

Institution: University of Liverpool		
Unit of Assessment: UoA17, Business and Management Studies		
Title of case study: Enhancing livelihoods for poor women in rural India		
Period when the underpinning research was undertaken: September 2003 to 2020		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s): Supriya Garikipati	Role(s) (e.g. job title): Reader	Period(s) employed by submitting HEI: August 2003 to present
Period when the claimed impact occurred: November 2016 to July 2020		
Is this case study continued from a case study submitted in 2014? N		
1. Summary of the impact (indicative maximum 100 words)		
<p>Research by Dr Garikipati identifies that microfinance benefits India's rural women most when used to enhance their livelihoods via improved market and social ties. It underpinned Dr Garikipati's collaboration with the National Bank for Agriculture and Rural Development (NABARD), the regulator of India's microfinance sector. This resulted in changing NABARD's policy by introducing the <i>Livelihood Framework (LF)</i> that captures client's journey from credit to livelihood and provides a mechanism to evaluate and enhance the impact of microfinance on women's livelihoods. <i>LF</i> generates big data on rural livelihoods to further their intensification by identifying client-training needs, supporting market-development and group-economic activities. NABARD implemented <i>LF</i> via its digital platform, EShakti. It reaches around 4.5 million women across 250 districts nationwide, significantly increasing the proportion of loans used on livelihood by 17% and saving the sector around £27 million in operational costs.</p>		
2. Underpinning research (indicative maximum 500 words)		
<p>Microfinance is a popular pro-poor policy intervention adopted by several developing countries. Its main activity is to extend small loans to rural women with the intention to support their livelihoods for their empowerment and wellbeing. By March 2019, it is estimated to have reached around 140 million clients worldwide, with over 80% of them being women (Microfinance Barometer, 2019). In India, over 85% of microfinance clients are rural women (NABARD, 2019). The true impact of microfinance on women's livelihoods however is a matter of intense debate. Dr Garikipati research contributes to this debate.</p> <p>Drawing on extensive field studies in India, Dr Garikipati carried out research on microfinance supported through a series of projects between 2003 and 2019 (funded by DFID, Newton Trust, British Academy and ODA). The research explores the link between microfinance and women's empowerment via increased livelihood opportunities that connect them to the local economy and strengthen their social ties. Three research insights are particularly relevant to this impact case.</p> <p>First, this research identifies high transferability of women's loans within the household (3.1). Drawing on data from Andhra Pradesh, India, the research finds that over 80% of women's loans are either used to enhance husband's assets or in household consumption. In such cases, microfinance typically has a detrimental effect on women, mainly because of the repayment burden. By contrast, women who actually use loans to start or enhance their own enterprise benefit most via retaining control over their finances (3.1, 3.5).</p> <p>Second, this research demonstrates that the real impact of microfinance on women's</p>		

empowerment and wellbeing can only be understood by studying the 'processes' they engage in after they receive credit (3.3, 3.4). Using simple 'outcome' measure like employment or income may be misleading. For instance, it would be incorrect to say that microfinance has resulted in enhanced livelihoods if the work women take up after receiving credit is degrading and detrimental, such as wage labouring undertaken only to meet loan repayments. The research reveals the importance of undertaking a 'processes'-led evaluation of women's work following credit uptake, specifically examining the nature of their work in relation to ownership of productive assets.

Third, the findings of this research show that women microfinance clients who take up high value activities that connect them to the local economy and their credit groups are most likely to retain control over their money (3.2, 3.6). Participating in economic activity that improves their market contacts and strengthens their ties with their credit group is likely to positively impact women's bargaining power within and outside the household. For instance, supplying rice to the local *agandwadi* school is likely to benefit a woman more than working on her husband's rice farm; and starting a catering business with women from her credit group is likely to be empowering by strengthening her social ties.

3. References to the research (indicative maximum of six references)

- 3.1 Garikipati, S (2008) 'The Impact of Lending to Women on Household Vulnerability and Women's Empowerment: Evidence from India', *World Development*, Vol.36, No.12. Available from institution on request.
- 3.2 Garikipati, S (2012) 'Microfinance and Women's Empowerment: Through the Lens of Time Use Data from Rural India', *Development and Change*, Vol.43, No.3. Available from institution on request.
- 3.3 Garikipati, S (2013) 'Microfinance and Women's Empowerment: Have We Been Looking at the Wrong Indicators?' *Oxford Development Studies*, Vol.41, No.1. Available from institution on request.
- 3.4 Garikipati S, Agier I, Guerin I and Szafarz A. (2017). 'The Cost of Empowerment: Multiple Sources of Women's Debt in Rural India', *Journal of Development Studies*. Available from institution on request.
- 3.5 Garikipati S, Johnson S, Guérin I and Szafarz A (2017) 'Microfinance and gender: issues, challenges and the road ahead', *Journal of Development Studies*. Available from institution on request.
- 3.6 Bali S R and Garikipati S (2020) 'Group-Based Financial Services in the Global South: Examining Evidence on Social Efficacy' *The Routledge Handbook of Feminist Economics*, Günseli Berik and Ebru Kongar (Eds.), Routledge, Washington DC. Available from institution on request.

4. Details of the impact (indicative maximum 750 words)

Overview: Dr Garikipati's research was used to design the *Livelihood Framework* – a toolkit to evaluate the impact of the provision of microfinance in India. It provides a mechanism to monitor the effectiveness of microcredit in achieving its social objective of enhancing rural women's livelihoods. It also supports this objective by identifying client-training needs and opportunities for market-development and group-level economic activities.

Engagement: In 2016, Dr Garikipati's outreach activities resulted in an invitation (5.1) from the National Bank for Agriculture and Rural Development (NABARD), the regulator of India's microfinance sector, to present her work to their Micro Credit Innovations Department

(MCID), which is responsible for policy innovations in the sector. Following the initial presentation, Dr Garikipati continued to work closely with the MCID team, both virtually and by visiting them for further discussions (5.2, 5.3). Over two years, these engagements led to significant changes to the structure and content of their policy on collecting microfinance client data under NABARD's ambitious digitisation programme called EShakti. Where earlier EShakti only captured client information that was pertinent to banking principles focused on repayments, the shift in thinking implied a willingness to consider client livelihoods as important to evaluate the effectiveness of microfinance. Significantly, this resulted in collaborative work between the MCID team and Dr Garikipati to develop the *Livelihood Framework (LF)*, a novel approach to capture client economic activities after loan procurement. A NABARD policy report, documenting all the materials developed for *LF*, was published in April 2018 (5.3).

Commenting on this work, the Chairman of NABARD notes: *"The recommendations brought out (in the policy report) were very relevant and clearly links credit to women's agency via livelihoods that connect women to local markets and their credit groups... A few of the recommendations were also useful to us in shaping and fine tuning the questions used for framing livelihood questions (Livelihood Framework)"* (5.4).

The Policy: *LF* captures information on client's livelihoods that is unique to India's rural context. It identifies whether loans are being used to support women's livelihoods; ascertains the 'processes' governing women's work; and pinpoints credit linkages to market and group-based livelihoods that have been evinced to support women's economic empowerment. *LF* consists of two specific applications: *Livelihood Schedule* and *Livelihood Module* (5.3). *Livelihood Schedule* captures livelihoods information for individual members and their credit groups. It is integrated into the Data Collection Format used by EShakti that enables initial capture (5.5). *Livelihoods Module* captures the dynamic aspects of livelihoods as they evolve via credit and training activities. It uses accessible tools to enable self-reporting and is integrated into the EShakti App that captures the mutable aspects of credit groups.

Reach and Significance: NABARD operationalised *LF* as part of its EShakti programme in 2018. Detailing these events, the Chairperson of NABARD notes (5.4): *"After a successful pilot covering 166,795 women [also see 5.2], it (LF) was subsequently rolled out to 250 districts across India, reaching just over 4.55 lakh [455,000] groups covered across the country."* Each credit group has between 10 to 15 women so this translates to a reach of over 4.55 million rural women across India (also see 5.8).

Evidence from NABARD and its partners suggests that *LF* enhances women's rural livelihoods by identifying client's skill-training needs and new opportunities for market expansion and group-livelihood activities. It is also useful in monitoring the effectiveness of interventions planned to support livelihoods. Detailing the mechanism for this, the Chairperson of NABARD notes: *"The new framework enables our microfinance partners design appropriate interventions that play a significant role in enhancing livelihoods of microfinance clients and monitor their effectiveness overtime"* (5.4).

The CEO of BASIX, which partners with NABARD in providing livelihoods training across rural India notes: *"... (LF) helps in identifying vocational skill gaps... It also doubles up as a continuous monitoring tool to help evaluate the effectiveness of services provided..."* *"It helps plan provision of services... for... group economic activities enabling SHGs [to] tap [in]to the potential business in the market"* (5.6).

Further, *LF* has helped microfinance providers enhance the value of their existing credit portfolio and extend their reach to new markets, resulting in operational efficiencies as well as increased credit availability for livelihoods. The then Chief General Manager of Andhra Pradesh Grameen Vikas Bank, a significant microfinance provider for the states of AP and Telanagana, notes: *"[LF] has meant we can offer customised financial products to clients according to their use of loan, specifically to encourage investment in income generating"*

activities.... It has also helped us identify where market could be profitably expanded. This benefits hundreds of microfinance clients by improving credit availability, but also benefits our bank improve its market reach and returns from our rural microfinance sector” (5.7).

Estimates collated by NABARD show that by enabling better identification of livelihood development needs of the poor, *LF* has significantly improved credit to livelihood linkages. In areas where *LF* is introduced, the proportion of loans being used for livelihoods have increased by 17%, from just 38% to 55% (5.4, 5.8). NABARD estimates also suggests that introduction of *LF* has increased operational efficiencies and resulted in a cumulative savings for the sector of around £27 million (5.4). In the words of the Chairperson of NABARD, “*This initiative will go a long way in improving the livelihoods of rural women and in alleviation of rural poverty*” (5.4).

5. Sources to corroborate the impact (indicative maximum of 10 references)

- 5.1 The General Manager of MCID, NABARD invites Dr Garikipati to present her work and to participate in discussions on livelihoods.
- 5.2 The General Manager of MCID, NABARD details the collaboration between his team and Dr Garikipati up to March 2019. It also details the pilot rollout of *Livelihood Framework* and an invitation for Dr Garikipati to continue work with MCID to prepare *LF* for a national rollout.
- 5.3 A NABARD policy report, that outlines a novel approach to capture client economic activities after loan procurement, commissioned by NABARD and co-created by Dr Garikipati and the MCID team “*Mapping Self-Help-Group Livelihoods on the EShakti Platform: Issues, Challenges and Recommendations*” (NABARD, April 2018).
- 5.4 The Chairperson of NABARD corroborating in detail Dr Garikipati’s collaboration with NABARD and also details the national rollout of *Livelihood Framework* along with details on its reach and significance up til March 2020.
- 5.5 The Data Collecting Format of EShakti detailing the various components of the Livelihood Framework.
- 5.6 The Director of BASIX provides testimonial evidence on how *Livelihood Framework* has helped NGOs identify the skill-training needed by microfinance clients that could better support their livelihoods.
- 5.7 The then Chief General Manager of Andhra Pradesh Grameen Vikas Bank’s testimonial evidence detailing how the *Livelihoods Framework* supports design of financial products that enhance rural women’s livelihoods and improves operational efficiencies.
- 5.8 India’s national newspaper *The Hindu* on reach and significance of NABARD’s initiative <https://www.thehindu.com/news/cities/puducherry/nabard-going-full-steam-ahead-with-digitisation-initiative-eshakti/article30497147.ece>