Garikipati, Supriya; University of Liverpool
jaimata@liv.ac.uk
Authors:
Title: From ‘Financial Inclusion’ to ‘Empowerment’: The Women Who Make It

The empowering effects of microfinance cannot be taken for granted. While some women benefit, not all do and not all to the same extent. Research suggests that women who use loans in own businesses are better able to use the leverage of microfinance to further their agency and status. How different are the experiences of women who use loans in own businesses from those who don't and can their experiences help our understanding of the processes that take women from financial inclusion to empowerment? In search of answers, we periodically track 82 women who used loans in own businesses over a period of 11 years. Our findings suggest that while most women using loans in own businesses benefit in economic terms, from the perspective of 'empowerment', it is the experience of women who start group businesses that is particularly noteworthy. Not only do group businesses survive better than individual businesses, they become spaces for collective agency. Women effectively use the business platform to bargain for better outcomes in a largely patriarchal context. Group businesses encourage group solidarity, which in turn results in collective action for better outcomes. This kind of camaraderie is not available to women who start individual businesses and have to struggle alone even for small concessions from families. So far, empowerment has largely been viewed as an individual's achievement, however, evidence from this study suggests that empowerment in credit groups may find stronger synergies in collective agency.