unrecognised, and invisible (Khan and Khan, 2016; Parwez, 2018).

Gender equality is core to the idea of socio-economic development-boosting productivity and prospects (Zulfiqar, 2017). It strengthens the system and institutional development. To further the empowerment agenda in rural India, it is necessary to strengthen efforts on the tribal community. But the process of industrialisation has adversely affected tribal livelihoods causing massive displacement and migration, consequently marginalising the community (Dhal, 2018). It further resulted into alienation of women and proliferation of deprivation inflicted on tribal women (Mitra, 2008; Parwez and Patel, 2022).

In tribal areas, women suffer from deprivation in all socio-economic spheres of life. Even though tribal community tends to practice an egalitarian approach toward gender (Gopinath and Kumar, 2010; Tripathy, 2017), the positioning of women in the tribal community is unique and yet marginalised (O'Malley and Burke, 2017). As tribal women are mainly involved in household chores, farm-based activity and other outside work which is largely unrecognised and invisible (Pawar, 2016; Zulfiqar, 2017). Deprivation is more significant due to a lack of access to education, health, and capital (NABARD, 2005). Lack of access to resources limits the capabilities of women and increases their dependency on others which feeds the patriarchal behaviour of the society (Tripathy, 2017).

Over the year's microfinance model as a developmental instrument has shown slow and steady progress in furthering the socio-economic condition of women and the community (Parwez, 2017). The microfinance model empowers and engages underprivileged populations with small financial assistance and other services (Huis et al., 2020). Microfinance institutions (MFIs) tend to positively impact access to education, health, domestic violence reduction, confidence, greater mobility, and gender justice (Weber and Ahmad, 2014). It can be noted that no other form of welfare intervention or model has achieved this much of success in ensuring community empowerment (Kabeer, 2005; Haile et al., 2015; Parwez et al., 2018).

Tribal communities suffer from all forms of socio-economic deprivation and focus of microfinance interventions on impoverished, disadvantaged, and tribal community could be an appropriate choice for empowerment process. Tribal regions are dominated by agrarian activities, which happen to be a risky source of livelihood. Therefore, access to credit and other services is important that could snowball into extensive developmental process addressing the socio-economic disparity, capacity building, and more (Bulte et al., 2016).

Evidence from literature suggests credit access positively impacts women, households, and community with composite empowerment (Duvendack and Palmer-Jones, 2017). Women are being targeted as the primary borrowers because women are considered responsible and better decision-makers irrespective of their background (Kabeer, 2005). Resultantly, although there is a marked impact but results in tribal areas are far from the desired level (Haile et al., 2015; Parwez et al., 2018).

Against this background present study attempts to understand the impact of microfinance interventions on tribal women as agency of development. Microfinance and its impact on women are well documented, but its impact on tribal community is not well studied, barring a few references. It is largely because tribal women and communities are

different from mainstream population. This is where our study makes contribution in the literature.

Present study is spread across next six subsequent sections. The next section discusses the methodology of the study. Section 2 explores the theoretical basis of women and community empowerment. Section 3 analyses the emergence of the microfinance sector in India as data on tribal women and community is unavailable. Section 4 provides an in-depth empirical understanding on empowerment based on field data, observations, and case studies. Section 5 explores the value created by microfinance interventions among tribal women members followed by discussion and conclusion of the study.

2 Data and research methods

This study is based on both conceptual and empirical methods. It uses both primary and secondary data to supplement conceptual understanding on the subject. Secondary data is mainly sourced from government reports and existing literature.

The method employed is descriptive, as research involves primary data and responses from tribal women members of SHGs in *Dahod* district of Gujarat state. The qualitative and quantitative information was collected with the interview of SHG members based on the semi-structured questionnaire. It facilitates a better understanding of socio-economic change among tribal women (*Sakhi Mandal*/SHG members) and reflects on empowerment. We have analysed the change based on indicators such as – income of the household, women's earnings and savings, education, decision making, and freedom of movement and freedom to work to measure empowerment (Parwez and Patel, 2022).

To validate the semi-structured questionnaire, we conducted a pilot study with three stages of a survey process: a pre-interview, peri-interview, and post-interview. No significant change was needed and made after the pilot study's data analysis. It indicates that the survey tools could be considered as valid and reliable for more extensive field study.

Only those SHG members were interviewed who are at least two-year-old and have taken the loan at least once a year via group lending in *Dahod* district during September 2019-March 2020. The sampling process was convenient as we took three respondents from every 60 SHGs leading whosoever was available and accessible, totalling 180 respondents. Further, we have complemented quantitative data with some in-depth qualitative interviews leading to development of cases for better understanding.

The total population of tribal women in *Dahod* is 185,624 (Census of India, 2011). It gave us a sample size of 189 with a confidence level of 90% that the real value is within $\pm 6\%$ of the surveyed value. However, considering the uniformity in sample division, we kept the sample size to 180. These field interviews provided an opportunity to test theoretical understanding and insight into the ground realities of microfinance interventions and their impact. As empowerment is a qualitative indicator, it does posit difficulty in measurement, so, this study considers the change in socio-economic conditions as an indicator of empowerment. Empowerment is understood with change in women's 'before' and 'after' status, later clubbed to arrive at the overall socio-economic change and empowerment. The overall change is classified as low, moderate, and high, with 33-percentile and 66 percentiles cut-off. Changes in variables such as the household's income, women's earnings and savings, education levels, decision making,

and freedom of movement is used to measure empowerment. The analysis of filed responses is primarily based on cross-sectional analysis with Chi-square, small cases, and inferences.

This further allows the creation of a preliminary index based on the percentile method. It has been employed to derive a composite index in terms of the low, moderate, and high levels of empowerment. This is reflected in the impact on women's empowerment based on changes before and after joining the microfinance program.

Further, understanding from literature review is aided by the secondary data to support findings and arguments. Secondary data is mainly sourced from reports of several years from the National Bank for Agriculture and Rural Development (NABARD), department of rural development, microfinance state reports, District Rural Development Agency reports and Census of India. This study is limited by the absence of any segregated secondary data on impact of microfinance on tribal women and community.

2.1 *Field of the study*

The field study is based in the tribal dominated (74.3%) district of *Dahod* in the Gujarat state. This makes *Dahod* an ideal location for field study and a reference point. It is an economically backward district with livelihood limited to the forest and agriculture-based activity and informal labour. The district suffers from a lack of formal education, healthcare infrastructure, poverty, malnutrition, drinking water, small landholdings, lack of irrigation facility, absence of financial access and state apathy. The tribal community is comprised of different sub-groups, namely *Bhils*, *Damor*, *Choudary*, *Gamit*, *Rathwa*, *Vasava*, and *Patella*. However, the dominant ethnic group is the Bhil tribe. The overall literacy is low (47.6%) for women in the district (Census of India, 2011). Further, SHGs in *Dahod* are largely tribal-dominated entities. Even though the study captured evidence from one district, it reflected similar socio-economic backwardness in all tribal-dominated districts in Gujarat and India.

3 Theoretical framework

Feminists and civil society presented the idea of 'Empowerment' for the first time in the 1970s to focus on social justice and equality. The concept of empowerment is primarily considered a social phenomenon (Bennett, 2002). It varies with cultures, persons, sexes, occupations, time, geography, and positions in life. Empowerment is concerned with power relations and the distribution of power between individuals and groups. It is a process of challenging existing power relations and greater control over sources of power (Beegle et al., 1998; Zulfiqar, 2017). Power in this regard is termed 'economic power' (Mason, 1998) and 'bargaining power' (Beegle et al., 1998). Academic literature also considers decision-making power a critical factor for women's empowerment (Bennett, 2002).

Empowerment is a bottom-up process and cannot be bestowed from the top down. Some also relate women's empowerment with 'autonomy' (Schuler and Hashemi, 1994; Khan and Khan, 2016) and some with 'agency' (Sen, 1993; Kabeer, 2005). The agency-led empowerment is a 'bottom-up' approach rather than the 'top-down'. Women must be agents rather than only recipients of change, is considered empowerment of a

person's capability (Sen, 1993; Bennett, 2002; Banerjee et al., 2015; Parwez and Patel, 2022).

World Bank (2006) highlighted the role of the agency and opportunity structure while capturing the economic, social, political, and psychological indicators of empowerment. Developmental programs in tribal regions facilitate the ability of individuals to make choices, whereas opportunity structure determines the degree to which participants can transform their agency choices into action (Nogueira et al., 2020). This suggests that agency and opportunity structures determine an individual's degree of empowerment. Further, Kabeer (2005) defines empowerment as expanding an individual's ability to make choices which was denied earlier. Empowerment enhances an individual's or group's capacity to make choices and transform those into desired actions (World Bank, 2006).

Human Development Report (United Nations, 1995) accentuates women's empowerment via participation in the public spaces. Edna and Bose (1990) studied empowerment from the angle of 'gender decolonisation' that calls for 'profound reformulations and restructuring of the power relations between women and men at the domestic and social levels, free from all hierarchies'. Empowerment is not a product but a process (Duvendack and Palmer-Jones, 2017).

For centuries, women's empowerment evolved based on various movements and resultant theories (Table 1). It facilitates better visualisation and theorisation of gender justice and empowerment. This study furthers the idea of women empowerment with focus on poor and marginalised tribal women while advancing the developmental discourse.

Table 1 Developmental theories and implications on women

<i>Period</i>	<i>Perspectives</i>	<i>Meanings of development</i>
1800	Classical Political Economy	Remedy for progress
1850	Colonial Economics	Management of resources
1870	Late Comers	Industrialisation
1940	Development of Economics	Economic growth – industrialisation
1950	Modernisation Theory	Growth, political and social
1960	Dependency Accumulation	National auto-centric
1970	Alternative Development	Human flourishing
1980	Human Development	Enlargement of people's choices
	Neo-Liberalism	Economic growth – structural reforms
1990	Post Development	Authoritarian engineering, disaster
2000	Millennium Development Goal	Structural reforms
2016	Sustainable Development Goal	Focus on key areas

Source: Tabulated by the author

Empowerment is the outcome of economic advancement. The capitalist system has been the primary developmental approach with a significant impact on the socio-economic status of women. It can be divided into three stages. The first stage happens to be the age of 'competitive capitalism' period of 1700–1860; the concept was represented by classical political economists such as Adam Smith and David Ricardo and the historical materialism by Marx and Engels. The second stage is 'Imperialism', the period of 1860 to

1945, represented by the neo-classical political economy and the classical theory of imperialism. The third stage is known as ‘Late Capitalism’ (1945–today), represented by theories of modernisation, dependency, human development, and millennium development goals followed by the target of sustainable development.

4 Advancement of microfinance in India

The success of the Grameen Bank model has attracted worldwide attention, particularly from the national and international developmental agencies. India also introduced the microfinance model in the early 1980s. In the last few decades, the governments, and non-government organisations (NGOs) have made a massive drive with microfinance program (Datta, 2015). The interventions of the NABARD, Pradhan Mantri Jan-Dhan Yojana, Micro Units Development and Refinance Agency Bank (MUDRA Bank) and several NGOs are driving the progress of microfinance initiatives in rural India. Microfinance is an effort to reach out to the un-banked, and lower-income community via women’s agency. The microfinance sector in India has witnessed three phases of evolution (Table 2).

Table 2 Phases of microfinance in India 1960–2000 onwards

<i>1960 to 1980</i>	<i>1990</i>	<i>2000 onwards</i>
Social banking	Financial systems approach	Financial inclusion
Nationalisation of private commercial banks	Peer-pressure	NGO-MFIs and SHGs gaining more legitimacy
Expansion of rural branch network	Establishment of MFIs, typically of non-profit origins	MFIs emerging as strategic partners to diverse entities interested in the low-income segment
Extension of subsidised credit	—	Consumer finance emerged as a high-growth area
Establishment of RRB	—	Increased policy regulation
Apex institutions such as NABARD, SIDBI	—	Increasing commercialisation

Source: Status of the Microfinance sector, NABARD, 2014–2015

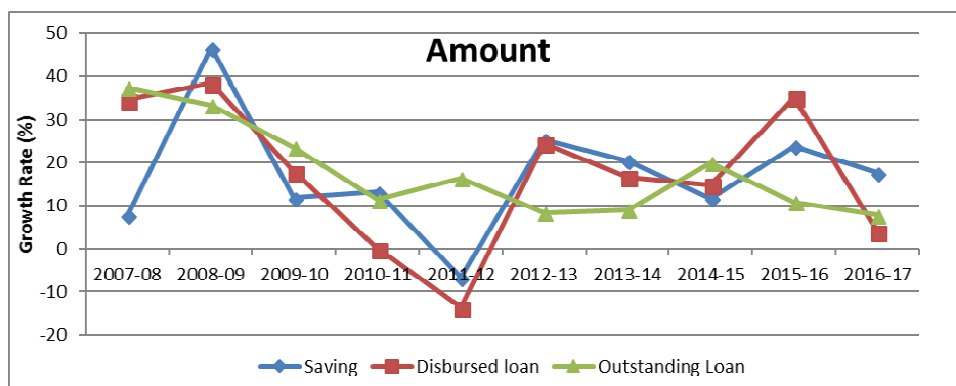
The real impetus came with the Bank-SHG Linkage Programme (SBLP) in 1991–1992 (Puhazhendhi and Badatya, 2002) to facilitate credit for the poorest and most marginalised communities and regions. The growth of the SHG-Bank linkage program has been phenomenal in the last four decades in India, it became a popular medium to meet financial inclusion goals. Though the program’s impact is limited by the overwhelming concentration of microfinance activities in the southern states, but it has also seen some positive movement in northern and eastern states (O’Malley and Burke, 2017; Parwez, 2017).

In 1999, the Indian government consolidated microfinance initiatives with Swarnajayanti Gram Swarazagar Yojana (SGSY). The directive of SGSY is to provide small credit facilities via banks to the women and poor from marginalised sections and areas of society. This top-down approach facilitated immense growth in the microfinance sector, but the impact is debatable.

4.1 Status of the microfinance sector

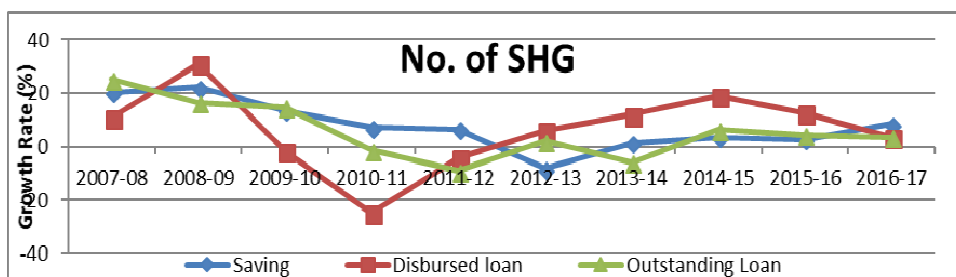
The period of 2000–2009 happens to be of high growth and commercialisation in the sector; from 2003 to 2007, the microfinance industry witnessed compounded average growth rate of 79.9%. Additionally, data from 2007–2008 onwards indicate a considerable rise in savings, loan disbursement and outstanding loans.

Figure 1 Growth in saving, disbursed and outstanding loan to MFIs (see online version for colours)



Source: Status of the microfinance sector, NABARD, various years

Figure 2 Growth in SHGs linked saving, disbursed loans and outstanding loans (see online version for colours)



Source: Status of the microfinance sector, NABARD, various years

A massive amount of loan disbursement to the poor's led to substantial outstanding loans (Figure 1). The SHG formation and linking with banks are considered an affirmative instrument for capacity building for rural poor (Figure 2). The microfinance movement is being considered an alternative model to meet and solve the various socio-economic problems.

The microfinance sector also saw a change in its objective from being a developmental initiative to profitable tool for poverty reduction. The profit orientation is the reason for the poor's high-interest rate on credit. The commercialisation of microfinance activities led to crisis and instability in 2010–2012, caused by profit motives, high-interest rates, soft regulation, exploitative lending practices, repayment issues, etc. The crisis started in Andhra Pradesh in 2010. Many poor borrowers

committed suicide as they were forced to pay unaffordable high-interest rates and muscular loan recovery practices of private microfinance companies. It was also a period of regulatory uncertainty due to the anticipated introduction of the bill for the regulation by Reserve Bank of India (Parwez and Sekhar, 2019).

Profit-oriented microfinance companies tend to ignore the developmental agenda. This leads to the contradictory objective of the microfinance program and the companies. However, the private firms dominate the microfinance sector funded by the private, government and non-government organisations. The shortcomings of the microfinance program also led to the ongoing debate and discussion on outreach, poverty reduction, regional disparity, interest rate, women empowerment, regulatory issue and more.

5 Field evidence and analysis

This study uses primary data collected from tribal women SHG members from the district of *Dahod*. Data is largely descriptive to enable analysis of field responses from rural tribal women members. Both qualitative and quantitative information was collected via semi-structured questionnaire from 180 respondents. It also allowed the creation of small cases to complement quantitative data. This facilitates a better understanding of socio-economic change among tribal women (*Sakhi Mandal*/SHG members).

We only considered SHG members with at least two-year of SHG membership and have taken the loan at least once a year via group lending. This study considers the positive change in socio-economic conditions as an indicator of empowerment. The change in socio-economic conditions is analysed based on cross-sectional analysis with Chi-square on – income of the household, women's earnings and savings, education, decision making, and freedom of movement and freedom to work to measure empowerment.

5.1 Awareness and change

The level of empowerment among the respondents in *Dahod* is found to be significant. About 41.1% and 36.7% of respondents experienced 'low' and 'moderate' change in empowerment, respectively (table 3). Here we have considered overall change in empowerment level for the respondent, values of all indicators are clubbed to reflect on socio-economic change. Even though the level of empowerment is on the lower side, it is positive in terms of impact on tribal women's position and household income.

Table 3 Level of change in empowerment with 'awareness'

		Empowerment	
		Number	Percent
Level of change	Low	74	41.1
	Moderate	66	36.7
	High	40	22.2
	Total	180	100

Source: Field survey, 2019–2020

Traditionally, tribal women are confined to their community and experience skewed social mobility, change, and development. Earlier, women in *Dahod* used to distance themselves from MFIs as they perceived it could mislay their customs and identity. However, their outlook changed after close interaction with the SHG members and even more after joining SHGs.

Moina Koli¹ (24 years) quoted, "Group is our family which we never want to leave as it taught us Adivasi women to share our grief; it taught us what earning, and use of credit is about".

The SHG membership allowed them have access to credit, saving, inter-loaning, leading, capacity building, and commercial activities to further their socio-economic conditions.

"Case 1: Leela Devi¹ (29 years) belongs to a low-income family from the Bhil community and depends on daily wages for living. She joined the SHG and left the same after two months with discernment that she may become a burden to the group as repayment and saving were difficult. Her husband also forced her to leave SHG, saying that many women are misguided by the same swindles in the village. After a few months, Leela and her husband were surprised to see that some SHG members had taken loans via SHG for their financial needs, businesses, and repayment improving their living standard. This encouraged her to re-join SHG for economic outputs. Leela has taken several loans amounting to Rs 30,000 for various activities, including household consumption, education of their children, grocery shopping, and the husband's business. Leela feels that joining SHG was the best decision she has ever taken. She has not only learned to manage her family's income but also gained confidence and become outgoing."

5.2 Age and change

The cross-sectional analysis based on the correlation between 'age' and 'empowerment' of the respondents suggests that predominantly middle-aged tribal women tend to experience more empowerment than the others (Table 4). It was also observed that middle-aged tribal women tend to accept the changes better and know how to take advantage of MFIs and bring economic benefits to the family. They also tend use credit and training for advancing commercial activities.

Table 4 Level of change in empowerment with 'age'

		<i>Level of change in empowerment</i>							
		<i>Low</i>		<i>Moderate</i>		<i>High</i>		<i>Total</i>	
		<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>
Age	<25	7	58.3	3	25.0	2	16.7	12	100
	26–35	36	39.1	32	34.8	24	26.1	92	100
	36–45	22	39.3	23	41.1	11	19.6	56	100
	>46	9	45.0	8	40.0	3	15.0	20	100
	Total	74	41.1	66	36.7	40	22.2	180	100

Note: Chi-square value: 3.386; df: 6; P-value: 0.759; not significant.

Source: Field survey, 2019–2020

In general, tribal women are active and working towards betterment of themselves and the family. As tribal community tends to have egalitarian behaviour, the Adivasi (tribal) men do not resist much the idea of women joining the SHG or working.

5.3 Educational attainment and change

Access to formal education is important for empowering marginalised tribal community. Data suggests that education levels significantly impact the change in socio-economic status of tribal women and households (Table 5). Several tribal women have a ‘high’ impact of education on their empowerment. The combination of education and MFIs services has furthered the standard of living. It was observed that formal education is a cause for the rise in awareness and confidence among women. Women with secondary education seem to be taking maximum advantage of the MFIs services.

Table 5 Level of change in empowerment to ‘education’

		<i>Level of change in empowerment</i>							
		<i>Low</i>		<i>Moderate</i>		<i>High</i>		<i>Total</i>	
		<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>
Education	Illiterate	47	47.5	37	37.4	15	15.2	99	100
	Primary	9	31	13	44.8	7	24.1	29	100
	Secondary and above	18	34.6	16	30.8	18	34.6	52	100
	Total	74	41.1	66	36.7	40	22.2	180	100

Note: Chi-square value: 9.802; d.f: 4; P-value: 0.050; significant.

Source: Field survey, 2019–2020

However, women’s literacy is largely dismal in the Dahod area due to low income and lack of access to formal education. Few respondents (older women) suggested there was no school back then, so girls were not encouraged to attend school. A tribal girl is expected to be involved only in household and field chores, hampering the girl’s education and potential. Very few tribal women have access to higher-level education. The literature emphasises the importance of education to girls; this is not only for empowering individuals but beneficial for the local community and society at large.

5.4 Family size and change

Although not significant, there is an association between family size and empowerment (Table 6). Larger family size curtails women’s financial decision-making power (Banerjee (Chatterjee) & Ghosh, 2017). Women are less likely to take independent decisions over their incomes in a large family than in a nuclear family. Access to credit is necessary for women in nuclear tribal families, while it may be optional in a joint family. It leads to significant change in socio-economic conditions in the nuclear family (table 6).

Table 6 Level of change in empowerment to 'type of family'

		<i>Level of change in empowerment</i>							
		<i>Low</i>		<i>Moderate</i>		<i>High</i>		<i>Total</i>	
		<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>
Type of family	Nuclear	43	43.4	32	32.3	24	24.2	99	100
	Joint	31	38.3	34	42	16	19.8	81	100
	Total	74	41.1	66	36.7	40	22.2	180	100

Note: Chi-square value: 1.825; d.f: 2; P-value: 0.402; not significant.

Source: Field survey, 2019–2020

5.5 Occupation and change

The economic activities conducted with loan causes high level of change in socio-economic conditions of the women and tribal community (table 7). With the support of the SHG services and other linkages, the tribal women mostly engaged in venture such as beading (handwork), tribal handicrafts, stitching, grocery shops, livestock (milk), sanitary napkins and more.

Table 7 Level of change in empowerment to 'occupation'

		<i>Level of change in empowerment</i>							
		<i>Low</i>		<i>Moderate</i>		<i>High</i>		<i>Total</i>	
		<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>
Occupation	Unemployed	0	0	1	100	0	0	1	100
	Agriculture and allied	45	41.7	39	36.1	24	22.2	108	100
	Casual labour	21	53.8	15	38.5	3	7.7	39	100
	Self-employed	5	21.7	7	30.4	11	47.8	23	100
	Government worker	3	33.3	4	44.4	2	22.2	9	100
	Total	74	41.1	66	36.7	40	22.2	180	100

Note: Chi-square value: 16.431; d.f: 8; P-value: 0.037; significant.

Source: Field survey, 2019–2020

The notion of enterprising for a tribal woman is different from the non-tribal due to the unique nature of the social, cultural, and political environment of the tribal community. Due to the ages of ignorance and marginalisation, tribal women need new skills and modes to generate income. Evidence suggests that tribal women do use credit access to advance commercial activities. It encourages entrepreneurial activities among other members. It allows them autonomy in movement, decision-making and more. These SHG members are also financially literate which allow better spending behaviour.

“Case 3: Sarita Rathod¹ (35 years) is a tribal woman from the rural Dahod. She never imagined that her handicraft work, such as ropes, bamboo-made cradles, and toys, and wooden utensils/topla, would be sold and appreciated in the urban market. Sarita recalled days of how demarcated and restricted her life was before joining SHG. It bought new changes in her life. The MFIs led livelihood

training program gave her exposure and encouraged to be enterprising. She took a loan from her SHG to develop her business. She purchased raw materials and sold finished products. Earning about INR 7000-8000 per month was a dream for her as an SHG member. She felt delighted to share her experience, and commercial success was due to SHG-based learning. This made her a confident individual. Sarita also suggested that she prepare her household budget, keeping the income and expenditure in mind. She also noted positive changes in the behaviour of her family and neighbour towards her.”

Data suggest that the empowerment of tribal communities largely depends on access to credit. It causes significant changes in individuals, households, and communities’ socio-economic conditions. To some extent, it is visible among SHG members compared to the previous situation and non-SHG members.

5.6 Loans and change

The primary reason for women’s participation in SHGs activities is to avail credit facilities to meet needs such as house construction, land purchase, healthcare, education and marriage of children, and funerals) and to further the commercial activities (pottery works, dairy farm, agriculture, goat rearing, handicraft, stitching, and investment on grocery shops). Credit is mainly utilised for productive and income-generating activities (table 8). Training and capacity building activities encourages tribal women to be commercially active. It facilitates the empowerment of tribal women and local development. Advancement in the socio-economic condition is credit-driven, leading to income and diversification of income sources.

Table 8 Level of change in empowerment to ‘amount of loan’

		<i>Level of change in empowerment</i>							
		<i>Low</i>		<i>Moderate</i>		<i>High</i>		<i>Total</i>	
		<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>
Amount of loan	Up to 10,000	57	45.9	47	37.9	20	16.2	124	100
	10,001 to 20,000	17	30.3	19	33.9	20	35.7	56	100
	Total	74	41.1	66	36.7	40	22.2	180	100

Note: Chi-square value: 9.112; df: 2; P-value: 0.011; significant.

Source: Field Survey, 2019-20

Most households in the tribal hamlet of Dahod face debt from local moneylenders or relatives. As a large share of their minuscule income goes towards repayment, households tend to remain trapped in a vicious cycle of poverty. SHG members suggest that the debt problem was considerably eased after joining the group.

Before MFIs, moneylenders were the only source of credit for most tribal families, even for petty needs. The imposition of exorbitant interest rates by the moneylender led to forced labour and debt bondage, making the poor highly vulnerable. MFIs services allowed members to access credit positing faith in the SHG program.

5.7 Training and change

Capacity building play a significant role in behavioural change, financial literacy, and inculcating entrepreneurial orientation. Such training allows acquisition of new knowledge and skills to pursue income-generating activities (table 9). Several NGOs and government agencies provide capacity-building training program in the tribal localities of Dahod. They have provided training in economic sanitary napkin making, handicraft, goat rearing beauty parlour, rope making, ice-cream parlour, cloth stitching, etc. It has created skills and an understanding of income-generating activities and processes furthering the process of empowerment.

Table 9 Level of change in empowerment to 'training for micro-entrepreneurship

		<i>Level of changes in empowerment</i>							
		<i>Low</i>		<i>Moderate</i>		<i>High</i>		<i>Total</i>	
		<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>
Training for micro-entrepreneurship	No	54	50	36	33.3	18	16.7	108	100
	Yes	20	27.7	30	41.7	22	30.6	72	100
	Total	74	41.1	66	36.7	40	22.2	180	100

Note: Chi-square value: 9.757; df: 2; P-value: 0.008; significant.

Source: Field survey, 2019–2020

The training program on self-employment substantially contributed to achieving socio-economic empowerment among poor tribal women. The training is generally tailored with the purview of tribal women's cultural and economic identity to enlarge the benefit to a greater extent. The empowerment of tribal women and the community is primarily based on the access to credit and commercial engagement furthering the women's agency as social change.

6 Modes of empowerment

The theory of 'alternative development' suggests that four types of empowerments take place, i.e., economic, social, psychological, and political. Microfinance services are critical for much-needed empowerment and social change. Social empowerment is fundamental to equity and access to education and health. Psychological empowerment expands the idea of freedom, expression, and movement. Additionally, political empowerment refers to the freedom of choice and movement in the household and public space.

6.1 Economic empowerment

MFIs services and group affiliation has allowed women in tribal areas to undertake economic activities, increase their income, and better consumption behaviour. This also improves saving and credit habits, strengthening tribal women's position in the family and community. Further, it advances the standard of living of households and tribal communities. MFIs services also address issues like property rights, household relations, educational and healthcare access etc.

Binal Devi¹ (26 years) quoted, “Loan from SHG helped me start dairy business and earn some money for my family.”

Further, women’s access to credit tends to empower individuals and households. Credit access for tribal women important, as saving is not a common practice in tribal areas. It enables them to develop better financial plan with efficient mobilisation of credit and savings. The economic outcome is helpful in fighting abject poverty among tribal community. Microfinance-led credit has also abridged intergenerational dependence on traditional livelihood and borrowing habits.

In addition, women exert control over resources, consumption expenditure, savings, and asset creation exemplifies economic empowerment. Economic independence is critical for women’s economic empowerment.

6.2 *Social empowerment*

A society cannot develop economically without social empowerment. Social empowerment is primarily indicated by education, healthcare, and equity. Poverty is also the outcome of deep-rooted caste-based discrimination based on socio-economic subordination. Social exclusion based on caste/ ethnicity is one of the significant reasons leading to subjugation of tribal women. However, association in the form of SHG provided much-needed handholding leading to much-needed socio empowerment. It further led to social recognition in household and society, reducing the gender discrimination.

Case 2: Damor Hasda¹ (40 years) is an illiterate woman from the tribal hamlet which largely neglected by government programs and absence of social and physical infrastructure. Her family is comprised of four children, her husband, and mother-in-law. Her husband suffers from physical disabilities and cannot work. Damor Devi used to work as an agricultural labourer and earn petite to manage her family expenses. Earlier, she was unaware that her wage was lower than the upper caste women for the same work. Nevertheless, the farm owner did not heed her demand, and due to a lack of options, she continued to work on low wage. Her dream to get her children educated also got shattered, as two of her elder children dropped out of school due to bullying from upper-caste students. Abuses like- Jangalee, Adivasi, Chor, etc. are used to denote their lower status in the society. She dropped the idea of sending her younger children to the school. After a year of joining SHG, there was noted change in behaviour of higher caste members towards her. It gave her confidence of sending her children back to school. Damor Devi is now a change-maker and encourages other tribal women to join SHG.

Microfinance programs are pursued through SHGs as a collective effort targeting women as change agents. It mobilises tribal women with microfinance services. This facilitates better understanding of education and health for themselves and their children. Participation in SHG activities provides an opportunity to tribal women for unrestricted movement, awareness etc., and allowing social empowerment to take place. SHG membership enhances tribal women’s position in the household and community.

6.3 *Psychological empowerment*

Tribal communities have a strong heritage of indigenous knowledge that gets transferred from one generation to another. However, the tribal population generally remains

confined to their locality with limited contact with mainstream agencies, which increases the community's vulnerability. MFIs services have worked as bridge between tribal and mainstream agencies. It facilitated enterprising orientation among tribal women which led to autonomy in movement and participation in public space, enhancing confidence and self-esteem of women and community.

Seema Vasava¹ (26 years) quoted, "Since I have joined SHG, everyone respects me, including my family and neighbours."

On the other hand, limited access and knowledge of rights and entitlement have also emerged as a deterrent. It is mainly caused by low literacy, geographical isolation, and social exclusion, reflected with the lack of understanding of the Forest Rights Act, PESA Act and 73rd amendment meant to ensure tribal rights and entitlements. To mitigate this issue, SHGs play an essential role in facilitating access to information. Knowledge access empowered women to raise their voices and demand more significant social goods.

6.4 Political empowerment

Microfinance is a developmental model that tends to challenge the existing power structures in the tribal community via collective movement. The decision-making process in the household and participation in group activities and public spaces could be considered an indicator of MFIs led political empowerment. Contributing to household income brings a new dimension to the politics of households, communities, and society in general.

Rinku Dhodia¹ (26 years) quoted, "Joining SHG was a greatest decision of my life, since then my confidence has increased, I talk to people and more outgoing."

MFIs interventions allow women to be active, opinionated, and aware. Group leadership experiences and interaction with other stakeholders facilitate the development of an outgoing and confident individual. To encourage women in political space, there is a need to restructure and strengthen institutions that advocate women's agency for development.

7 Discussion and conclusions

7.1 Implications

Microfinance interventions are focused on the credit access and formation of SHGs to enable local development. MFIs consider access to credit is requisite to empower tribal women and the community in *Dahod*. For tribal women SHG membership is critical to avail of easy loans and an opportunity to save. It allows tribal women to meet their household needs and further invest in health, education, and livelihood development.

In similar lines, field evidence suggests that access to credit has empowered tribal women in undertake economic activities facilitating the change in the socio-economic status of household. SHG membership creates an ecosystem for regular interaction, socialisation, and exposure for poor tribal members. This increases the confidence as they are active in outdoor activities, contributing to household income, participation in decision making and more, is evident with presence in public and social space.

Literature and empirical evidence suggest that microfinance-led women empowerment has positively impacted the empowerment of tribal women, but the results are far from desirable. Implications of MFIs services in *Dahod* provide insight into the model's effectiveness among the marginal tribal community. Evidence suggests some positive impacts on tribal women. But for significant change, requisite diversified and innovative microfinance-based efforts are imperative. This could cause larger diffusion and positive spillovers for tribal community. However, there is a need for affirmative actions to eliminate exclusion and advancement of tribal women and the community. But lack of uniform development of MFIs is reflected in national-level data, as southern India dominates outreach of microfinance services.

Community orientation of MFIs effectively reaches out to the marginalised tribal community where formal banking institutions failed. The evidence suggests that MFIs induce behavioural change in women and the local community. Considering the gradual and positive impact of microfinance services makes it an effective developmental model.

7.2 Research direction

The proposed research directions can be explored from a multi-theoretical standpoint. This will allow bridging of theoretical gaps and help recognise critical dimensions of empowerment within the framework. Tribal women are different to mainstream, so, any kind of theoretical explanation required different perspective.

A study is required for development of an index to measure the impact of microfinance interventions on women, households, and community at large. It should capture the impact and role of all stakeholders in the microfinance-led development process.

The microfinance model has received mixed results, and the study broadly reveals positive impacts on women's empowerment. However, theoretical underpinnings of positive and negative outcomes are primarily missing, even though the positive impact of microfinance led to empowerment is well documented. This partial impact on women's empowerment also reflects the potential to disempower women.

The entrepreneurship-led economic outcome by women members and organisations could be an aspect of future exploration. The focus should be on comparing social norms, the institutional environment, and relative poverty levels. This will reflect on the relationship between microfinance activities and entrepreneurial outcomes. It will also throw light on entrepreneurship in impoverished settings.

Dynamic institutional environment of MFIs could be another area of study. It should seek to build on the present study to understand the processes of microfinance leading to institutional change and shaping broader societal development.

7.3 Concluding remarks

MFIs have responded well to the tribal community's needs, which has led to different forms of empowerment among tribal women, visible in their socio-politico-economic movement. This enables women to confront gender inequity. The empowerment can differ according to context, country, region, and period.

Based on the given conceptual and empirical analysis, 'empowerment' can be defined as 'a dynamic process of institutional and societal functioning leading to the capacity building, confidence, and independence for overall well-being'.

In other words, 'empowerment' in the context of tribal women is denoted by participation in household decision-making, access and control of income, participation in social activities, awareness, ability to voice, freedom of movement, and economic independence.

Empowerment for tribal women can be defined 'empowered woman can access credit, participate in decision making, contribute to economic activity, be aware of the environment, be confident, independent, have the freedom to move, and raise voice'.

Our analysis suggests that factors such as 'decision-making in the household are the outcome of access to credit and income opportunity tend to boost confidence and self-esteem. It enables a tribal woman to influence household decision-making. Further, 'access and control on capital' encouraged women to earn livelihood resulting in a better standard of living.

Participation in public space is largely the result of SHG membership, conversations, commercial ventures, and decision-making at various levels. For women members, 'knowledge & awareness' results from capacity-building training resulting in skills and confidence development. The most significant political outcome of MFIs services is the realisation of 'freedom & mobility for tribal women. It has allowed women to express views in group meetings, in households, and in society.

The restriction on women's movement by demarcating space outside the home is a significant factor in the dismal status of tribal women. An independent woman who will raise her voice in the patriarchal society is key to empowerment. This is also reflected in literature and field observation.

In tribal areas, programs linking banks with MFIs have effectively facilitated loan and capacity building. It has a positive impact on women's empowerment but there also need of an institutional structure for grounded development. It may also help snowball the process of women's empowerment.

7.4 Limitation of the study

This study is primarily based on primary data. It largely relied on field responses on selected variables, which could have omitted some relevant information.

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Notes

- 1 Name changed.