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SOCIAL EMPOWERMENT AND MICROFINANCE: EVIDENCE FROM WOMEN IN THE URBAN INFORMAL SECTOR OF NOIDA

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Abstract: This paper examines the social dimensions of microfinance-led empowerment among women working in the urban informal sector of Noida, Uttar Pradesh, drawing on a structured interview schedule administered to 150 women linked to Self-Help Groups. Using a five-point Likert scale, the study measures change across five indicators: household decision-making, mobility, social respect and recognition, awareness of social issues, and collective participation. The pattern that emerges is uneven rather than uniform. Mean scores for decisions over major household assets, physical mobility, and respect from family members all fall below the scale midpoint, and respect within the household proves the most resistant to change of any indicator measured. Awareness of social issues and participation in welfare activities remain similarly low, though chi-square analysis points to a gradient by length of SHG membership. The collective space of the SHG itself, by contrast, appears to build confidence and a sense of shared experience among members, even where this does not extend into measurable gains in household authority or public life. The paper argues that microfinance produces real but narrowly bounded social change, one that stays largely inside the SHG rather than travelling into the household or the wider community.

Index Terms - Microfinance, Social Empowerment, Self-Help Groups, Women's Mobility, Urban Informal Sector

I. INTRODUCTION

Women in Noida's urban informal economy work as domestic workers, tailors, factory hands, and home-based producers, often moving between more than one of these in a single week. Self-Help Group linked microfinance has become one of the more visible interventions aimed at this workforce, built on the premise that access to savings and credit through a group structure can improve not only household income but also women's standing within their families and communities. In Noida, this model operates largely through NGO partnerships under the broader framework of the National Urban Livelihoods Mission, which extended the SHG bank linkage approach first developed for rural India into an urban setting shaped by migration, rented housing, and casual daily work.

Most evaluations of these programmes measure success through economic indicators: savings mobilised, loans disbursed, income change. Social empowerment, when it appears at all, is often treated as a byproduct assumed to follow from economic participation rather than something measured on its own terms. This is a significant gap, because access to a loan and the ability to use that access to gain a stronger voice at home, greater freedom of movement, or a say in community affairs are not the same thing. Kabeer's (1999) distinction between resources and agency captures this precisely: resources create the possibility of empowerment, but whether that possibility is realised depends on what women are actually able to do with what they gain access to.

This paper addresses that gap directly. Drawing on a structured interview schedule administered to 150 women linked to Self-Help Groups in Noida, it examines change across five social indicators: household decision-making, mobility, respect and recognition within the family, awareness of social issues, and collective participation through SHG membership. Each indicator was measured on a five-point Likert scale and analysed for mean score, distribution, and skewness, with chi-square tests applied where duration of SHG membership or loan history offered a plausible explanatory variable. The aim is not to ask whether microfinance empowers women in some general sense, but to identify which specific dimensions of social life change, which remain largely unaffected, and what that pattern suggests about how empowerment through microfinance actually unfolds on the ground.

II. LITERATURE REVIEW

The theoretical starting point for this analysis is Kabeer's (1999) resources-agency-achievements framework, which separates the resources women gain access to from the agency they are able to exercise with those resources, and the achievements that eventually follow. Applied to microfinance, this framework cautions against reading loan disbursal or savings mobilisation as empowerment in itself. The resource is only the first term in the equation; what happens to it in a woman's hands remains a separate and open question.

Rowlands (1997) offers a related but more granular vocabulary for what agency looks like in practice, distinguishing power within (self-confidence and self-worth), power to (the capacity to act and decide), and power with (empowerment through collective action). This typology maps closely onto the indicators examined here. Household decision-making and mobility sit closer to power to, since both concern a woman's capacity to act independently of others' consent. Collective participation through SHGs sits closer to power with, since its value lies less in individual gain than in shared organisation and mutual support.

Household decision-making, in particular, has been theorised through Agarwal's (1997) work on intra-household bargaining, which argues that a woman's influence over major decisions depends less on income alone than on her fallback position, meaning the assets, social support, and alternatives available to her if a decision goes against her. This distinction between economic participation and household authority runs through the broader literature on microfinance and women's empowerment in India (Kundu and Ghosh, 2020), and it frames what this paper's decision-making indicator is built to test: whether SHG membership extends into a stronger say over major household decisions such as property purchase, or stops short at the level of income contribution.

Respect and recognition within the household are better understood through Batliwala's (1994) argument that empowerment involves a slow transformation of underlying power relations rather than a rapid or linear shift. Where economic behaviour such as saving can change quickly because it is governed by an institutional routine, respect is granted by others over time, and Batliwala's framing anticipates that this indicator would move more slowly than the others measured here.

Finally, the collective dimension of SHG participation draws on Mayoux's (2001) work on social capital within microfinance groups, and on Putnam's (1993) broader account of social capital as the networks and trust that enable collective action. Existing literature on SHGs in India tends to treat this collective space and its more externally visible outcomes, such as civic participation, as continuous with one another. The analysis that follows tests whether that continuity actually holds.

III. RESEARCH METHODOLOGY

This paper draws on the quantitative component of a larger mixed-method study of microfinance and women's empowerment in Noida, Uttar Pradesh, focusing on the data relevant to the study's social empowerment indicators.

The study area comprises fifteen sectors of Noida with active Self-Help Group networks facilitated through a local NGO working on financial literacy and SHG formation. A purposive cluster sampling strategy was adopted: one SHG was selected from each of the fifteen sectors, and ten active members were drawn from each group, producing a sample of 150 respondents. Inclusion required at least one year of active SHG membership, engagement in informal employment such as domestic work, vending, home-based production, or casual wage labour, and an age between 18 and 60 years.

Data were collected through a structured interview schedule administered in Hindi, given the semi-literate and illiterate status of many respondents, with each interview lasting approximately ten minutes. The schedule included a five-point Likert scale (1, strongly disagree, to 5, strongly agree) measuring respondents' perceived change across a range of empowerment indicators. This paper analyses five of these:

household decision-making over major assets, mobility, respect and recognition within the family, awareness of social issues, and collective participation through SHG membership.

Responses were analysed using mean scores and skewness to establish the direction and concentration of responses relative to the scale midpoint of 2.5, and percentage distributions to show the spread across response categories. Chi-square tests were applied where duration of SHG membership or number of loans availed offered a plausible explanatory variable, to test whether these outcomes strengthen with sustained participation. All data were processed using Microsoft Excel.

IV. RESULTS AND DISCUSSION

The five indicators examined here move in different directions and at different speeds. Table 1 summarises the mean and skewness for each item measured on the Likert scale; the discussion that follows works through what these numbers mean for each dimension of women's social lives, before turning to the more qualitative picture of collective participation through SHG membership itself.

Table 1. Social empowerment indicators (mean and skewness)

Indicator Group	Item	Mean	Skewness
Household Decision-Making	Purchase/sale of land or house	2.33	+0.16
	Children's needs and education spending	2.59	−0.35
	Children's schooling	2.56	−0.01
	Children's marriage decisions	2.52	+0.01
Mobility	Visit other cities	2.26	+0.55
	Visit friends/relatives independently	2.48	+0.22
	Visit market for household purchases	2.33	+0.27
Respect and Recognition	Respect from spouse/children	2.26	+0.99
	Respect from parents/in-laws	2.26	+1.03
Awareness and Participation	Awareness of social issues	2.37	+0.61
	Participation in welfare activities	2.22	—

4.1 Household Decision-Making

Four items asked about women's role in major household decisions: participation in decisions to buy or sell land or a house, spending on children's basic needs and education, decisions about children's schooling, and a say in children's marriage. The pattern across these four is not flat. Property decisions sit clearly on the disagreement side of the scale, with a mean of 2.33 and a distribution split almost evenly between a large group reporting no involvement at all and a nearly equal group describing their position as neutral rather than excluded. Only about a fifth of respondents reported real participation in decisions of this kind. Decisions closer to everyday household welfare tell a different story. Spending on children's needs and education carries a mean of 2.59, and decisions about children's schooling a mean of 2.56, both moving just past the scale's midpoint toward agreement. Marriage decisions sit almost exactly on the threshold, at 2.52, with a wide neutral middle rather than a clear lean in either direction. A chi-square test on children's welfare spending against duration of SHG membership approached significance ($\chi^2 = 4.53$, df = 2, $p = 0.104$): 44.4% of women with more than five years of membership agreed they had a say in this spending, against 7.1% of women in their first two to three years. Property decisions showed no comparable gradient in this dataset.

Read together, these four items suggest that household decision-making does not move as a single block. Women appear to gain a say over decisions tied to daily care and provisioning well before, if ever, they gain a say over property, which remains one of the more closely guarded forms of household authority (Agarwal, 1997).

4.2 Mobility

Physical mobility was measured through three items: the ability to visit other cities, to visit friends and relatives independently, and to visit the market for household purchases. All three fall below the scale midpoint, though not by the same margin. Visiting other cities records the lowest mean of the three (2.26) and the sharpest skew (+0.55), with just over half of respondents reporting no ability to travel beyond the local area at all. Visiting the market sits close behind, at a mean of 2.33. Visiting friends and relatives comes closest to the midpoint, at 2.48, with responses split almost evenly between roughly two in five women reporting real freedom of movement and just under half reporting none.

The consistency across all three items is worth noting on its own. Unlike decision-making, where the type of decision changed the picture considerably, mobility restrictions hold fairly steady whether the destination is another city, a market, or a relative's home. This is consistent with Rowlands' (1997) point that empowerment requires both the internal confidence to act and the external conditions that make acting possible. SHG participation in this sample appears to build the former more reliably than it removes the latter.

4.3 Social Respect and Recognition

Respect and recognition within the family were measured through two items, respect from spouse and children and respect from parents and in-laws, and both return an identical mean of 2.26. This is the lowest score of any indicator examined in this paper, and the distribution is heavily concentrated at the bottom of the scale: 59.3% of respondents reported no increase in respect from spouse or children, and 55.6% reported none from parents or in-laws. Fewer than three in ten respondents reported any improvement on either item. Duration of SHG membership offers the one point of movement in this otherwise flat picture. A chi-square test on respect from immediate family against years of membership approached significance ($\chi^2 = 4.80$, df = 2, $p = 0.091$): 44.4% of women with more than five years in an SHG reported improved respect, compared with 7.1% of women in their first two to three years. The gradient is real, but should be read cautiously given the small size of each membership category. Even so, the direction is consistent with Batliwala's (1994) argument that empowerment involves a slow transformation of underlying power relations rather than an immediate shift. Respect, unlike a savings habit, is not something a woman can build through her own routine; it depends on how others choose to see her, and that appears to change only gradually, if at all.

4.4 Awareness and Social Participation

Awareness of broader social issues and participation in welfare activities were the two lowest-scoring indicators in the entire dataset. Awareness of social issues carries a mean of 2.37, with 44.4% of respondents at the lowest response category and only about a quarter reporting any improvement. Participation in welfare activities scores even lower, at 2.22. A chi-square test on welfare participation against duration of SHG membership followed the same gradient seen in the respect and decision-making items: 44.4% agreement among long-term members against 7.1% among short-term members ($\chi^2 = 4.53$, df = 2, $p = 0.104$), though again short of conventional significance.

Market-related knowledge, examined separately, showed a more even split between women reporting improvement and women reporting none, suggesting that SHGs function more effectively as spaces for practical economic learning than as platforms for broader civic engagement. Whatever confidence and knowledge SHG participation builds, it does not travel far past the boundary of the group's own financial purpose.

4.5 Collective Participation through SHGs

The fifth dimension of this study does not reduce as easily to a single Likert item as the previous four. Collective participation is better understood through what the SHG does as a social space rather than through any one measured outcome. Group meetings bring women together around a shared financial routine, savings, repayment, record-keeping, but the interaction that happens inside that routine extends beyond it. Women described these meetings as spaces where personal problems could be raised alongside financial ones, and where a sense of shared circumstance developed among members facing broadly similar constraints. This is close to what Rowlands (1997) calls power with, empowerment generated through collective presence rather than individual gain, and it draws on the kind of social capital Putnam (1993) describes as the networks and trust that make collective action possible.

The membership-duration gradient that recurs across decision-making, respect, and welfare participation is one plausible trace of this collective process at work. If SHG participation builds confidence and social capital gradually, through repeated exposure to the group rather than through any single transaction, then indicators tied to sustained relationships would be expected to move slowly and unevenly rather than all at once. The data here are consistent with that account, though a cross-sectional design of this kind can identify a pattern of association rather than establish that membership duration is its cause.

Across all five indicators, one pattern holds steady: outcomes tied to household finances and children's day-to-day welfare move first and furthest, while outcomes that depend on how a woman is regarded by others, respect, mobility, standing in public or civic life, change more slowly and less completely. This does not mean SHG participation has no social effect. The consistent membership-duration gradient across three separate indicators suggests a real, if gradual, process is underway. But it does mean that social empowerment through microfinance is neither immediate nor uniform. It is concentrated in specific, more negotiable corners of women's lives, and remains largely absent from others.

V. CONCLUSION

This paper set out to test whether social empowerment follows economic empowerment as an assumed byproduct of SHG-linked microfinance, or whether it needs to be examined as its own outcome. The evidence from 150 women in Noida's urban informal sector suggests the latter. Household decision-making, mobility, respect, and awareness do not move together, and within decision-making itself, different kinds of decisions move at different speeds. Spending on children's welfare and schooling shows measurable movement toward agreement, marriage decisions sit at the threshold, and control over property remains almost entirely unchanged. Mobility restrictions hold steady regardless of destination. Respect from family, the lowest-scoring indicator in the study, appears to shift only with years of sustained SHG membership, and even then modestly.

These findings point to real but narrow and slow-moving social change, rather than an absence of change or a uniform transformation across women's lives. The membership-duration gradient recurring across three separate indicators, respect, welfare participation, and decisions on children's needs, points to something closer to accumulation than transformation: small, compounding shifts that depend on sustained presence in the group rather than on the loan itself.

For SHG programme design, this suggests that measuring success primarily through disbursal, repayment, and savings figures captures only the fastest-moving part of what these programmes actually do. Respect, mobility, and civic participation may require deliberate, separate attention alongside financial access rather than in place of it, if they are to move at anything close to the same pace.

This study draws on data from a single NGO's SHG network across fifteen sectors of Noida, and its cross-sectional design means the membership-duration patterns reported here indicate association rather than confirmed change over time. Both are reasonable grounds for caution in generalising these findings beyond the population studied, and for treating them as a starting point for further, longitudinal research on how social empowerment actually unfolds over the course of a woman's engagement with microfinance.

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