



## **Assessing the Impact of Microenterprise Services (AIMS)**

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# **AN ASSESSMENT OF THE IMPACT OF SEWA BANK IN INDIA: BASELINE FINDINGS**

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## EXECUTIVE SUMMARY

This working paper reports on a baseline survey of 900 low-income working women engaged in own-account, sub-contracting, and labor activities in Ahmedabad, India. The purpose of the survey was to provide preliminary indications of the nature and magnitude of benefits resulting from participation in the microenterprise services of SEWA Bank, a sister institution of the Self-Employed Women's Association (SEWA). Three groups of 300 respondents each were compared: current borrowers from SEWA Bank; savers in the Bank who were not current borrowers; and a control group of non-members of SEWA.

In keeping with the framework of the Assessing the Impact of Microenterprise Services (AIMS) Project, a number of hypotheses about possible impacts at the household, enterprise, and individual levels were tested (AIMS Core Team 1997). These hypotheses are also being tested in AIMS studies being carried out in Lima, Peru and in Zimbabwe. Because of the importance that SEWA Bank accords to savings, the impact of participation in the Bank's savings activities was also examined. Finally, since not all borrowers from SEWA Bank are microentrepreneurs and many of the Bank's loans are intended to serve purposes other than the provision of enterprise capital (e.g., to improve members' housing conditions or permit them to retire high-cost debt), the impact of Bank services on housing conditions and indebtedness was also considered.

The research was conducted in Ahmedabad City, the principal industrial and commercial center of Gujarat, a state in Western India. Long known as "the Manchester of India," Ahmedabad has suffered in recent years from the closure of most of its large, integrated textile mills. SEWA, founded in 1972, is a trade union that supports working women through "development" and "struggle" activities. SEWA Bank, one of its sister institutions, offers several kinds of loans, savings accounts, and insurance to SEWA members. The range and volume of its activities have grown steadily since the Bank's creation in 1974.

Survey respondents are women 18 or older who live in ten wards of Ahmedabad City and are active in three broad types of activity: hawking and vending a variety of products; home-based production of a range of products and services on own account or sub-contract; and provision of labor in various locations.

The results of the survey were consistent with several hypotheses about the potential impact of microfinance services. At the household level, borrower households had higher mean and median incomes than saver households, which in turn were better off than control group households. About 40% of borrower households lived below a plausible poverty line, compared to 50% of savers and 62% of controls. Borrowers also had slightly more diversified income sources and were more likely to own their homes, to have made home improvements recently, and to have acquired household assets. School-age children from borrower and saver households were more frequently enrolled in primary and secondary school than those from non-member households. Food consumption was highest in borrower households and lowest in control households; member households consumed slightly larger quantities of meat and fish, beverages, and oil as well as food consumed away from

home. More than three-fourths of the households in the survey had experienced some form of shock in the past two years; more than one-fourth had suffered two or more shocks. The evidence suggested that SEWA loans and insurance helped members cope with these shocks. In summary, evidence from the survey was consistent with the principal AIMS hypotheses at the household level.

At the enterprise level, borrowers with own-account enterprises had higher revenues than others with own-account enterprises. SEWA credit does not, however, seem to have a similar impact either on own-account activities in the household other than the client's principal enterprise or on the sub-contracting activities of the borrowers. Meanwhile, savings may increase revenue from borrowers' own-account and sub-contracting enterprises but the evidence is weak. Both credit and savings activities appear to be associated with higher levels of fixed assets in microenterprises operated by SEWA members. However, there was little evidence that either borrowing or saving led to greater fixed asset acquisition in the past two years. There was also little evidence of significant employment generation; firms in the sample employed very few workers and hardly any non-family members. Similarly, evidence that credit improves transactional relationships was weak and awaits further investigation.

At the individual level, the survey investigated the hypotheses that program participation might improve the client's control over household resources and income, raise her self-esteem and self-confidence, and improve her ability to deal with the future. While the baseline survey findings are weakly consistent with all these hypotheses, further investigation (both quantitative and qualitative) is required.

By its nature, a baseline survey can only identify differences among the borrower, saver, and non-member groups that may suggest the possibility of impact from participation in microenterprise financial services. However, these findings are tentative and are subject to the collection of additional data and subsequent formal testing of the hypotheses. As part of this process, qualitative research was conducted in early 1999 and a second-round survey is planned for January-February 2000.

# I. INTRODUCTION<sup>1</sup>

## A. Overview of Study

This working paper reports on the first round of a longitudinal survey designed to measure the impact of participation in the credit and savings programs of SEWA Bank, a cooperative bank operating in Ahmedabad, the principal city of the Indian state of Gujarat. SEWA Bank is a service of the Self-Employed Women's Association (SEWA), a non-governmental organization devoted to advancing the interests of low-income working women who are active in either self-employment, sub-contracting, or casual labor. Since 1974, SEWA Bank has provided a widening range of financial services to SEWA members. The study is intended to identify, characterize and measure the socio-economic impacts of these services on the enterprises operated by the borrower and other household members, on the borrower's household, and on her individual position within the household. The principal hypotheses to be tested are as follows:

At the household level, that participation in microenterprise services leads to an increase in the level of household income; greater diversification of the household's income sources; improvements in housing; increases in ownership of major household appliances and motor vehicles; higher educational attainment; increases in expenditures on food, especially among the very poor; and improved effectiveness in coping with shocks.

At the enterprise level, that participation in microenterprise services leads to an increase in microenterprise revenues; an increase in microenterprise fixed assets; an increase in the employment generated by the enterprise; and improved transactional relationships.

At the individual level, that participation in microenterprise services leads to an increase in the client's control over resources and income within the household economic portfolio; increased self-esteem and self-confidence; and an increased ability to deal with the future.

SEWA and SEWA Bank offer a number of different services to their member-clients. SEWA Bank provides secured and unsecured loans for a range of purposes that includes housing, repayment of old debts, redemption of mortgaged assets, and social consumption purposes, such as education and health. In addition, SEWA Bank provides loans for fixed and working capital for enterprises. The Bank puts more emphasis, however, on savings accounts, which involve ten times as many SEWA members as the loan program. SEWA Bank also provides insurance. Other branches of SEWA organize and train working-class women for a variety of "struggle" and "development" activities.

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<sup>1</sup> We wish to thank our Indian collaborators from Taleem Foundation, Ms. Rukmini Vemraju and Ms. Priya Rhagavan. Without their devoted efforts, this report would not have been possible.



Our study is based in part on the expectation that the benefits of participation in the financial services offered by SEWA Bank will manifest themselves among the Bank's borrowers, as would be expected in any microenterprise lending program. In addition, however, we hypothesize that members who maintain savings accounts with SEWA Bank will also experience benefits unavailable to non-members of SEWA. The latter expectation is based on the belief that the availability of savings accounts carries economic advantages, as well as on the hypothesized benefits from the non-financial services of SEWA.

## **B. Purpose of Report**

Several different research methods, both quantitative and qualitative, will be used in the study to determine which of these hypothesized benefits have actually materialized. The present working paper presents the preliminary indications obtained from one of those approaches, a first-round sample survey taken in January-March 1998 of 900 working-class women in Ahmedabad. The respondents were divided into three groups: those who had a current loan outstanding from SEWA Bank; other SEWA members who had savings accounts in SEWA Bank; and non-members of SEWA.

By its nature, a baseline survey such as this identifies differences and similarities among the three groups. The presence of differences that run in the predicted direction can be interpreted as supporting particular hypotheses about program impact, while the absence of such differences can be interpreted as failing to support these hypotheses. The test is not conclusive, however, since some genuine impacts of the services provided may not yet be apparent in these data while other evidence of apparent impact may not be supported by later research. Moreover, "with/without" differences related to program participation such as are reported here must be interpreted carefully using other available information, since, in principle, causation can run either from participation in the program to differing characteristics among the three groups or in the opposite direction. No significance tests have been performed at this stage. The present report, therefore, can only give preliminary indications of which hypotheses may gain support from the overall research when it is completed and which may not.

Complementary research to determine more conclusively the effects of SEWA Bank's services includes qualitative research and a second-round survey. The qualitative research, conducted in early 1999 and again in 2000, involves further investigation of the program environment and in-depth interviews with thirteen program participants. The second-round survey will include the same survey respondents as in the first round. That survey will take place in January-February 2000.

This study is part of the Assessing the Impact of Microenterprise Services project (AIMS), which is sponsored by the United States Agency for International Development (USAID). Parallel core impact analyses are being carried out under AIMS in Lima, Peru and in Zimbabwe. Once all the quantitative and qualitative research is complete for the three sites, it should be possible to state with more detail, precision, and confidence than has previously been feasible what the socioeconomic effects of participation in microenterprise services really are.

## **II. RESEARCH CONTEXT**

### **A. Main Features of the Program Environment**

SEWA union works both in Ahmedabad City, where it has 55,000 union members, and in selected areas of rural Gujarat State, where there are an additional 107,000 members. SEWA Bank, however, works primarily in Ahmedabad. Therefore, our study is confined to this city.

Ahmedabad has a population of approximately four million and is the principal center (although no longer the capital) of a state of 45 million people. In the context of India, it ranks as a large city but not one of the leading urban concentrations. Long known as the Manchester of India, Ahmedabad was the hub of the Indian factory-made textile industry. Over the past 30 years or so, however, the large-scale integrated textile mills have experienced declining production resulting from government policies that favor smaller units and (unintentionally) discourage the hiring of regular workers. This has led to falling labor productivity and the eventual closing of many mills (in defiance of laws intended to prevent such closings). The slack has been only partially taken up by growth in the powerloom sector, which consists of smaller factories that perform only weaving. As a result of the mill closures, thousands of men have lost their jobs in the mills, causing crowding in many of the informal sector activities in which the female members of SEWA are active.

The pattern of employment status in Ahmedabad is similar to that of urban India generally. In 1987/88, only 45% of employed males and 29% of employed females had regular jobs that paid a wage or salary. As in other urban areas, the percentage of men with regular employment actually fell between 1972/73 (when it was 51%) and 1987/88, rather than rising as would be expected in the process of economic development. Further declines probably occurred in the past decade. The majority of male workers in Ahmedabad (56% in 1987/88) and nearly three-quarters of female workers are either casual employees (17% of males and 31% of females in 1987/88) or self-employed (39% of males and 40% of females). These shares have probably risen since the late 1980s.

Despite these negative trends, Ahmedabad is considered one of India's most dynamic industrial centers with significant economic promise. Gujarati people have a reputation for business enterprise. The current Municipal Council is regarded as energetic and relatively efficient (it has the second-largest municipal budget in India, is launching ambitious infrastructure development plans, and successfully floated a bond issue recently). Several major industrial investments are planned or underway, but they tend to be in capital-intensive industries such as chemicals and pharmaceuticals (an exception is light engineering) and most are located either on the fringes of the city or in other parts of Gujarat. While industrial growth in the region may boost construction and service employment in Ahmedabad, one estimate is that only 1.6 non-industrial jobs will be created for each industrial job. The policy framework still discourages the creation of regular employment by mandating minimum wages and benefits and making worker termination and plant closing legally almost impossible, so most of the jobs created are likely to be casual in nature, with large numbers of workers hired indirectly through labor contractors.

*The physical environment.* Ahmedabad has a desert climate, with four relatively cool months (November-February) and eight months of heat, which can be extreme. Nearly all the annual rainfall comes during the monsoon period (June-October). Agriculture and some urban activities are affected by seasonality. Many trades stop during the monsoon because their products or materials cannot be kept dry; those who pursue them may become laborers during this season. Some products (such as kites flown at an annual festival or images of Ganesh offered at temples on his holiday) are made only in particular seasons. Another kind of seasonal disturbance is the slowdown in trade that occurs prior to presentation of the central government's budget in March each year; at this time, traders hoard goods in anticipation of higher prices. According to SEWA informants, the most representative months in which to carry out a survey are December and January.

Although Ahmedabad is seldom afflicted by storms, floods, or droughts, it is touched from time to time by breakdowns in *civic order*. The last major riots were in 1992 and stemmed from religious and caste disputes. Relatively minor disturbances such as general strikes (*bandhs*) called by political parties are common. During such demonstrations, business is disrupted although often just for one day.

Certain informal sector activities, notably street vending, are illegal in India. While the activities frequently proceed on a large scale nevertheless, harassment (both regular and sporadic) accompanied by attempted bribery is common. A major objective of SEWA is to protect self-employed women from such interference with their efforts to earn a living. Some success has been recorded, but the struggle continues. Recently there was concern that the Ahmedabad Municipal Council, in its enthusiasm for cleaning up and modernizing the city, might intensify its restrictions on street vendors and other informal sector workers.

*Social factors.* The economic opportunities open to individuals in India vary tremendously between men and women as well as among social classes, castes, religions, and language groups. Women in general face many social disabilities, Muslim women most of all. Occupational choice is still strongly influenced by caste, as well as by educational attainment and other aspects of social class. Particular trades are often dominated by specific castes, religious, or linguistic groups. The population of Ahmedabad is predominantly Hindu, with a significant Muslim presence and small Jain, Parsee, and Christian minorities. SEWA works with all these groups and conscientiously strives to bridge class, caste and religious differences. Muslim women are permitted to work primarily within the home, although restrictions on their movement and activities are less stringent here than in some other parts of South Asia. At least until the past decade, primary education still fell significantly short of universal, and the opportunity to continue to secondary and higher education was available only to the relatively privileged. While official sources now report that gross enrollment ratios at the primary level exceed 90% for girls and reach 100% for boys, independent critics contend that the quality and continuity of much primary schooling in India remain very low, with frequent absences among both pupils and teachers, short teaching hours, large classes, and shortages of textbooks and materials.

Women are severely disadvantaged in Indian society and lack equal access to food, education, and health services. According to the 1991 population census, only 34% of females above the age of 15

were literate, compared to 62% of males (Government of India 1994). As Amartya Sen has shown, the demographic structure reveals large numbers of "missing women," reflecting the neglect and mistreatment that result from their lower status in Indian society.

Indians often live in joint families. Consequently, several household members may contribute to meeting the family's needs. Women are at a disadvantage if they lack an income source of their own and are severely disadvantaged with respect to property rights. For this reason, SEWA tries to ensure that any assets purchased with the proceeds of SEWA loans should be registered in the woman's name.

*Economic factors.* The main alternative sources of credit available to SEWA clients are informal and include friends, relatives, suppliers, and traders as well as several types of rotating credit societies known as chit funds, mandals, and VCs (depending on how savings are rotated). Working class women cannot obtain credit from banks. Other NGOs operating in Ahmedabad provide credit, but their reach among SEWA's target population is very limited. Accordingly, borrowers from SEWA Bank have a strong incentive to repay because doing so preserves their ability to borrow again in the future and there is little or no opportunity to borrow elsewhere on similar terms. Other reasons to repay include the many different ties among members of the SEWA union (to which borrowers of unsecured loans must belong), the existence of formal guarantors who are legally bound to pay if the borrower does not, the use of SEWA Bank field workers to contact borrowers who fall behind in their payments, and the ultimate threat of legal sanctions against the borrower. Although legal proceedings are costly relative to the amounts potentially defaulted, they are available. SEWA takes a significant number of cases to court each year, more to reinforce borrower discipline than to collect the actual amounts involved.

India experienced a spurt of inflation in 1991, followed by slower but still significant price increases in recent years. The consumer price index for industrial workers in Ahmedabad rose by 13% a year in 1989-91, by 6% in 1991-93, by 10% in 1993-95 (through October), and dipped to 5% recently. The 18% interest rate charged on all SEWA loans is thus positive in real terms by a significant (but fluctuating) margin. Yet it is far lower than the rates charged by other lenders whom SEWA members can access. Money lenders are said to charge at least 3-4% per month, and vendors frequently borrow at rates as high as 10% per day.

The goods and services produced by SEWA's clients are primarily sold in the local market, although some go to other parts of India and a few are exported. In the wake of the economic reforms initiated in 1991 (but still only partially implemented), India experienced relatively rapid economic growth (about 6% per annum) in 1996. In 1997, however, growth slowed once more. Since Ahmedabad is expected to be one of the faster-growing areas, it seems likely that average incomes there will continue to rise. It is questionable, however, whether economic growth will be fast enough and absorb enough labor to provide significant income gains to the poor. In practice, low-income groups in Ahmedabad may see little improvement in their living standards. The exchange rate currently favors export growth, but various restrictions on exports, both domestic and foreign (e.g. textile quotas in the United States) continue to limit the producers' response to this incentive.

Some lines of business followed by SEWA Bank clients have been affected by changes in other parts of the economy. For example, the *chindi* trade, which recycles cheap mill waste fabrics into various products, has been adversely impacted by the decline in the textile mills, which has caused its raw material supply to shrink. Another important trade that may suffer in the future is the rolling of *bidi* (native cigarettes), since rising incomes might cause consumers to shift to factory-made cigarettes, as has happened in other countries.

*Policies and regulations.* As a registered bank, SEWA Bank is permitted to make loans, accept deposits, and perform all normal banking services. It is subject to all banking regulations. India's financial sector was highly regulated prior to the start of financial deregulation in 1996. The largest commercial banks were nationalized in 1961 and have not yet been privatized. Regulation of public and private commercial banks has included high reserve requirements that preempted bank resources for the government's use, directed credit extension to "priority sectors" (including agriculture and small enterprise), and administered interest rates. Lax supervision, overstaffing, lack of competition, and political interference have left many of the public commercial banks in perilous financial condition. Previously, interest rates were prescribed for various loan purposes and deposit types. Now banks are gradually being given greater freedom to set interest rates. At this time, SEWA Bank can pay any rate it wants on current savings deposits; the rate on fixed deposits over one year are still prescribed but are being freed up. The interest rate on loans cannot be less than 12%, but it can be more. As a cooperative bank, SEWA Bank is subject to cooperative regulations as well as to banking regulations. These are intended primarily to ensure that cooperatives are run democratically for the benefit of all their members.

The fortunes of SEWA Bank's clients are influenced by many different policies and regulations of the national, state, and municipal governments. Broadly, although India is known for its policy position in favor of small-scale enterprise, government policies and regulations have in practice favored large-scale firms, many of which are government-owned. But protection of large firms from competition (both foreign and domestic) and a wide range of policies designed to protect the privileged, politically influential employees of the large enterprises have inadvertently promoted small, informal enterprises by raising the cost of doing business in a formal way.

*Physical infrastructure.* Most of Ahmedabad's infrastructure is in a rundown state. The roads, railways, and ports are overburdened and public utilities such as electricity, water, and telephone services are inadequate. These infrastructural shortcomings raise the cost of producing, and especially of distributing, most types of goods and services. Substantial investment in India's infrastructure is now taking place, but the cost will be very high and the time required to bring it up to the level found in many other Asian countries will be substantial. In addition to experiencing the infrastructural problems common to all parts of India, Gujarat faces an especially severe problem of water supply in the long run.

## **B. Program Description**

## 1. General<sup>2</sup>

The Self-Employed Women's Association (SEWA), established in 1972, is a trade union of women who earn their livelihoods by running small businesses, providing services, or selling their labor. With a total current membership of over 250,000 women, SEWA is the first and largest trade union of informal sector workers in India. Its objectives are to increase the self-reliance as well as the economic and social security of its members. To promote these objectives, SEWA pursues a mix of what it calls "struggle" and "development" activities; that is, unionizing activities to address constraints and demand change and development interventions to promote alternative economic opportunities. To pursue these two strategies, SEWA organizes its membership into trade organizations and cooperatives, respectively. SEWA Bank is one of several sister institutions associated with SEWA. Others are the SEWA Union, which is responsible for recruiting and organizing SEWA's membership and managing SEWA's non-financial programs, and the SEWA Academy, which is responsible for the research, training, and communication activities of SEWA. The financial services of SEWA Bank are thus part of a much wider range of services that SEWA provides to its members, including housing, child care, legal aid, education, and training services.

The membership of SEWA, from which the clients of SEWA Bank are drawn, falls into three broad categories. The first category is comprised of hawkers and vendors who sell a range of products including vegetables, fruit, and used clothing from baskets, push carts, or small shops. The second group of members consists of home-based producers who stitch garments, make patch-work quilts, roll hand-made cigarettes (*bidis*) or incense sticks, prepare snack foods, recycle scrap metal, process agricultural products, produce pottery, or make craft items. The final category includes labor and service providers who sell their labor (as cart pullers, head-loaders, construction workers) or who sell services (such as waste-paper picking, laundry services, or domestic services). Within each of these three occupational groups some women are self-employed, others work as casual laborers, and still others work as sub-contract workers or outworkers. Thus, many of the members of SEWA – and the clients of SEWA Bank – are not microentrepreneurs *per se*.

SEWA Bank<sup>3</sup> was established in 1974 at the initiative of 4,000 SEWA members who each contributed Rs. 10 (about US\$1 at the time) as share capital. All low-income working women, the founding shareholders wanted a secure place to deposit savings as well as a source of loans. They also wanted their own bank, in which they would not be made to feel inferior and unwanted as they had been by commercial banks. The Bank is a registered cooperative bank subject to the banking laws of the Reserve Bank of India and the cooperative banking laws of Gujarat state. As table 1 illustrates, the Bank has enjoyed steady growth, which has accelerated since the liberalization of financial policies in the early 1990s.

### Table 1. Growth of SEWA Bank, 1975-98

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<sup>2</sup> This discussion covers only the urban (Ahmedabad City) activities of SEWA Bank.

<sup>3</sup> The full name of SEWA Bank is Shri Mahila SEWA Sahakari Bank, which translates as Women's SEWA Cooperative Bank.

Year	Share-holders (#)	Share Capital (Rs.)	Depositors (#)	Depositors (Rs.)	Working Capital (Rs.)	Profits (Rs.)
75-76	6,631	75,990	10,549	950,388	1,660,431	30,016
80-81	7,507	80,690	14,022	2,728,876	3,194,930	54,192
85-86	9,825	538,130	22,208	11,278,886	13,537,252	222,267
90-91	13,151	1,460,000	27,923	24,466,000	34,417,000	741,000
95-96	19,258	6,102,000	56,540	86,335,000	114,648,000	2,096,000
96-97	20,657	7,220,000	70,117	126,523,000	167,331,000	1,788,000
97-98	24,678	8,410,000	88,786	156,759,000	209,578,000	1,757,000
As of Nov. 98	26,173	9,494,000	92,927	171,080,000	228,675,000	1,528,000 (8 mos.)

Source: SEWA Bank Reports

As of November 30, 1998, the Bank had over 26,000 share-holding members, nearly 93,000 depositors, and 7,834 current borrowers. The total deposits with the SEWA Bank were over Rs. 171 million. It is important to note that, unlike many microfinance intermediaries, SEWA Bank has never received a grant. From the beginning, the Bank's equity has consisted of the savings of its members, all of whom are low-income working women.

## 2. Financial Services

The purpose of this longitudinal study is to evaluate the impact of SEWA Bank services on SEWA members, their households, and their enterprises. This section describes the characteristics of the financial services that SEWA Bank provides to its members. SEWA Bank offers three types of financial services: 1) savings, 2) loans, and 3) insurance. The products offered under each service are discussed below and summarized in tables 2, 3, and 4.

Savings are the core financial service of SEWA Bank. All members of the SEWA Union (and members of their families) are eligible to open savings accounts at the Bank. Savers are mobilized and recruited from among the SEWA membership by SEWA Union organizers.<sup>4</sup> According to SEWA Bank staff, savings facilities meet a priority need, promote financial discipline, and enable women to accumulate assets. Members are encouraged to utilize fixed-term deposits for long-term investments such as retirement. To open a savings account, members of the SEWA Union (or their relatives) must fill out a form. The frequency of deposits depends on the client although SEWA Bank stresses the importance of regular savings. At the end of November 1998, there were 92,927 savings accounts with deposits totalling Rs. 171,080,000. The average balance was therefore Rs. 1,841,

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<sup>4</sup> In collaboration with the rural wing of the SEWA Union, SEWA Bank also provides savings services to savings and credit groups in several rural areas of Gujarat state. The savings and credit groups are comprised of 10-50 women whose deposits range from 10-25 rupees per month. These groups manage their own funds and decide who among them receives loans and at what interest rate. The Bank staff travel to the villages to collect deposits. As of November 1998, there were 273 groups with 8,173 members that had collected nearly Rs. 2,331,000 in savings and had Rs. 1,680,000 in loans outstanding.

equivalent to about US \$45 at the prevailing exchange rate. Table 2 summarizes additional features of the savings service provided by SEWA Bank.

**Table 2. SEWA Bank Savings Products for Members**

Savings Products	Characteristics
Current deposit accounts	--Earn 5% interest per annum
Fixed-term deposit accounts	--Rate varies with term of deposit (30 days to 10 years) --Include general and insurance-related accounts --Penalty for early withdrawal
Recurring deposit accounts	--Require regular deposits at established intervals --Earn 10-15% interest per annum --Targets major expenses such as education or celebrations --Three sub-types: general, <i>bhavis suraksha</i> (10-15 years), or <i>riddhisiddhi</i> (regular monthly deposits with annual increase in level of deposits)

*Note: The deposits are insured with two companies for a maximum amount of Rs. 30,000.*

Insurance is the second financial service that SEWA Bank offers to its members. In 1992, SEWA Bank established an insurance program in collaboration with two nationalized insurance companies (the Life Insurance Corporation and the United India Assurance Corporation). Initially voluntary, the insurance scheme was made compulsory for borrowers in 1996. For a premium of Rs. 65 per year, the insurance package covers several types of losses, as shown in table 3. As of December 1996, 3,354 insurance claims totaling Rs. 1,919,970 had been paid. A recently introduced option for poorer SEWA members is to use the interest earned on a fixed deposit of Rs. 500 to pay the insurance premium. Under this option, a member is entitled to a maternity benefit of Rs. 300 in addition to the above package.

**Table 3. SEWA Bank Insurance Services for Members**

Coverages	Level of Coverage
Sickness of policyholder	Up to Rs. 1,000
Natural death of policyholder	Up to Rs. 3,000
Accidental death of husband	Up to Rs. 35,000
Loss of household goods, house, or work tools	Up to Rs. 5,000

SEWA Bank offers two types of loans: unsecured loans and secured loans. Unsecured loans are targeted at the majority of SEWA members who are working women from low-income households. While all members of SEWA Bank are eligible for secured loans, only the wealthier members can afford them. A minority of secured loans are made available to non-members of the Bank. At the end of the 1998 fiscal year, outstanding unsecured loans totaled Rs. 64,555,000 (or 77% of total loan volume) and secured loans totaled Rs. 19,065,000 (or 23% of total loan volume). In total, there were 7,834 outstanding secured and unsecured loans worth Rs. 87,143,000.

The two loan products share many of the same features (table 4). The size of each installment payment is calculated on the assumption that there will be 20 payments over a 36-month period. The Bank assumes that the first two payments will be missed and that, due to the vulnerability of its



clients, there will be interruptions of the payment schedule.

**Table 4. SEWA Bank Loan Products for Members**

Loan Products	Characteristics
Unsecured loans	<ul style="list-style-type: none"> <li>--Uses guarantors as “moral security”</li> <li>--Intended for majority of members</li> </ul>
Secured loans	<ul style="list-style-type: none"> <li>--Requires collateral, i.e. gold jewelry or fixed deposit savings</li> <li>--Loan amount at 65% of gold value or 80-85% of fixed deposits</li> </ul>
Both loan types	<ul style="list-style-type: none"> <li>--Three-year term</li> <li>--Varying amounts, Rs. 25,000 maximum</li> <li>--17% per annum interest rate on balance</li> <li>--Monthly payments</li> <li>--Five main purposes: working capital, assets, home repairs, housing, and repayment of old debts or redemption of mortgaged assets</li> </ul>

The list of loan purposes reflects the needs of SEWA members. Because many of them provide services or sell their labor rather than run microenterprises, not all borrowers need working capital. Further, because many of the microentrepreneurs work from their homes, housing loans are considered key to business expansion and sustainability. Many women have used SEWA Bank home repair loans to add electricity and indoor plumbing to their homes: these features can greatly enhance productivity. Housing loans have also permitted many women to build equity in an important asset and avoid paying rent. As of November 1998, SEWA had 12,548 housing loans outstanding, representing 46.6% of its loan portfolio.

The primary objective of SEWA Bank is to “capitalize” or “re-capitalize” its members: that is, to build up or rebuild their levels of asset ownership. However, SEWA Bank provides loans for some types of social consumption, such as illness and education, but not for celebrations. If a client is a particularly good saver and repayer, she may be allowed to borrow to cover the costs of a wedding.

### **3. Lending Procedures**

Although any woman above 18 years of age can apply for a loan, the majority of the borrowers are working women, often illiterate, from low-income households. All borrowers must become shareholders to be eligible to borrow: one share costs Rs. 10. To access an unsecured loan, a SEWA member must have opened a savings account, maintained it for six months to one year and saved regularly. A woman’s savings behavior – that is, the regularity as well as the volume of her savings – is the main criterion in establishing her “bankability”. The local organizers of the SEWA Union, who maintain close contact with SEWA’s members, are asked to verify the creditworthiness of the loan applicant and her economic activity. SEWA Bank does not demand any collateral to guarantee the loan. Rather, the Bank requires one person to stand as guarantor for loans under Rs. 2,000 and two persons to stand as guarantors for loans over Rs. 2,000.

After establishing eligibility and being recommended to a loan officer, the loan applicant completes a loan application form, which she submits together with a letter of application, a photograph, and

a copy of her ration card.<sup>5</sup> The loan application is reviewed by the loan committee comprised of the Chairperson and two Directors of SEWA Bank plus the Bank's Managing Director and Manager. The loan committee meets weekly so that each applicant is notified of her loan status within a week. The appraisal process is quite effective given the familiarity of the SEWA Union local organizers with the majority of potential borrowers and their economic activities.

After a member has completed the application process, a loan of a maximum amount of Rs. 25,000 may be granted. The average loan outstanding, as of March 1996, was Rs. 9,084. Such loans are generally repayable over a period of 36 months. The interest rates for loans (as well as deposits), and thereby the gross spread of the Bank, are determined by the Reserve Bank of India.<sup>6</sup> The prevailing interest rate on loans and advances in the range of loans in which SEWA Bank operates (up to Rs. 25,000) is 15%.<sup>7</sup>

Upon full repayment of a loan, clients are eligible for repeat loans. If her credit rating is good, a client may apply for new loan up to double the size of her previous loan. No borrower can have more than one unsecured loan at any one time. However, she may have both an unsecured loan and a secured loan.

Delinquency rates at SEWA Bank are relatively small. SEWA invests considerable staff time in averting default by encouraging clients who are having difficulties to make small (even if not full), regular repayments. A client is viewed as delinquent after 30 days or if the level of her repayment is less than three percent of the value of the loan. The following steps are taken to limit delinquencies, based on the length of time delinquent:

- 30 days: a reminder notice is sent to the client
- 60 days: the client is visited by a SEWA Bank recovery officer
- 6 months: a legal and advisory notice is sent to the client
- 7 months: a legal advisory is sent to the client and her two guarantors
- 1 year: legal action is taken

As of March 31 1998, about 60% of outstanding loans had no overdue payments. As of that date, there had been no write-offs of any loan, although there is an accumulated provision for bad loans.

SEWA Bank has a broad system for facilitating the loan process. All applications for and disbursement of loans take place at the Bank's headquarters in Ahmedabad City. Deposits and loan repayments are collected in the field through networks of extension centers (in eight areas of the city),

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<sup>5</sup> The application form contains information on the socioeconomic characteristics of the applicant, her business and social status, debt history, and intended purpose of loan. The letter of application includes the name and address of guarantors.

<sup>6</sup> As part of the ongoing process of financial sector reform, banks have been allowed to fix interest rates for certain levels of borrowing and for certain purposes, subject to minimum interest rate limits laid down by the Reserve Bank of India (Mahahan et al. 1996). However, this does not apply to loans below Rs. 200,000, for which the interest rates are specified.

<sup>7</sup> The prevailing interest rates on deposits are, for savings accounts, 5% per annum on the minimum balance held during the tenth and last days of month; for current accounts, 0.5% per annum; and for fixed deposit accounts, 11%.

mobile vans (which operate in 50 areas of the city), and area-level organizers (in all areas where SEWA works). Field workers from SEWA Bank supervise and coordinate the field-level collection process.

Under the overall supervision of a Managing Director, the Bank is divided into eight departments: one each for savings, shares, loans, recovery, training, research, computer services, and rural services. The largest is the savings department with a staff of over 22 people. The total staff of the Bank numbers 56 (plus five drivers and seven peons): the operational staff person works with an average of 500 clients – both savers and borrowers – each. Local organizers from the SEWA Union help recruit and screen new clients, mobilize savings, monitor loans, and promote repayment.

In terms of governance, the shareholders elect nine of the minimum number of 15 Board members. The other Board members are representatives of the SEWA Union and representatives of local women's organizations nominated by those organizations. Each Board member serves for a three-year term. The elected Board members are eligible for re-election.

#### **4. Financial Situation**

As of March 31, 1998, SEWA Bank had over 88,000 depositors and a working capital of over 152 million rupees (or nearly US\$4 million). SEWA Bank is financially self-sustaining and was able to increase its return on operations from 1.02 in FY'93 to 1.33 in FY'96. Several factors account for the fact that the Bank has not felt the pressure or need to seek outside sources of finance:

- savings operations exceed loan activities by a ratio of nearly 12:1 in number and 2:1 in value,
- deposits plus shares contribute 83% of the Bank's capital,
- excess savings are invested in income-generating financial instruments,
- the level of delinquency has declined and the long-run loan loss rate is nil,<sup>8</sup> and
- salary costs represent a low percentage (64%) of operating costs.<sup>9</sup>

SEWA Bank aims to increase the value of its loan portfolio to 70% of its total assets. In FY'93, this share stood at 30%; by December 1998, it had risen to 39%. The primary difficulty faced in meeting this target remains the limited borrowing capacity of the Bank's clients, who are all from low-income households, and the limited need for working capital loans by those Bank clients who are not micro-entrepreneurs *per se*.

Apart from meeting the viability norms for urban cooperative banks, SEWA Bank must continuously

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<sup>8</sup> These figures reflect both the recent steps taken to reduce arrears by having Bank staff work closely with their clients to repay outstanding balances and the 20/36 month term arrangement for loan repayment discussed above.

<sup>9</sup> For the period April 1 to October 30, 1998, salary costs represented 63.9% of total operating costs. In regard to total costs, salary costs declined from 16.7% in FY'93 to 13.6% in FY'96. These figures reflect not only low salaries but also the integration of the bank into the family of SEWA services. Cross-subsidization of SEWA Bank by SEWA occurs in several ways. Notably, SEWA Union leaders mobilize savers and screen prospective borrowers while SEWA's health department and SEWA Bank share extension premises.

meet the capital adequacy norms set by the Reserve Bank of India (equity and reserves are expected to amount to 8% of the risk-weighted assets). While SEWA Bank capital has been more than adequate in terms of this norm, the trend over time has been toward a reduction in the share of equity and reserves in total working funds (Mahahan et al. 1996).

A recent study of the financial viability of SEWA Bank by a leading microfinance technical assistance organization in India concluded that the Bank is a profitable enterprise (Mahahan et al. 1996). However, its profitability and financial viability have been declining since 1990. Some of this decline was attributed to the myriad constraints posed by the Reserve Bank of India. The main recommendation was that SEWA Bank should lend as much as possible. The recent expansion of SEWA Bank into rural areas by means of savings-and-credit groups was endorsed as another way to address the decline.

A tight and flat management structure and responsiveness to its market are among the significant assets of SEWA Bank. Given its flexibility and its philosophy, the Bank has been able to respond to the evolving needs of its clients. This is evident in the evolving insurance scheme that began as simple life insurance but now provides a broad package of coverage.

### III. DESIGN OF THE BASELINE SURVEY

#### A. Research Hypotheses

The current study is one of three longitudinal impact studies under the AIMS Project. These studies are designed to gain a better understanding of the ways that microenterprise services strengthen enterprises and improve the welfare of clients and their households. The other two assessments are of the Zambuko Trust in Zimbabwe and Mibanco in Peru. All three studies share a common research design, including a core set of impact hypotheses at the household, enterprise, and individual levels (AIMS Core Team 1997). These hypotheses are based on a conceptual model that views individual enterprises or economic activities as embedded in a household economic portfolio (Chen and Dunn 1997). The household economic portfolio is defined as follows: a) a set of human, physical, and financial resources; b) a set of consumption, production, and investment activities; and c) the circular flow of interaction between household resources and activities. It is assumed that credit and other resources are fungible within the household. Under the common core hypotheses,<sup>10</sup> participation in microenterprise services is hypothesized to lead to the following changes:

At the household level...

- increase in the level of household income
- greater diversification in the sources of household income
- increase in household assets, including improvements in housing and increases in appliances, means of transport, or fixed business assets
- increase in the proportion of school-aged boys and girls in school
- increase in per capita expenditures for food, especially among the very poor
- increase in the household's effectiveness in coping with shocks

At the enterprise level...

- increase in net revenue
- increase in fixed assets, especially among repeat borrowers
- increases in the paid and unpaid employment generated by the enterprise
- improvements in the transactional relationships of the enterprise, such as bulk buying, lower unit prices, and improved location

At the individual level...

- increase in control over use of loan funds and of enterprise income
- increase in self-esteem and respect by others
- increased in the incidence of personal savings
- improvements in ability to deal with the future, as reflected in more proactive behavior and increased confidence

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<sup>10</sup> The three studies also have a common set of variables and measures to facilitate comparative analysis across the three programs as well as a few context-specific variables and measures.

In addition to the common core hypotheses, each study is investigating context-specific hypotheses. SEWA Bank differs from the other two institutions studied under AIMS in several important regards. First, the Bank's lending activities have the stated objective of helping SEWA members repay their outstanding debts and redeem mortgaged property. Accordingly, an additional household-level hypothesis focuses on changes in the amount of non-SEWA debts and mortgaged property.

Second, because savings and other financial services are emphasized by SEWA, and many of its client members are not microentrepreneurs, this study seeks to measure the impacts of participation in the savings services of SEWA Bank as well as in its credit services. We therefore interpret all the standard AIMS hypotheses about possible impacts at the household, enterprise, and individual levels as applying to the savings as well as to the credit services of SEWA Bank.

Finally, because SEWA Bank is part of the wider SEWA organization, which offers a range of non-financial services, two additional individual-level hypotheses are being tested: increased membership in local organizations and increased access to a variety of basic services.

## **B. Questionnaire Design**

The research design phase of the AIMS Project included preliminary field research in each study site to develop a better understanding of the local context, refine the set of hypotheses, select the most relevant impact variables, identify a local survey firm, and pilot test a draft questionnaire. The preliminary field work in India included a) discussion of SEWA's financial and non-financial services with several SEWA Bank and SEWA Union staff; b) discussion of the research design framework and methodology with the research staff of SEWA Academy; c) interviews of local researchers and practitioners about current socioeconomic trends in Ahmedabad city and Gujarat state; d) field visits to interview clients of SEWA Bank about their involvement with SEWA; e) collection and review of relevant socio-economic literature on Ahmedabad City and Gujarat state; and f) presentation of research design framework and methodology to a group of local researchers.

Toward the end of the preliminary field research, the draft questionnaire was pilot tested. The draft questionnaire was based on a format that had been developed and tested previously for the Peru study. For most of the common questions, through a series of interviews with SEWA Bank clients and SEWA research staff, a set of context-specific data categories were developed and context-specific questions were added. The context-specific questions included a section on client participation in SEWA programs overall, and special "enterprise" questionnaires for clients who work as sub-contract workers or as casual laborers. A total of six clients were interviewed to test the questionnaire. Later, after translating the questionnaire into Gujarati, the local survey firm pilot tested a revised version of the questionnaire on thirty women (20 clients and 10 non-clients) in four wards of Ahmedabad city which fall outside the sample area. On the basis of that pilot test, and after discussions with the principal investigators at the Harvard Institute for International Development (HIID), the local survey team finalized the questionnaire.

## **C. Sample Design**

For the first round of the survey, to establish a baseline, a sample of 900 households was selected, of which 600 were clients of SEWA Bank – 300 borrowers and 300 savers – and 300 were non-clients. An attrition rate of 15 percent is anticipated between the two rounds of the survey, resulting in a final sample for the second-round survey of 250 women in each of the three groups. A three-step process was used to determine the sample: selection of geographical area, selection of the two client samples, and selection of the non-client group.

## **1. Selection of Geographical Areas**

Ahmedabad City is divided into 43 municipal wards (i.e. electoral units) spread out on either side of the Sabarmati River that divides the city. For logistical and cost-saving reasons, we decided to limit the geographical coverage of the study. In analyzing SEWA Bank lists of current borrowers and savers, we found that nearly half of the Bank's clients (49% of the borrowers and 45% of the savers) are concentrated in ten wards. These ten wards are found in the older parts of the city on the east bank of the Sabarmati River, rather than in the newer residential suburbs or new industrial outskirts on the west bank. Two of the ten (Khadia and Raikhad) are located within the old walled city. As a whole, the ten wards included in the survey are representative of the areas where SEWA's work began and where the majority of SEWA Bank's clients still live.

## **2. Selection of Client Samples**

We decided to sample two client groups, current borrowers and current savers, for several reasons. To begin with, there are ten savers for every borrower in SEWA Bank. It is hypothesized that those clients who are savers only will benefit from having a secure place to deposit their savings. Since all borrowers have to save, it is hypothesized that there will be greater impact on those who borrow as well as save. Further, since both borrowers and savers are eligible for the non-financial services offered by SEWA overall, it is hypothesized that these services will have an impact on both client groups. Because all the clients of SEWA Bank are working women, all members of the sample are working women aged 18 or above.

The following method was used to randomly select the client samples. First, a list was prepared of all current SEWA Bank borrowers (i.e. those who took loans during FY'97) within Ahmedabad city. This list excluded two categories of borrowers with fixed salaries: SEWA Bank staff and other salaried women whose loans are repaid by salary deductions. Second, current borrowers were grouped geographically by the 43 municipal wards. SEWA field staff, who are local experts, reconciled the addresses given by the clients with the geographic boundaries of the various wards. Third, the ten wards with the largest numbers of SEWA Bank borrowers were selected. One of these ten wards was later replaced because it had a high percentage of middle-class borrowers. Fourth, applying a sampling fraction to reach a total of 350 borrowers, a proportionate random sample was drawn from the list of borrowers within each of these ten wards. The over-sampling at this stage was to allow for problems in either locating borrowers or obtaining their cooperation. Fifth, after the random list of 350 borrowers was drawn, these borrowers were assigned to local neighborhoods (again, using the addresses given and the local knowledge of SEWA field staff). Sixth, a list of current savers (i.e., those who had made at least one deposit in a SEWA Bank savings account

during FY'97) was made for each of the neighborhoods represented in the borrower sample. Finally, a random sample of 300 current savers who did not take loans during FY'97 was drawn from the list of savers in those neighborhoods.

Replacements for the randomly drawn samples were made in the following instances: if the woman could not be located; if she was not economically active; or if she was unwilling to participate (about 2% of the cases). Also, in the case of savers, women who were no longer actively saving or who had taken out loans during FY'98 were replaced. It turned out that nearly 40% of the savers had taken out loans during FY'98, so that repeated replacements were necessary. In the case of the borrower sample, women who had paid off the FY'97 loan during FY'98 were replaced.

### 3. Selection of Non-Client Sample

The following method was used to randomly select the control group. First, a preliminary pre-survey was carried out in the neighborhood of each sample borrower to identify fifty households in which there were economically active women over age 18 who were not SEWA members. Second, within these 15,000 households, all economically active women over age 18 were listed. Third, a random sample of 300 women was drawn from this list. Table 5 provides information on the final distribution of the borrower, saver, and non-client samples in the ten wards covered by the survey.

**Table 5. Distribution of Sample by Ward**

Ward	Current Borrower Base	Proportionate Sample		
		Borrowers	Savers	Non-members
1. Behrampura	475	57	57	57
2. Jamalpur	327	39	39	39
3. Bapunagar	321	38	38	38
4. Rakhial	173	21	21	21
5. Asarwa	219	26	26	26
6. Khadia	214	25	25	25
7. Amraiwadi	212	25	25	25
8. Saraspur	210	25	25	25
9. Raikhad	192	23	23	23
10. Dudeshwar	176	21	21	21
<b>TOTALS</b>	<b>2519</b>	<b>300</b>	<b>300</b>	<b>300</b>

Like the client samples, the non-client sample consists of economically active women over age 18 engaged in one or more of a similar range of informal sector activities. The neighborhoods of the older parts of Ahmedabad City are relatively homogeneous in terms of caste, occupation, and class. Given the homogeneity of the neighborhoods, the range of economic activities open to non-client



women in those neighborhoods is roughly the same as those open to client women, namely hawking or vending, home-based production, and selling labor or services.

#### **D. Data Collection Procedures**

HIID sub-contracted Taleem Foundation, an Ahmedabad-based research firm, to help define the sampling frame, translate and test the questionnaire, recruit and train the investigators, conduct the survey, enter and clean the data, and carry out a preliminary analysis of the data. Taleem Foundation was established in 1996 by a small multidisciplinary group of professionals who had served as research directors or senior social scientists at different research institutions in India. The Director received his Ph.D. in anthropology from the University of Wisconsin. Given the reputation and experience of its founders, Taleem Foundation has received contracts to carry out field surveys from the Government of India, various national organizations, and several international organizations. For the current study, Taleem Foundation deputed two of its women professionals to the AIMS Project. Both of them have master's degrees in communication and prior experience in conducting large-scale field surveys, and both proved to be very professional in their work.

During December 1997, Taleem Foundation recruited a team of local enumerators. As part of their training, these enumerators were involved in creating the listing used to randomly select the non-client sample. In January 1998, they went through a six-day training (four days of classroom training and two days of field training). The training curriculum covered the background and programs of SEWA, including the operations of SEWA Bank; the background and purpose of the AIMS Project; the conceptual framework and hypotheses of the AIMS study; and the survey questionnaire. Particular attention was paid to explaining and discussing the classification of enterprise or economic activity by sector (manufacturing, trade, and services); sub-sector (garment-making, cigarette-rolling, paper picking, etc.); employment status (own account, sub-contract, and casual wage); significance to the respondent (primary, secondary, or tertiary); and significance to the household's economic portfolio (primary, secondary, or tertiary).<sup>11</sup> Special attention was also given to explaining how to calculate net income and other economic estimates in the enterprise section of the questionnaire.

Each enumerator was given a training manual in Gujarati that described in detail all significant variables. After a thorough review of each question in the questionnaire, the enumerators were placed in pairs to conduct two simulated interviews each. These simulated interviews improved the enumerators' comprehension of the questionnaire and accuracy in entering and coding answers. Each completed test questionnaire was reviewed in detail. The enumerators were also trained in how to conduct an interview and what to do if the respondent is distracted, loses interest, or runs out of time. The resource persons for the training workshop included the two researchers from Taleem Foundation; two research staff members from the SEWA Academy; and one of the principal investigators from HIID.

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<sup>11</sup> For example, to verify which activity is the primary activity of the individual, the enumerators were trained to cross-check two answers on the household section of the questionnaire (one on the first page of the questionnaire, the other on the first table of the questionnaire).

To carry out the survey, the enumerators worked in pairs, travelling to their assigned neighborhoods by bus or motorcycle rickshaw. Once a day, each pair reported to a central office set up by the Taleem Foundation to receive their next assignments, debrief the Taleem Foundation researchers on their completed interviews, and complete the coding of the questionnaires. During the survey, the Taleem Foundation researchers conducted routine review checks: in two percent of the cases, the entire questionnaire was checked and refilled (as necessary); in another two percent of the cases, key questions were checked and refilled (as necessary). From time to time, surprise checks were carried out in the field to ascertain whether interviews were being conducted at the designated time and place. According to the Taleem Foundation researchers who supervised the field survey, the team of enumerators proved to be quite efficient and diligent.

## **IV. FINDINGS**

### **A. Context of Findings**

The findings presented in this report must be understood as the outcomes of the first round in a longitudinal survey. The impacts of microfinance programs can be inferred from “with-without” comparisons and/or from “before-and-after” comparisons. In the former approach, program participants are compared to a control group. The latter approach examines changes in the participants’ situation over time. In a combined approach, changes affecting participants are compared to changes experienced by members of the control group.

Only the first of these three approaches is available to us at this stage of the investigation. The findings reported here involve comparison of two categories of program participants – borrowers and savers, as defined elsewhere in this report – with members of the control group (non-members of SEWA). When differences are identified, two interpretations are possible, depending on the characteristics of the variable in which the difference is detected.

When the variable is clearly not a result of the program, the interpretation is that the difference between participants and controls means that these groups are not, in fact, fully comparable. For example, if program participants are older than controls, this is an element of imperfect comparability, given that participation in the program could not have made them older. For some reason, older women tend to participate in the program more than younger women. Since income, for example, is partially a function of age, income differences in this case could not be attributed wholly to program participation.

The second and more common situation is that the causation could run in either direction. An example would be differences in household income. If program participants have higher average incomes than controls – or, in our case, if borrowers have higher incomes than savers or savers have higher incomes than controls – two interpretations are possible: 1) that for some reason richer households tend to participate in the program more than poorer households, or 2) that participation in the program made them richer. At this stage of the analysis, there is no way of distinguishing between these two alternatives. When a difference is identified, therefore, all we can say is that the hypothesis of program impact (the second alternative above) cannot be rejected.

In other words, the analysis of these first-round survey data can only be suggestive; it cannot be conclusive. We have identified some associations but have not even tested them for statistical significance. Associations consistent with the AIMS hypotheses remain to be tested in the longitudinal analysis. On the other hand, associations that were expected but did not emerge in this stage of the analysis may yet be found in later stages of the analysis.

### **B. Description of Sample**

## 1. Demographics: Individual

*Age:* All three samples are, by design, economically active women aged 18 or above from low-income households. Over one-third (35%) of the total sample are in the younger (18-30) age group; nearly two-thirds (63%) are in the middle-aged (31-60) group; only 2% are over 60 years of age. The average age is somewhat higher in the borrower group (38) than in the saver (34) or control group (35) (see table 6).

*Marital Status:* A large majority of the respondents (85%) are married. Nine percent were married formerly and are now divorced, deserted, or widowed. Fewer than 6% have never been married. The borrower group has the highest percentage of married women (90%) and the control group has the lowest (81%). Widows make up 1% or less of each of the three respondent groups.

*Literacy:* Forty percent of the total sample have never attended school. Nearly as many (37%) have attended only primary school, while 17% attended high school, and just under 5% received some higher education. The proportion who never attended school is quite consistent (around 40%) across the three sample groups. This rate compares favorably to the rates of female illiteracy for India as a whole (61%) and for Gujarat state (52%). And the proportion of women in the total sample who completed primary school (37%) is also higher than the reported rates for India (28%) and Gujarat state (34%). Within our sample, the saver group has the highest percentage of women who attended secondary school (23%), higher secondary school (3%), and college (2%), while the borrower group has the highest percentage of women who attended primary school only (44%). The net result is that the same proportion of non-clients as clients (21%) attended school beyond the primary level. Only two women – one saver, one control – reported having received technical training and only one woman – from the control group – reported having attended a literacy program.

*Place of Origin:* A large majority (85%) of the total sample have lived in Ahmedabad for a long time. About 7% migrated to Ahmedabad from a rural area of Gujarat state, fewer than 3% migrated from another city in Gujarat, and another 5% or so migrated from another state.<sup>12</sup> These patterns are quite consistent across the three groups.

*Primary Economic Activity:* SEWA's membership includes three categories of women who work in the informal sector of the economy: small-scale vendors and hawkers who sell a range of goods from vegetables to garments to household utensils; home-based producers who work either on their own account or as sub-contract workers weaving cloth, rolling cigarettes or incense sticks, stitching garments, and more; and women who sell their labor (including agricultural and construction laborers, hand-cart pullers, and headloaders) or various services (including cooking, cleaning, paper picking, or laundry). Unlike many other microenterprise support programs, therefore, SEWA Bank's clients include not only own-account microentrepreneurs but also sub-contract workers and other wage

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<sup>12</sup> Substantial migration from other states occurred in the 1960s and 1970s. Historically, Ahmedabad was a textile city which attracted groups of migrants from neighboring states: this migration was mainly along caste lines with particular castes performing specific tasks in the textile and related sectors.

workers.

For the purposes of the SEWA Bank study, we have reclassified these categories into three employment status groups:

- *own-account entrepreneurs*: women who use their own capital to produce and sell (or buy and sell) goods;
- *sub-contract workers*: women who produce goods on a piece-rate basis for a middleman, without using much (if any) of their own capital; and
- *wage workers*: women who sell their labor or services for a casual or fixed wage.

These new categories have been used to classify not only the women in the sample but also the economic activities of their households. Since not all of the respondent households have own-account enterprises, the term “economic activity” is used in this study rather than the term “enterprise”. Two other variables are used in classifying economic activities:

- *sectors*: these are the three broad economic sectors of trade, services, and manufacturing;
- *sub-sectors*: there are multiple sub-sectors within the three broad sectors, providing specific occupations such as, respectively, vegetable vending, paper picking, and cigarette-rolling.

Since we expect the impact of microenterprise services to differ by employment status, the economic activities of the sample respondents and households have been classified by the three employment status groups as well as by sector, sub-sector, and location.

For the sample overall, 41% of the women are primarily engaged as own-account entrepreneurs, 36% are sub-contract workers, and 23% are wage workers. The highest concentration of own-account entrepreneurs (48%) is among the borrowers, followed by savers (41%). The highest concentrations of sub-contract and wage workers (40% and 25%, respectively) are among the control group. Overall, a higher proportion of clients (44%) than non-clients (35%) reported own-account businesses as their primary occupation.

In sum, as table 6 indicates, the three sample groups are quite similar in terms of several key demographic characteristics: average age, previous residence, marital status, and percentage who never attended school.

**Table 6. Key Characteristics of the Sample**

	Client		
	Borrowers	Savers	Non-members
<b>Average Age</b>	38	34	35
<b>Marital Status: Married</b>	90	85	81
<b>Educational Status: Never Attended School</b>	41	39	41
<b>Religion:</b>			
Hindu	74	76	74
Muslim	26	24	26
<b>Caste (Hindus Only):</b>			
Upper Caste	24	29	27
Backward Caste	28	26	26
Scheduled Caste	48	45	47
<b>Primary Economic Activity:</b>			
Own Account	48	41	35
Sub-contract	32	36	40
Labor	20	23	25
Average Household Size	6.06	5.69	5.79
Average Number of Earning Members	3.04	2.77	2.69

## 2. Demographics: Household

*Religion and Caste:* Because residential neighborhoods tend to be segregated by both caste and religion, and because the saver and control samples were drawn from the same neighborhoods as the borrower sample, the distribution by religion and caste is quite consistent across the three groups. Of the total sample, nearly three-quarters are Hindu and one-quarter are Muslim. In the all-India population, the percentages of Hindus and Muslims are 82% and 12%, respectively. The population of Ahmedabad was found to be 15% Muslim in 1971, the last year in which this information was collected officially. Muslims probably form a higher percentage of the poorer classes of the city. The higher proportion of Muslims in Ahmedabad city is due in large measure to its long history of Muslim rule and settlement. One respondent from each client group is a Jain; and one respondent from the control group is a Christian.

Among the Hindus, 27% are from the upper castes, 27% from the Other Backward Castes, and 47% from the Scheduled Castes or Tribes. Across India, there is a bewildering array of local castes, called *jati*, each of which can be classified under one of three broad social groupings: the upper castes (the Brahmins, the Kshatriyas and the Vaishyas); the Other Backward Castes (or Sudras); and the Scheduled Castes (also called Outcastes, Untouchables, Harijans, or Dalits). For India as a whole, no more than 15% of the population comes from the upper castes and another 20% or so belongs to the Scheduled Castes or Tribes. The bulk of the population at both the all-India and state levels belongs to those castes collectively referred to as the Other Backward Castes.

*Size and Structure:* The majority of the sample (53%) live in nuclear households; another 20% live in joint households and a further 20% in complex households. Very few women in the sample live on their own or with only their young children. The distribution is quite even across the groups. Slightly more borrowers live in joint or complex households, and slightly more controls manage on their own.<sup>13</sup>

The average household size for the three groups is quite consistent: borrower (6.06), saver (5.69), and control (5.79). The average number of income earning members per household in the three groups is as follows: borrower (3.04), saver (2.77), and control (2.69). The average number of dependents per earning member rises slightly across the borrower, saver, and control groups.

*Primary Source of Household Income:* In one-quarter of sampled households (229 out of 900) the primary income source of the woman respondent was also the primary income source of the household. More commonly (in one-half of households), a salary or wage earned by another family member was the household's primary income source. The third most important primary income source for sample households, accounting for one-fifth of all cases, was an own-account enterprise operated by someone other than the respondent.

### **C. Household-Level Hypotheses**

#### **H-1: Participation in microenterprise services leads to an increase in the level of household income.**

Reported income per household averaged Rs. 41,500 in the past year. This annual figure is roughly equivalent to \$1,000 at the current exchange rate and \$4,250 in international prices, using the ratio between exchange rate conversion and purchasing power parity (PPP) reported for recent years by the World Bank (4.25). As expected, the average income of borrower households was higher (by 39%) than the average for non-member households and the average income of saver households lay in between (12% greater than that of control households) (see table 7). Borrower households are slightly larger, on average, than saver or control households, so differences in household income per capita are slightly smaller. These figures are Rs. 8,588 for borrower households (33% greater than control households) and Rs. 7,615 for saver households, which is 18% more than the Rs. 6,455 average recorded for control households.

However, a few relatively high-income control households distort this comparison. If we compare median incomes per household for the three groups, borrower households (at Rs. 42,000) are 61% higher than control households (Rs. 26,050) and 30% higher than saver households (Rs. 32,400). On a per capita basis, the median for borrower households (at Rs. 7,219) exceeds that of control households (Rs. 4,892) by 48% and saver households (Rs. 6,000) by 20%.

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<sup>13</sup> As used here, nuclear households are comprised of one married couple (plus their unmarried children), joint households are those comprised of two or more married couples (plus their unmarried children), and complex households are nuclear or joint households that include other adult members.

**Table 7. Mean and Median Household Incomes (Rs./year)**

	Mean	Median
Borrowers	49,309	42,000
Savers	39,702	32,400
Non-members	35,432	26,050
<b>Total Sample</b>	41,500	---

How many poor households are there in the sample? Since surveyed households average 5.9 members, per capita income per annum approximates \$720 PPP. This figure is about 60% of GNP per capita in purchasing power terms, which the World Bank puts at \$1,190 for 1996 and which should have reached about \$1,225 by January 1998. Even allowing for the fact that household income per capita is always a bit lower than GNP per capita, members of respondent households are thus poorer than the average Indian. How many are classified as living in poverty depends on where the poverty line is drawn. Local agencies place the urban poverty line somewhere in the range of Rs. 240-300 per person per month, which works out to approximately Rs. 17,000-21,000 per year for a family of 5.9 members (the average in the sample). By these standards, only 5-9% of borrower households, 8-14% of saver households and 14-24% of control households live in poverty.

The local poverty line, however, works out to only \$6-7 per person per month at the exchange rate conversion or \$24-30 PPP. In its *World Development Report 1990*, the World Bank suggested a global poverty line of \$1 per day per person in 1985 prices PPP. This is equivalent to perhaps \$1.75 per day in the prices of January, 1998, or \$53 per month. So the local poverty line in Ahmedabad (\$24-30 per month PPP) is only about one-half the international standard (\$53). Using the World Bank's widely accepted poverty line and equating it to about Rs. 525 per month, 40% of borrower households live in poverty along with 50% of saver households and 62% of control households. This seems more realistic than the results obtained using the local poverty lines.

The sensitivity of the poverty headcount to the placement of the poverty line suggests that households in the sample cluster around the poverty line, with most of them either just above it or just below it.

## **H-2: Participation in microenterprise services leads to greater diversification in the sources of household income.**

*Number:* The 900 households in the sample had a total of 2,343 income sources. The modal number of sources was two, but many households in the sample had three, four, or more income sources (table 8). Fewer than one-tenth of all households, roughly the same percentage each group, rely on a single source of income. On average, borrower households had slightly more sources of income than saver or non-member households. These findings are consistent with the hypothesis.

**Table 8. Distribution of Sample Households by Number of Income Sources**



Number of Sources	Borrowers	Savers	Non-members
One	27	24	26
Two	125	146	74
Three	86	83	74
Four	39	37	29
Five or More	23	10	16
Mean Number of Sources	2.7	2.5	2.5

In the first round of survey, 1,935 economic activities were surveyed in the 900 sample households: an average of 2.15 activities per household. The analysis that follows is of the surveyed activities only.

*Type of activity:* As noted above, the primary source of income for the sample households is the same as the primary activity of the respondent in 25% of the cases. The primary source of income for other households is from paid work in 67% of the households, from own account enterprises in 27%, and from sub-contract work in 6% of the households. These proportions are quite consistent across the three groups.

In addition to the primary economic activity of the respondent and the primary source of income for the household, an additional source of income was surveyed in 372 households, 41% of the total. Seventy-two percent of these supplemental sources of income are wage work, 21% are own-account enterprises, and 7% are sub-contract work. More client households (24%) than non-clients (14%) report own-account business as supplemental activities. More non-clients (82%) than clients (68%) report wage work as supplemental activities.

*Sector:* Virtually all of the sub-contract work is in manufacturing whereas only 9% of own-account enterprises and 1.5% of wage work are in manufacturing. The bulk of own-account work is in services (43%) and trade (49%). More saver and control households than borrower households are in manufacturing and services while more borrower households than other households are in trade. The majority of wage jobs are in office work of various kinds, around 70% across all three groups. Construction, sanitation, and transportation account for 5%, 4%, and 2%, respectively, of wage work. Compared to the two client groups, a notably higher percentage of control households are in sanitation (7%) and processing (14%) and a notably low percentage of control households are in transport (0.3%). Compared to the other two sample groups, a higher percentage of borrower households are in transport (4%) and a lower percentage of saver households are in sanitation (2.2%) and in manufacturing (0.9%).

*Location:* Because nearly all sub-contract work (98%) and about half of own-account enterprises (48%) are located in the home, a large share (38%) of all the surveyed economic activities are home-based. Another 29% of surveyed activities are located in permanent market areas, while 18% are in other fixed locations. The remaining 15% are mobile activities of one kind or another. Borrower households have the highest percentage of market-based activities (33%); saver households have the highest percentage of home-based activities (40%); and control households have the highest percentage of mobile activities (20%) (see discussion of business premises below).

### **H-3A: Participation in microenterprise services leads to improvements in housing.**

Unlike many microfinance programs, SEWA Bank lends explicitly for housing and home improvements. The Bank estimates that nearly half of its loan portfolio is invested in housing: either for new construction, home repairs, or home improvements. It is hypothesized, therefore, that SEWA Bank services, particularly lending services, will lead to expansion or improvements in housing and related infrastructure.

The findings are clearly consistent with this hypothesis. In regard to housing tenure, a higher percentage of borrowers (39%) than savers (36%) and controls (32%) have “legal” ownership of their home. Thirty-six percent of the borrowers claim to have actual legal title to their home; a few (2%) have an affidavit to verify ownership. The fact that the textile industries created worker colonies in Ahmedabad city may account for the seemingly high percentage of all sample households that have some form of legal ownership. In regard to housing infrastructure, a similar percentage of households in each group have electricity, sewage hook-up, brick cement walls, permanent roofs, and permanent floors. In regard to housing improvements, a far higher percentage of borrowers (71%) than savers (58%) or controls (56%) made improvements or repairs to their housing during the year prior to the interview. Almost one-fourth (23%) of the borrowers who made improvements used a SEWA Bank loan to do so. However, there is very little difference across the three samples in regard to housing size, measured in terms of the number of rooms and stories.

One of the stated objectives of SEWA is to help its members acquire improved sources of energy, both for lighting and cooking. For this reason, the questionnaire included a set of questions on energy sources. Slightly more borrowers (28%) than savers (24%) or controls (23%) use gas cylinders as their cooking fuel. Slightly more clients (27%) than non-clients (24%) use electricity or gas as their cooking fuel.

### **H-3B: Participation in microenterprise services leads to increases in major household appliances and transport vehicles.**

The availability in the household of a wide range of assets was canvassed. All but four of the 900 families surveyed owned at least one household appliance. Most held some amount of both gold and silver and more than half owned bicycles. Ownership frequency in all three of these categories was somewhat higher for SEWA bank clients (both borrowers and savers) than for non-members of SEWA. Few households in any of the three groups owned motorized vehicles, livestock, or poultry, but borrower households were nearly twice as likely to own a motorized vehicle (17%) as control households (9%). Eighty-seven borrower households had acquired at least one appliance in the past two years, as opposed to 59 saver households and 58 control households.

### **H-4: Participation in microenterprise services leads to an increase in the level of educational participation.**

The 900 households surveyed had a total of 1,783 children in the 5-17 year age range, the normal

ages for attending primary and secondary school. A simple measure of participation in education is the net enrollment rate, defined as the percentage of children within the normal age range for attending a particular level of schooling who are actually enrolled. Among children in sampled households aged 5-10, the normal age range for enrollment in primary school, 84% were reported to be enrolled. This percentage was slightly higher for boys (86%) than for girls (81%). It was highest for saver households (89%) and lowest for control households (80%); the mean for borrower households was 83%. While these small differences in the primary school net enrollment rate may not be significant, it is possible that participation in SEWA (as opposed to borrowing in particular) increases school enrollment at the primary level.

Among children in the normal age range to be attending secondary school (ages 11-17), 66% of boys were enrolled compared with only 56% of girls. Among boys, the highest net enrollment rate (70%) was for control households; the other figures were 67% for saver households and 62% for borrower households. For girls, borrower and saver enrollment rates (both 58%) were both greater than the enrollment rate for control households (52%). The significant gender difference at the secondary level suggests that gender preference is present. Interestingly, this appears limited to Hindu households. Among Muslims, the secondary enrollment rate is almost identical for boys and girls; among Hindus, 67% of 11-17 year-old boys are in school but only 53% of girls.

The enrollment rates calculated here are net enrollment rates. These are difficult to compare with national statistics, which give only gross enrollment rates. The latter include enrolled students of all ages and can thus exceed 100%. Nevertheless, it is clear that secondary enrollment is higher than the Indian average among households in our sample. This may be due to our having sampled an urban population, since access to secondary education is better in urban than in rural areas.

#### **H-5: Participation in microenterprise services leads to an increase in expenditures on food, especially among the very poor.**

Average daily expenditure on food was reported to be Rs. 61 per day per household, equivalent to Rs. 1,830 per month. This represents 53% of reported monthly household income (Rs. 3,460). The percentage is plausible, since low-income households worldwide typically spend half or more of their income on food, and suggests that income and food expenditure have been measured with reasonable consistency. However, a few households reported very low food expenditures; some of these may have failed to report food obtained from relatives or employers. Expenditures on staple food grains were Rs. 22 per day, or Rs. 660 per month, 35% of the total. This suggests a somewhat more varied diet than is typical of low-income households and may be attributable to the access of some households to subsidized basic foodstuffs. Remaining food expenditures are shown in table 9. Low expenditure on meat and fish is partly a cultural phenomenon, since Gujarat has a strong vegetarian tradition.

Borrower households eat better than saver households, which in turn are slightly better fed than control households (table 9). Average daily expenditure on food in borrower households, at Rs. 68, is 21% higher than in control households. Although borrower households also spend a bit more on staple foods than other households (but a marginally lower percentage, 34%), their food expenditure

pattern is slightly more varied. In particular, they spend more on food eaten away from home: Rs. 6 per day on average, compared to Rs. 2 in saver households and Re. 1 in control households. They also spend more on meat and fish, although still very little: Rs. 5 per day, or 7% of total food expenditure. Borrower households also spent a bit more on vegetables, beverages, and oil than other households.

Saver households enjoy only a small dietary margin over control households. They spend an average of three rupees more per day on food (Rs. 59 vs. Rs. 56, a 5% difference). The small addition buys tiny increments of food eaten away from home, meat, and beverages.

**Table 9. Mean Daily Expenditure on Food (Rs.)**

Food Item	Borrowers	Savers	Non-members
Staple Food	23	21	21
Vegetables	8	8	7
Meat and Fish	5	3	2
Beverages	14	12	11
Oil	10	8	8
Sugar	4	3	4
Food Away from Home	6	2	1
<b>Totals</b>	<b>68</b>	<b>59</b>	<b>56</b>

#### **H-6: Participation in microenterprise services leads to an increase in the household's effectiveness in coping with shocks.**

The questionnaire included a section designed to investigate what type of economic shocks are faced by the sample households, how frequently the shocks occur, and how households respond to – or cope with – the shock events. Drawing on the findings of an on-going study of economic stress events in poor households in Ahmedabad city and 15 outlying villages (Noponen and Kantor 1997) as well as our own preliminary field work, we came up with lists of 14 types of common economic shocks in Ahmedabad city and 17 common household responses to such shocks. We also postulated a likely sequence of responses ranked according to the three-stage model of household coping strategies developed by the AIMS research team (AIMS Core Team 1997).

Over the two years prior to the survey, nearly three-fourths of all sample households (71%) experienced at least one economic shock and more than one-fifth (21%) suffered two or three shocks (table 10). More borrowers (77%) claimed to have experienced at least one shock than savers (69%) or controls (66%).<sup>14</sup> The most common type of shock experienced, reported by two-thirds of each sample group, was “serious illness.” The next most common shock, reported by 15-20% of the respondents, was “marriage costs.” More borrowers (8%) than savers (4%) and controls (3%)

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<sup>14</sup> There are at least two possible explanations for this finding: more borrowers have own-account enterprises which might suffer losses or those who suffer shocks borrow.

reported “business failures,” perhaps because more are own-account entrepreneurs. And more borrowers (7%) than savers (5%) and controls (3%) reported “repairs,” perhaps because many borrowers take loans to make housing repairs.

To cope with the shocks, fewer borrowers (54%) than savers (70%) and controls (69%) borrowed money from non-SEWA sources, but a notably higher percentage of borrowers (14%) than savers (2%), used existing loans or insurance policies from SEWA Bank. Roughly the same percentage of all groups – one-fourth – used personal savings. And a notably higher percentage of borrowers claimed to have reduced household and enterprise expenditures; sold, pawned, or leased out assets; and begun to work harder. Refer to appendix table H-6 for a summary of the types of shocks experienced – and the type of responses taken – by the sample households. In sum, this hypothesis is not rejected but additional qualitative information – and insights – on shocks and coping strategies would be useful.

**Table 10. Number of Shocks Experienced in Past Two Years**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
None	69	92	101
One	152	142	152
Two	64	62	38
Three	15	4	9
<b>Totals</b>	<b>300</b>	<b>300</b>	<b>300</b>

In this context, it is important to note that over the last 15 years or so one major shock to the Ahmedabad economy as a whole – and to many individual households in Ahmedabad – has been the closure of most of the large textile mills, resulting in the loss of thousands of jobs. The questionnaire included a section designed to investigate the impact of mill closures on sample households. In a higher percentage of borrower households (23%) than saver (15%) or control (16%) households, one or more household members lost a job when the mills were closed. Also, a higher percentage of those who lost jobs in the borrower households (90%) than in the saver (67%) or control (71%) households worked for private mills. This is significant because many of the public sector mills have paid compensation to their laid-off workers, while few of the private mills have done so. The net result is that fewer borrower households (16%) than saver (38%) or control (25%) households received compensation for laid-off workers. However, more of those who lost jobs in borrower households (88%) than in saver (85%) or control (82%) households are currently economically active, either in own-account enterprises or paid work; and fewer other household members in borrower households (60%) than saver (73%) or control (74%) households took on additional work. The net impact of the closure of the mills on sample households appears to be that the borrower households suffered greater setbacks (more jobs lost and less compensation paid) but were able to recover more quickly (more laid-off workers economically active and fewer other household members compensating for lost earnings) than saver and control households. Again, these findings are consistent with the hypothesis but suggest a need for additional, qualitative information.

*Findings at the Household Level:* The findings of the baseline survey are consistent with all six core

hypotheses regarding impact at the household level. In the case of two hypotheses – those relating to educational attainment and coping ability – the differences across the three samples are not great. In the first case, the variable is easily measurable but in the second case it is not. For this reason, additional investigation of the related topics of urban shocks and coping strategies is included as part of the qualitative research.

For the four other household-level hypotheses, there are substantial differences a) between the two client groups and b) between the client groups and the control group. The differences between borrowers and savers -- and even more between borrowers and controls -- are particularly large in the case of average income, housing infrastructure and improvements, and food expenditures. The differences between both client groups and the control group are marked in the case of diversification of income sources and household assets.

#### **D. Enterprise-Level Hypotheses**

The survey asked for information on 1) the respondent's principal economic activity; 2) the principal income source of the household; and 3) the household's next most important economic activity. When the respondent's principal economic activity was also the first or second most important income source for the household, information was collected on a maximum of two enterprises. In other cases, the cut-off point for number of economic activities surveyed was three. As a result, some of the economic activities of the sampled households were excluded from the survey. The excluded activities are likely to be quite minor, however.

The 900 households surveyed reported a total of 2,343 income sources. The great majority of the income sources, more than 2,291, are generated by the economic activities of household members. Few households receive income from other sources, such as gifts, interest payments, pensions, rents, and remittances. The questionnaire was used to collect information on a maximum of three economic activities for each of the 900 households in the sample, resulting in information on a total of 1,941 activities. Of the 1,941 economic activities covered, 661 involved borrowers, 664 involved savers, and 616 involved members of the control group.

As discussed earlier, households engage in three types of economic activities: 1) own-account, 2) sub-contracting, and 3) labor. Own-account activities involve the use of owned capital and, typically, participation in both input and output markets. Own-account enterprises may take place in the home, in a permanent market area, or in a mobile location. The category of own-account activities can be further divided into three broad industry groups: 1) manufacturing, involving the purchase of raw materials and the conversion of these materials into finished or semi-finished goods using the producer's own capital; 2) services, which use capital to provide services to consumers or other producers; and 3) trade, the purchase of goods and their resale in different markets in essentially the same form, using the entrepreneur's own capital. Some of the most important specific microenterprise activities pursued by respondents as their principal economic activity are tailoring and garment production, rickshaw services, general stores, junk trading, and food retailing.

Sub-contracting activities are a second type of economic activity. They are usually undertaken at

home, involve little or no owned capital, and rely on middlemen for the supply of most inputs and disposal of output. The third type of economic activity is labor, in which no owned capital is used. Further, there is no involvement with input or output markets. Payments for labor are received at a fixed rate in relation to the time worked or the units produced. Activities associated with labor usually take place outside the home.

Table 11 shows the patterns of economic activity among borrower, saver, and non-member households. Of the 1,941 economic activities covered, 639 were own-account activities, 368 were sub-contracting activities, and 934 were labor activities. Borrower households were more likely to have own-account activities (38% of all activities) than saver households (31%), which in turn had slightly more own-account activities than non-member households (29%). Individual borrowers were also more likely to have an own-account activity as their own principal economic activity (48%) than individual savers (41%) or non-members (35%). Borrowers households were less likely to be engaged in either sub-contracting or labor than other households. Similarly, borrower households derived more of their income from own-account activities than other households – 43%, compared to 36% for both saver and control households – and correspondingly less from wage employment and sub-contracting activity. Salaried jobs provided about 17% of income in borrower and saver households and 13% in control households.

**Table 11. Pattern of Economic Activities within Sample (percent of total number of activities on line)**

	<b>Own-account Activities</b>	<b>Sub-contracting</b>	<b>Labor</b>
<b>All Activities Reported by Households</b>			
Borrowers	38.0	16.7	45.3
Savers	31.2	19.8	49.0
Non-members	28.7	20.7	50.7
<b>Principal Activity of Individual Respondent</b>			
Borrowers	47.7	32.6	19.8
Savers	40.7	36.3	23.1
Non-members	35.1	39.5	25.4

**E-1: Participation in microenterprise services leads to an increase in microenterprise revenues.**

Our study will test this hypothesis with respect to SEWA lending. Not all SEWA loans, however, are made for business purposes. Housing loans are an important part of SEWA’s lending activities and loans are also made to repay old debts, redeem mortgaged assets, and pay for medical services, education, and marriage. Accordingly, we plan to test two specific variants of the hypothesis: first, that all SEWA lending increases microenterprise revenues, and second that SEWA business loans increase microenterprise revenues. The inquiry at this stage is, however, limited to the impact of all loans. In addition to credit, SEWA’s savings services could also increase microenterprise revenues.

Although they do not increase the resources available for investment in microenterprises (except for interest earned), they do help the SEWA member manage her own resources better.

The impact of these financial services will be measured in terms of the revenues earned from the own-account and sub-contracting activities of sample households. At this baseline survey stage, we simply examine differences among average values for the borrower, saver, and non-member groups. We look first for possible impact on those own-account activities that constitute the principal economic activities of the survey respondents. Of the 300 borrower respondents, 142 reported that an own-account activity was their own principal income source. The average revenue received from these activities will be compared with that received from the 120 own-account activities that represented the principal income sources of savers and the 105 own-account activities that represented the principal income sources of control group members.

Second, because resources are fungible, the revenues received in other own-account activities conducted by members of the borrower's household will also be examined. In addition to the 142 own-account activities reported to be the borrower's principal economic activity, information was also collected on 111 additional own-account activities operated by borrower households. Were the revenues received from these activities higher for SEWA borrowers?

Third, access to credit may have benefited the 97 sub-contracting operations that constituted the primary economic activities of borrower respondents. Since some capital is used in these operations, it is possible that access to credit could make them more productive. We ignore other sub-contracting taking place in borrower households (only 13 cases). In all, six comparisons can be made under the hypothesis that microenterprise services increase microenterprise revenues:

1. Does SEWA credit increase the revenue of the borrower's individual own-account activity? Revenues from the three top products of all SEWA borrowers who report own-account activities as their principal economic activity do indeed exceed those of other respondents who report own-account activities as their principal economic activity. According to data from the survey, the 142 SEWA borrowers who reported that an own-account activity was their principal economic activity earned average revenues of Rs. 6,405 from their top three products in the month preceding the survey. This amount exceeded comparable revenues by members of the saver and control groups (Rs. 5,131 and Rs. 4,789 respectively).

2. Does SEWA credit increase the revenue of other own-account activities carried out in borrower households? There are 111 own-account enterprises within the borrower group. Revenues received by borrower households from such enterprises averaged Rs. 6,433 in the month prior to the survey, much *less* than the revenues received by either saver households (Rs. 8,051 on average) or control households (Rs. 8,299). This version of the hypothesis therefore is not supported by the available evidence.

3. Does SEWA credit increase revenue from sub-contracting activities reported to be the respondent's principal economic activity? Ninety-seven borrowers said that sub-



contracting was their principal economic activity, compared to 107 savers and 118 controls. The respective average revenues from sub-contracting in the month prior to the survey were Rs. 1,061, Rs. 1,124 and Rs. 587. Borrowers earn smaller revenues than savers (even though they earn more than controls), so this hypothesis is not supported.

4. Do SEWA savings accounts increase the revenue of respondents' own-account activities? As noted earlier, average monthly revenue from own-account activities reported by savers was Rs. 5,131, compared to an average of Rs. 4,789 for control group members. Accordingly, it is possible that participation in the SEWA savings program (or perhaps in SEWA Union) raises revenues from respondents' own-account activities. However, the difference between the two groups is small.

5. Do SEWA savings accounts increase the revenue of other own-account activities carried out in saver households? In other words, do the revenues from own-account activities of all SEWA savers who report other own-account activities within the household exceed those of other respondents who report other own-account activities within their own households? In fact, these savers actually report *lower* revenues than equivalent members of the control group (Rs. 8,051 versus Rs. 8,299), so the hypothesis receives no support from the available data.

6. Do SEWA savings accounts increase revenue from sub-contracting activities reported to be the respondents' principal economic activity? The 107 savers who report that sub-contracting activities are their principal economic activities report incomes that exceed those of other respondents who report that sub-contracting activities are their principal economic activity. The savers generated an average of Rs. 1,124 from their principal economic activity, compared to Rs. 587 for control group members. The evidence is thus consistent with the hypothesis.

Summing up, only two of these six versions of the hypothesis that microenterprise services have a favorable impact on enterprise revenues are strongly supported by the evidence available so far. The data suggest that SEWA credit may raise the revenue earned by the borrower's own principal own-account activity. SEWA credit is unlikely, however, to have a similar impact on other own-account activities in the household or on sub-contracting activities carried out by the borrower, since in these cases the revenue differentials have a sign opposite to that predicted. Savings, meanwhile, may raise revenues from sub-contracting when that is the borrower's principal economic activity. They may also increase revenues from own-account work when that is the borrower's principal economic activity, but the difference is small. They do not seem to raise revenues from other sub-contracting activities carried out in the household.

## **E-2: Participation in microenterprise services leads to an increase in enterprise fixed assets.**

Primary own-account enterprises operated by borrowers have more fixed assets than comparable enterprises operated by savers or non-members (see table E-2a in the appendix). Savers had more

assets than non-members. These statements do not apply, however, to either non-primary sub-contracting activities (table E-2f) or primary sub-contracting activities (table E-2e). However, the true test of the hypothesis is not the total or average fixed assets, but the fixed assets acquired in a recent period. More specifically, hypothesis E-2 can be interpreted as having six variants in the case of SEWA.

1. Does SEWA credit lead to an increase in the fixed assets of respondents' (borrowers') principal activities when those are own-account activities? Forty-nine borrowers who reported own-account activities as their principal economic activities, 31% of the total, said they acquired fixed assets in the last two years (table E-2a). This is higher than the 42 savers (30%) or 29 controls (25%) who reported asset acquisition. However, the total and average values of fixed assets acquired were less for the borrowers than for either savers or non-members. Many borrowers and savers used debt to finance their fixed asset acquisitions while no controls did so. Thus, while borrowers used credit to acquire fixed capital for their principal own-account enterprises, they did not acquire more fixed capital than members of the other two groups. This finding provides little support for the hypothesis.

2. Does SEWA credit lead to an increase in the fixed assets of other own-account activities carried out in borrower households? Twenty-two borrowers (23% of those with such activities) reported acquiring fixed assets for use in non-primary own-account activities over the past two years (table E-2f). Similar percentages of savers and controls with such activities (26% and 23%, respectively) also acquired fixed assets. For those enterprises acquiring fixed assets, the control group reported the highest average value (Rs. 20,725), followed by the borrowers (Rs. 14,271), and the savers (Rs. 8,860). Again, these data do not support the hypothesis.

3. Does SEWA credit lead to an increase in the fixed assets of sub-contracting activities reported to be the respondent's principal economic activity? Borrowers who reported sub-contracting as their principal economic activity were no more likely to have acquired fixed assets for use in this activity than savers or controls (table E-2e). In each case, about one-quarter of respondents did so. Non-members of SEWA actually had the highest total and average values of fixed assets acquired. This version of the hypothesis is clearly not supported by the evidence from the baseline survey.

4. Do SEWA savings accounts lead to an increase in the fixed assets of respondents' own-account activities when these are the principal economic activity? We have already seen that more savers (42) than controls (29) reported acquiring fixed assets for use in their principal own-account activities. The total value of assets acquired was also greater for savers, although the average value per respondent acquiring assets was lower (table E-2a). There is thus some support for this version of the hypothesis.

5. Do SEWA savings accounts lead to an increase in the fixed assets of other own-account activities carried out in saver households? As seen above, the number of savers acquiring fixed assets for use in non-primary own-account activities was larger than the comparable number for non-members (18 versus 14), but the total and average value of fixed assets acquired was smaller. The hypothesis thus fails to gain clear support.

6. Do SEWA savings accounts lead to an increase in the fixed assets of sub-contracting activities reported to be the respondents' principal economic activities? It has been noted that 26 savers, 25% of those doing sub-contracting as their principal economic activity, acquired fixed assets in the two years preceding the survey. This is not very different from the experience of comparable control group members, 28 of whom (24%) acquired such assets. Since controls acquired assets of much greater value than savers (table E-2e), there is no evidence to support this version of the hypothesis.

Overall, therefore, the comparisons made in the baseline are inconsistent or only weakly consistent with the different versions of the hypothesis that access to microenterprise financial services leads to increased asset acquisition by borrower households. The evidence is slightly stronger for saver households, but only marginally. Further investigation of this hypothesis must await evidence from the follow-up survey.

### **E-3: Participation in microenterprise services leads to an increase in the employment generated by the enterprise.**

All the enterprises operated by either survey respondents or members of their households have quite low levels of employment. For example, own-account activities that constitute the respondent's principal economic activity employ only 1.5 workers on average, including the respondent herself. This is nevertheless slightly more than the average number employed by comparable enterprises operated by savers (1.4) or non-members (1.3). Other own-account activities within the household employed even fewer workers: 1.3 for borrower and saver households, only 1.1 for control households. The largest single own-account business in the sample employed only six workers. Nearly all the workers in these microenterprises were family members. For example, the 142 own-account activities operated by borrowers as their own principal economic activities employed 204 workers, only eight of whom were not members of the household.

On the basis of this evidence from the first-round survey, we can say that enterprises in borrower households employ slightly more workers than enterprises in saver or control households. However, the differences are very small and none of these households employ many workers in any absolute sense. Overall, therefore, it would be hard to say that participation in the microenterprise credit services provided by SEWA Bank has created much employment. When the second round data are available, it will be possible to see whether any of these enterprises have created significant amounts of employment over the two-year period between surveys.

#### **E-4: Participation in microenterprise services leads to improved transactional relationships.**

This is an important issue in our case because SEWA tries to improve transactional relationships for working women in Ahmedabad by political and legal means. The effects of its activities would not necessarily show up as differentials among our three groups, however, because non-members of SEWA are likely to share in the benefits of SEWA campaigns to improve the business environment of street hawkers, for example. It is also difficult to capture information on this topic in a survey.

Our first-round survey showed that 60 borrowers, 42% of those with own-account operations, purchase inputs from wholesalers, compared to only 33 savers (28%) and 28 control group members (27%). Savers and control group members are more likely to purchase their inputs from individuals and are as likely to buy from retailers as from wholesalers. Among sub-contracting respondents, 42 borrowers (42%) and 45 savers (42%) obtain inputs from wholesalers, but only 34 control group members (29%). The largest number of control group members purchase inputs from retailers. Dealing with wholesalers may provide small businesses with lower-cost inputs, but more information is needed to verify this supposition. The great majority of all three groups (89% of borrowers, 83% of savers and 93% of controls) sell their products and services to individuals. Sales to retailers and wholesalers make up the remainder. There are no significant differences among borrowers, savers, and control group members.

Marketing margins (defined as sales price minus cost, expressed as a percentage of sales price) have been calculated for own-account and sub-contracting operations, based on respondents' reports. These margins differ little across the borrower, saver, and control groups. For own-account enterprises, for example, an average margin of 28% is reported for both borrowers and savers while the reported average for control group members is 31%. Given considerable uncertainty about how respondents calculated costs (whether they included their own labor, for example, and if so how they valued it), the validity of these estimates is doubtful. Again, qualitative information is likely to be more useful.

There are significant differences between borrowers and others when it comes to the nature of business premises. One-third of borrowers with own-account businesses operate out of commercial premises, compared to only 20% of savers and 14% of controls. Sixty to 70% of all groups work at home, but mobile enterprises are maintained by 26% of controls, compared to only 18% of savers and 16% of borrowers. Borrowers and savers are both more likely to have access to electricity and telephone service for their businesses than are control group members. Electricity is available to 70% of borrowers and 73% of savers but only 62% of controls. Telephone service is unusual for all groups, but 15% of borrowers have it, compared to 11% of savers and controls.

*Findings at the Enterprise Level:* SEWA borrowing appears to raise revenues from the borrower's principal own-account enterprise, while SEWA savings may benefit both own-account and sub-contracting activities although the evidence is weak. There was little support for the hypothesis linking SEWA financial services to increased enterprise fixed assets. All the microenterprises in the sample employ very few workers (about 1.4 per enterprise), nearly all of whom are household members, so evidence of significant employment creation is absent. The final enterprise-level

hypothesis is that participation in microenterprise credit activities leads to improved transactional relationships. Evidence on this point from the survey is inconclusive; qualitative follow-up is required. In summary, hypothesized enterprise-level impacts are not very strongly supported by our survey results. This is not too surprising, since SEWA Bank emphasizes enterprise development less than most microfinance programs.

## **E. Individual-Level Hypotheses**

The AIMS team framed three core hypotheses for the impact of microenterprise services at the individual level, namely, that participation in microenterprise services leads to increases in 1) the client's control over resources and income, 2) the client's self-esteem and self-confidence, and 3) future-oriented activities and the perceived ability to face the future. In addition, the SEWA Bank study examines a number of other individual-level impact variables.

### **I-1: Participation in microenterprise services leads to an increase in the client's control over resources and income within the household economic portfolio.**

*Control over Loans:* One set of questions in the questionnaire was designed to test whether borrowing from SEWA Bank leads to increased control by the individual client over loan-related decisions. Since this variable applies only to the borrower sample, a "with or without" comparison between borrowers and the other two samples is not possible. "Before and after" comparison of individual borrower's responses will be possible only after the second round of the survey. We investigated three aspects of this variable: who took the decision to take the last loan; who took the decision as to how to use the loan; and who took the decision as to what to do with the profits generated from the loan. In answer to all three questions, over half of the borrowers said that they took the decision jointly with their spouse. Another 25 to 33% of the borrowers, more for the first and last questions than the second, said they took the decision themselves. Only 6-7%, depending on the question, said their husbands made the decision without consulting them. As noted, these findings remain inconclusive without the "before and after" comparison afforded by the second round of the survey.

*Control over Savings and Insurance:* All respondents were asked whether they have personal savings and insurance coverage. Members of the two client groups were asked whether they have savings and/or insurance coverage both inside and outside SEWA Bank. While virtually all savers had a general savings account at SEWA Bank, they had fewer other savings accounts and fewer total savings accounts than the borrowers.<sup>15</sup> Also, very few savers (9%) claimed to have insurance policies whereas a high percentage of borrowers (70%) did.<sup>16</sup> About one-fourth of the total sample have personal savings outside of SEWA Bank. Interestingly, more borrowers (30%) than savers

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<sup>15</sup> SEWA Bank offers three types of savings products (see section II.A.2 above). The most common, which 96% of the savers and 87% of the borrowers have, is a current savings account.

<sup>16</sup> Although insurance coverage was initially voluntary in the SEWA Bank, as of 1996, all borrowers have compulsory insurance coverage. The fact that insurance is compulsory may account for the fact that some of the borrowers were not sure whether they had insurance coverage.

(21%) or controls (20%) have non-SEWA personal savings. The most common forms of savings, other than money stashed away at home, are mutual savings and credit groups (8%) and revolving funds called VCs (4%). Only one respondent from the control group had a personal insurance policy outside of SEWA Bank. These findings are consistent with the hypothesis.

*Control over Economic Activities:* All respondents were asked who within the household managed or controlled each of the surveyed economic activities. It was only in the case of paid work that more men (56%) than women managed the activities. More women (68%) managed own-account enterprises; and a vast majority (92%) of sub-contract piece-rate activities were managed by women.

Across the three sample groups, there was very little difference in the degree of control by women: just over 60 percent of the surveyed activities were managed by women. In the borrower households slightly more women “managed” wage work (that is, negotiated their own labor contracts), in the saver households slightly more managed own-account enterprises, and in control households slightly more managed sub-contract piece work.

## **I-2: Participation in microenterprise services leads to increased self-esteem and self-confidence.**

All respondents were asked whether (and how) they contribute to their household and community and, if so, whether they were respected for doing so. Across the three groups, the answers to these questions were generally positive. However, some differences across the three groups were discernible.

*Contribution to Household:* When asked about their contributions to their households, respondents from all three groups most commonly reported that they provide food to their families (85%), contribute to household income (62%), educate family members (21%), and take important decisions (21%). Across the three groups, with clients reporting a slightly higher percentage, over 90% claimed they are respected by other household members for their contributions to the household.

*Contribution to Community:* When asked whether and how they contribute to their communities, the most common responses from all respondents were that they help neighbors (65%) and resolve conflicts (31%). In addition, a small percentage of the clients (mainly borrowers) claimed they play a leadership role in their communities and make demands to public authorities on behalf of their communities. Almost no non-clients claimed to play local leadership roles. Across the three groups, over 70% claimed they are respected by other community members for their contributions to the community.

Because these variables are difficult to measure quantitatively, it is important to note the qualitative feedback of the local survey team in regard to this section of the survey questionnaire. The local survey team felt that the clients, in answering the questions in this section, spoke with more confidence and conviction than the control group. They also felt that the clients were “more integrated with their communities”. When asked to elaborate on the team’s observations, the team leader explained that while the responses to some questions by clients and controls were similar, “the SEWA members were more forthcoming, ready, even eager to answer. They did not need encouragement or prompting. They were more sure about the contributions they make.” For

instance, in stating that they resolve local conflicts or assume local leadership roles, the SEWA members would say: “Yes, we SEWA sisters got together, discussed, explained, and intervened.” The team leader concluded that: “This feeling of belonging to a group, and doing things together, was more apparent in the client group than in the control group.” Clearly, qualitative information to test these observations is needed.

### **I-3: Participation in microenterprise services leads to an increased ability to deal with the future.**

*Future-oriented Activities:* There are some discernible differences across the three groups in terms of the future-oriented actions they claim to be taking. A higher proportion of borrowers claim to be making economic investments and expanding their businesses; a higher proportion of savers claim to be saving; and a higher proportion of controls claim to be taking preventive health measures. The proportion that reports that they are educating their children as a hedge against the future is roughly the same (just over 20%) across the three groups.

*Perceived Ability to Face the Future:* Across all three groups, a large majority of respondents (88%) claim to be in a good position to face the future. Although all groups responded positively, a relatively high percentage of borrowers (90%) claimed to be confident about the future. When these respondents were asked why they feel able to face the future, roughly the same proportion from all three groups said they feel self-confident (27-28%) and/or economically stable (46-48%). According to the local survey team, respondents are referring in this instance to the economic stability of the household as a whole, and not just to their individual earning capacity. These respondents feel economically stable because their household is doing well economically, they have savings (or the capacity to save), or they have husbands and/or children who are earning.

A smaller group of women (8% overall) said they are self-reliant (*atma nirbhar*). According to the local survey team, these women believe that it is their own economic independence and self-sufficiency – their own ability to earn – that enables them to face the future. A higher percentage of borrowers (12%) than controls (5%) said they are self-reliant. It also should be noted that a relatively high percentage of controls (16%) could not explain why they felt confident about the future.

When asked why they did not feel confident about the future, about half of those who did not feel confident cited “poor economic situation” as the reason. More borrowers (64%) than controls (47%) or savers (37%) cited this reason. A few others cited “no old age security” as the reason. It should be noted that what is meant here by “no old age security” includes the absence of supportive male kin, notably sons, not just the absence of pensions or other social security schemes. A notably high percentage of savers (11%) claimed they lacked self-confidence or had real doubts about various aspects of their lives.

In sum, the findings are weakly consistent with the individual-level hypotheses. Refer to appendix tables I-1a to I-4 for a summary of the individual-level findings. While the quantitative results are inconclusive, the qualitative responses and observations suggest stronger support for the hypotheses.

As anticipated, the need for qualitative research is particularly great in the case of individual-level variables. Through the qualitative research, we propose to a) refine the existing individual-level variables and b) develop additional individual-level variables for the second round of the survey. Meanwhile, some additional individual-level variables, specific to SEWA's stated objectives, were examined in the baseline survey.

#### **I-4: Additional Variables**

A stated objective of the SEWA Bank is to help its members "re-capitalize", that is, to pay off outstanding non-SEWA debts, particularly those with high interest rates, and redeem mortgaged property.<sup>17</sup> In the case of the SEWA Bank study, therefore, an additional hypothesis relating to its financial services was tested: that participation in SEWA Bank leads to a decrease in the amount of non-SEWA debt and/or mortgaged property.

Further, as noted earlier, SEWA Bank is only one of several institutions affiliated with SEWA and financial services are only one of several types of services offered by SEWA. In the case of the SEWA Bank study, therefore, we tested two hypotheses relating to the non-financial services of SEWA: that participation in SEWA leads to increased membership in local organizations and that it increases access to a variety of basic services. A related presumption, which we also tested, is that borrowers are more active than savers in SEWA's program overall, not just in SEWA Bank.

*Indebtedness:* Just over half of the total sample (53%) have non-SEWA debts. The borrowers have the lowest proportion (50%) and the savers have the highest (57%). The majority of the total sample (83%) have no mortgaged assets. Among the three groups, more borrowers (20%) and fewer controls (15%) have mortgaged assets.

*Membership in Local Organizations:* Only 3% of the total sample belongs to local organizations other than SEWA; the percentage is the same across all three groups. By definition, all clients – both borrowers and savers – are general members of SEWA. Twice as many borrowers (2%) as savers (1%) claim to be members of SEWA trade groups or cooperatives. Two borrowers, but no savers, are local area leaders.

*Access to Basic Services:* Few clients claimed to have access to SEWA's health or childcare services: only 5% of borrowers and 2% of savers. Somewhat more clients reported they received training of various kinds from SEWA: 11% of borrowers and 3% of savers. In addition, a few borrowers (but only one saver each) reported that they had received housing assistance (2%) and legal aid (1%).

In sum, the findings are consistent, but only weakly, with the SEWA-specific hypotheses regarding impacts at the individual level. One possible explanation for the weak findings is that the sample is

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<sup>17</sup> A more precise term for this stated objective is to "restructure debt." Whether getting out of non-SEWA debt is a favorable or unfavorable impact is a matter of interpretation. The operating assumption of the SEWA Bank is that women, particularly those from low-income households, have limited access to formal sources of credit, and that the loans they take from informal sources have high interest rates.



drawn from urban women who have long been active in the workforce. Compared to rural women, women who are not economically active, or women who have recently entered the workforce, urban working women are more likely a) to be recognized for their contribution to the household economic portfolio and b) to be engaged in local community life, local markets, and local politics. One objective of the qualitative research is to develop, in discussion with SEWA program staff, more precise variables and measures for individual-level impacts.

## **F. Related Findings**

There are a number of related findings which may (or may not) help explain the main findings and which may point to additional areas of inquiry. To date, we have not fully analyzed the implications of these findings. But we intend to do so through our qualitative research and the second round of the survey. Some of the most important of these in the SEWA Bank context are noted here.

*Demographics:* In general, income is partly a function of age. For Indian women, income is also often a function of religion, caste, and marital status. The differences among the three sample groups in these respects need to be kept in mind in interpreting the data. The average age of borrowers is slightly higher than that of savers and controls. Also, more clients than non-clients are married. Both factors could contribute to the higher average income in borrower households. Although the distribution by religion and caste across the three groups is quite consistent, the religion and caste of individual women remain potentially important variables of analysis.

For women in India, in addition to (and related to) their marital status, the size, composition, and headship of the household in which they live are important determinants of their social and economic welfare. Following the second-round survey, we propose to do additional analysis to cross-tabulate these demographic variables with other key variables.

The majority of the sample (85%) are long-term residents of Ahmedabad city. Historically, many migrants to Ahmedabad came to work in the textile mills. These textile workers were housed in worker colonies next to the mills, most of which are located in the area surrounding the “old city” of Ahmedabad. Many of SEWA’s founding members were wives of textile workers. These related factors, plus the fact that two of the wards from which the sample was drawn are also in the heart of the old city and the remainder from other areas on the eastern bank of the Sabarmati River, may help account for the fact that the majority of the sample are long-time residents of Ahmedabad. The point here is that differences between recent migrants and long-term residents need to be tested in terms of outcomes of the hypotheses at all three levels (household, enterprise, and individual).

*Household Economic Portfolio:* There are several findings regarding the household economic portfolio that deserve further investigation. To begin with, the primary occupation of the respondent is the primary source of household income in 25% of the sample households. Presumably the impact of microenterprise credit services on the household and its economic portfolio will be different when the targeted economic activity is the primary source of household income than when it is a secondary source. Second, the primary occupation of the respondent is an own-account enterprise in about 40% of the cases. The preliminary findings suggest that SEWA Bank credit services have a greater

impact on the own-account activities than on the paid work of borrowers. Third, half of the sample households rely on wage work by someone other than the respondent as the primary source of income. Fourth, and a related point, many of the sample households had or have formal sector income from at least one salaried worker. With the closure of the textile mills, many households lost their one source of salaried income. Others have retained one or more sources of salaried income. Presumably households in which there is fixed salaried income as well as informal sector earnings are more economically secure, on average, than households in which there are only informal sector earnings. During the second round, we propose to analyze further whether (and how) these factors affect the hypothesized impacts of SEWA Bank on its clients.

## **V. EMERGING ISSUES**

### **A. Interesting or Unanswered Questions**

#### **1. Ahmedabad Context**

*Important Trends:* Two significant trends in Ahmedabad city, which are likely to impact the household economic portfolios of the sample households, deserve further analysis. The first is urbanization. We need to understand better the rate and pattern of urbanization in Ahmedabad city as well as the urban policies of the Ahmedabad municipal corporation. The second is industrialization and the related issue of urban employment. As we noted earlier, in addition to rapid urbanization, the most notable recent change in the Ahmedabad economy has been the closure of most of the large textile mills resulting in the loss of thousands of jobs. Some of the mills were public sector mills; others were private mills. When they closed, most government mills paid cash compensation to their laid-off workers, whereas most private mills have failed to compensate their workers. Since the mill closures have had a profound effect on the Ahmedabad economy and on individual households, we need to know more about the patterns of closures, lay-offs, and compensation.

*Impact of These Trends:* Both the recent migrants and the laid-off workers are competing with the existing workforce for gainful employment in the Ahmedabad economy. The qualitative work, in addition to case studies of individual women and their households, will include a study of urbanization, industrialization, and employment trends in Ahmedabad city. Assuming the rate of urbanization continues apace, we presume that the impact of SEWA Bank services – and of SEWA’s overall program – will be affected by the rate of industrialization and employment creation in the city. In order to interpret the longitudinal findings of the SEWA Bank study correctly, we need to understand these and other important trends in Ahmedabad city.

During the second-round survey, we propose to analyze the impact of these trends on the different sample groups in terms of increased competition for jobs and economic opportunities and in terms of the presence, absence, or loss of formal sector wages. To do so, the qualitative work and second-round survey will classify the sample households into the following categories: 1) recent migrants, with a) formal sector income or b) with no formal sector income; 2) longtime residents with formal sector income, who a) had mill income, b) have mill income, or c) never had mill income; 3) longtime residents with no formal sector income, who a) had mill income or b) never had mill income.

#### **2. SEWA Program**

*SEWA’s Objectives:* The primary purpose of the study is to test the AIMS hypotheses regarding the impact of microenterprise services at the household, enterprise, and individual levels. A related purpose is to test whether SEWA is meeting its stated objectives. The strategic objectives of SEWA, which it refers to as its Ten Points, are to help its members realize or achieve a number of benefits (listed below). More recently, SEWA has added the following the objectives related to increased access to education, especially for children, and improved source of energy. There is significant overlap between the AIMS hypotheses and SEWA’s objectives. The following lists the SEWA

objectives, alongside with the numbers of the corresponding AIMS hypotheses that test roughly equivalent or proxy variables:

<b>SEWA Objectives</b>	<b>AIMS Hypotheses</b>
Increased employment opportunities	(E-3)
Increased income	(H-1)
Increased income security	(H-6 as proxy)
Improved nutrition	(H-5 as proxy)
Increased access to health services	-----
Increased access to child care	-----
Improved housing plus water and sanitation facilities	(H-3A)
Increased households assets	(H-3B; E-2)
Strong women’s organizations	-----
Strong women leaders	(I-2 as proxy)
Increased self-reliance	(I-3; E-4 as proxies)
Increased access to education, especially for children	(H-4)
Improved source of energy	(H-3A) <sup>18</sup>

For five of the twelve stated objectives of SEWA, the AIMS study measures what is, at best, a proxy variable. For at least three of these five objectives - strong women’s organizations, strong women leaders, and increased self-reliance - improved variables will be developed during the qualitative research and tested during the second round of the survey.

*SEWA’s Trade Union Strategies:* The impact of SEWA’s “struggle” activities – its trade union organizing and lobbying activities – have not been fully identified or measured. One complication in this regard is that some of the “struggle” activities may have leveraged impact on all women workers within a given trade or occupation, as when SEWA successfully lobbies for higher piece rates for particular trades. In such instances, there may be no measurable differences between clients and non-clients in terms of impact. Other “struggle” activities may have more targeted impacts on only SEWA-organized women within a given trade or occupation. In such instances, if the potential benefits are clearly identified, differences between clients and non-clients might be tested. For example, we might measure the percentage of bidi-rollers who have availed of scholarships for their children’s education, one of the provisions of the Bidi Workers Act (progressive labor legislation introduced in the 1930s). The assumption here is that individual bidi-rollers might not know that they have this right without information from SEWA and might not have the bargaining power to demand this right without the backing of a local bidi-rollers trade group and SEWA more generally.

*SEWA Membership:* SEWA members do not participate equally in SEWA. As we have seen, not all

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<sup>18</sup> It should be noted that impact on the enterprises or economic activities of their members is not included in the stated objectives of SEWA. Clearly, through a variety of financial and non-financial services, SEWA seeks to increase the revenues and productivity of the economic activities of its members. But, equally clearly, SEWA views enterprises or economic activities as a means to other, more important ends at the individual and household levels.

SEWA members receive SEWA's financial services. Of those who do, some have savings accounts only, while others take loans and have insurance coverage. Not all SEWA members receive (or take advantage of) SEWA's non-financial services – health care, child care, legal aid, training. Also, not all SEWA general members are members of SEWA-organized local trade groups and cooperatives. Among those who are, some are more active than others. We would expect that the degree to which clients participate in the various components of SEWA's program, and not just its financial services, will affect impacts at the individual, enterprise, and household levels. We propose, therefore, to investigate further whether (and why) there are differences in impact by degree of SEWA program participation.

## **B. Implications for Qualitative Research and Second Round Survey**

Following the first round and before the second round of the survey, three types of qualitative research will be undertaken: case studies of client households, focus group discussions with selected informants, and further study of the program's environment. The case study research will be designed to promote understanding of how and why changes occur as a result of program participation. More specifically, the case studies will be used to construct an overall story of program participation and impact; to understand client perspectives on impact and test individual-level hypotheses; and to test rival explanations and interpret observed impacts as well as unanticipated findings.

The focus group research will be designed to explore factors which are common across many households rather than specific to individual households. Most notably, the focus group discussions will explore external, community-level influences. Both of these types of qualitative research will be used to develop context-specific indicators to test difficult variables, notably individual-level variables. Further study of the Ahmedabad environment is also planned in order to gain a better understanding of the economic and social forces affecting the program and its clients. We regard collection of this type of information as an essential complement to the micro-level data collected through the surveys, interviews, and focus groups.

The first-round survey findings have several implications for the design of the qualitative research. The first relates to the selection of case study households. In addition to the age of the client and the length of her participation in the SEWA Bank, the following variables will be considered in the selection of the case study households: marital status of client; composition and headship of client household; whether or not the household has a formal source of income; whether the household is comprised of recent migrants or long-term residents of Ahmedabad city; degree or intensity of participation in SEWA's non-financial services; and the primary trade or occupation of the client. These variables will be used in the analysis of the qualitative research and of the second round survey as they appear to have an impact on the anticipated findings.

The case studies will be used to test the impact of SEWA's non-financial services at the individual level as well as at a group level (for those clients who belong to SEWA-organized trade groups or cooperatives). The focus group discussions will be designed to explore the impact of the closure of textile mills and recent urbanization on the economy of Ahmedabad city and on individual client households. To do so, we will select informants for the focus group discussions from four types of

households: those that have former mill workers who received compensation; those that have former mill workers who did not receive compensation; those that still have mill workers; and those that never had mill workers.

In the second round of the survey, the tentative findings of the first round will be either confirmed or modified. It is important to maintain continuity by repeating the principal questions asked in the first round. At the same time, it will be possible to drop selected questions that have not proven rewarding and perhaps add others that have been suggested by the initial stages of the study (round one of the survey and the qualitative work). In the analysis plan, we have determined that there is a need to analyze the data by a) the key demographic variables identified above (in section IV.F.2) and b) whether the household has a fixed salary income. We have also determined that there is a need to interpret the findings in the light of urbanization, industrialization, and employment trends in Amedabad city. By design, the qualitative research will further test and interpret the survey findings.

The combined findings of the qualitative research and first round survey will guide and inform the second round of the survey.

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**APPENDIX:**

**TABLES**



## HOUSEHOLD-LEVEL HYPOTHESES

**Table H-1a. Distribution of Total Annual Household Income**

	<b>Number of Households</b>	<b>Total Income (Rs.)</b>	<b>Mean Income (Rs.)</b>
<b>Borrower</b>			
Less than Rs. 5,000	6	18,580	3,096.67
Rs. 5,000-15,000	21	237,512	11,310.10
Rs. 15,000-25,000	38	795,002	20,921.11
Rs. 25,000-50,000	121	4,487,407	37,086.01
Rs. 50,000-100,000	94	6,497,600	69,123.40
More than 100,000	20	2,756,719	137,835.95
<b>Totals</b>	<b>300</b>	<b>14,792,820</b>	<b>49,309.40*</b>
<b>Saver</b>			
Less than Rs. 5,000	2	7,700	3,850.00
Rs. 5,000-15,000	39	427,447	10,960.18
Rs. 15,000-25,000	62	1,264,421	20,393.89
Rs. 25,000-50,000	123	4,474,974	36,381.90
Rs. 50,000-100,000	63	4,421,889	70,188.71
More than 100,000	11	1,320,230	120,020.91
<b>Totals</b>	<b>300</b>	<b>11,916,661</b>	<b>39,722.20*</b>
<b>Non-member</b>			
Less than Rs. 5,000	8	23,436	2,929.50
Rs. 5,000-15,000	53	579,060	10,925.66
Rs. 15,000-25,000	82	1,690,196	20,612.15
Rs. 25,000-50,000	101	3,620,021	35,841.79
Rs. 50,000-100,000	44	2,903,669	65,992.48
More than 100,000	12	1,813,080	151,090.00
<b>Totals</b>	<b>300</b>	<b>10,629,462</b>	<b>35,431.54*</b>

\*Note: Average household income weighted by the number of households.

**Table H-1b. Distribution of Annual Income from Microenterprises**

	<b>Number of Households</b>	<b>Total Income (Rs.)</b>	<b>Mean Income (Rs.)</b>
<b>Borrower</b>			
Less than Rs. 5,000	77	87,648	1,138.29
Rs. 5,000-15,000	74	698,970	9,445.54
Rs. 15,000-25,000	36	703,084	19,530.11
Rs. 25,000-50,000	72	2,633,086	36,570.64
Rs. 50,000-100,000	31	2,082,620	67,181.29
More than 100,000	10	1,289,439	128,943.90
<b>Totals</b>	<b>300</b>	<b>7,494,847</b>	<b>24,982.82*</b>
<b>Saver</b>			
Less than Rs. 5,000	106	143,919	1,357.73
Rs. 5,000-15,000	74	753,418	10,181.32
Rs. 15,000-25,000	42	832,603	19,823.88
Rs. 25,000-50,000	46	1,641,436	35,683.39
Rs. 50,000-100,000	28	1,956,414	69,871.93
More than 100,000	4	449,024	112,256.00
<b>Totals</b>	<b>300</b>	<b>5,776,814</b>	<b>19,256.05*</b>
<b>Non-member</b>			
Less than Rs. 5,000	132	189,864	1,438.36
Rs. 5,000-15,000	74	715,824	9,673.30
Rs. 15,000-25,000	34	665,668	19,578.47
Rs. 25,000-50,000	37	1,305,730	35,290.00
Rs. 50,000-100,000	18	1,119,805	62,211.39
More than 100,000	5	877,880	175,576.00
<b>Totals</b>	<b>300</b>	<b>4,874,771</b>	<b>16,249.24*</b>

\*Note: Average household income weighted by the number of households.

**Table H-1c. Distribution of Monthly Income from Microenterprises**

	<b>Number of Households</b>	<b>Total Income (Rs.)</b>	<b>Mean Income (Rs.)</b>
<b>Borrower</b>			
Less than Rs. 500	84	11,804	140.52
Rs. 500-1,500	77	75,157	976.06
Rs. 1,500-2,500	45	91,964	2,043.64
Rs. 2,500-5,000	68	250,287	3,680.69
Rs. 5,000-10,000	20	138,080	6,904.00
More than 100,000	6	71,825	11,970.83
<b>Totals</b>	<b>300</b>	<b>639,117</b>	<b>2,130.39*</b>
<b>Saver</b>			
Less than Rs. 500	107	14,847	138.76
Rs. 500-1,500	78	76,201	976.94
Rs. 1,500-2,500	48	94,314	1,964.88
Rs. 2,500-5,000	45	164,109	3,646.87
Rs. 5,000-10,000	18	116,890	6,493.89
More than 100,000	4	45,372	11,343.00
<b>Totals</b>	<b>300</b>	<b>511,733</b>	<b>1,705.78*</b>
<b>Non-member</b>			
Less than Rs. 500	136	23,561	173.24
Rs. 500-1,500	80	77,694	971.18
Rs. 1,500-2,500	34	67,271	1,978.56
Rs. 2,500-5,000	36	127,709	3,547.47
Rs. 5,000-10,000	9	63,554	7,061.56
More than 100,000	5	100,612	20,122.40
<b>Totals</b>	<b>300</b>	<b>460,401</b>	<b>1,534.67*</b>

\*Note: Average household income weighted by the number of households.

**Table H-2a. Number of Income Sources**

<b>Number of Income Sources</b>	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
1	27	24	26
2	125	146	155
3	86	83	74
4	39	37	29
5	14	9	13
6	6	1	2
7	3	0	0
8	0	0	1
<b>Totals</b>	<b>300</b>	<b>300</b>	<b>300</b>

**Table H-2b. Number of Microenterprises**

<b>Number of Microenterprises</b>	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
1	31	30	34
2	126	146	157
3	83	79	69
4 or more	60	45	40
<b>Totals</b>	<b>300</b>	<b>300</b>	<b>300</b>

**Table H-3a. Housing Tenure and Infrastructure**

<b>Housing Tenure</b>	<b>Number of Households</b>		
	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
Owned	188	200	182
Rented	96	92	105
Authorized use-no rent	6	2	5
Illegally occupied	6	4	7
Other arrangements	3	1	1
No reply	1	1	0
<b>Totals</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Infrastructure</b>			
Electricity	282	279	277
Sewage hook-up	275	272	275
Brick or cement walls	295	290	288
Non-permanent roofs	172	190	172
Non-permanent floors	4	10	13

**Table H-3b. Housing Size**

	<b>Number of Households</b>		
	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
Average number of rooms	2	2	2
Average number of rooms used to generate income	1	1	1
Average number of floors	1	1	1

**Table H-3c. Housing Improvements**

	Number of Households		
	Borrowers	Savers	Non-members
Made improvements in last 12 months	214	174	167
Made improvements for business purposes	5	0	4
<b>Financed improvements through:</b>			
Savings	42	44	49
Earnings	90	95	90
SEWA loan	50	0	0
Other loan	4	6	3
Others	32	34	25
<b>Average Expenditure (Rs.)</b>			
Average expenditure per household making improvements	10,252	7,246	3,659
Average expenditure on unused materials	159	190	60

**Table H-3d. Appliances and Bicycles**

	Borrowers	Savers	Non-members
Average number of appliances	21.7	18.7	19.3
Average number of bicycles	0.7	0.6	0.6
Number of households that acquired appliances in past two years	87	59	58
Number of households that acquired bicycles in past two years	10	4	4
Number of appliances acquired in past two years	177	71	79
Number of bicycles acquired in past two years	10	5	4
Purchase value of all appliances acquired in past two years (Rs.)	350,514	231,525	212,165
Purchase value of all bicycles acquired in past two years (Rs.)	13,800	5,750	3,780
Debt owed on appliances acquired in past two years (Rs.)	49,215	42,850	16,550
Debt owed on bicycles acquired in past two years (Rs.)	3,950	1,100	300

**Table H-3e. Motorized Vehicles**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
Number of motorized vehicles	82	77	62
Number of motorized vehicles acquired in past two years	4	2	6
Number of households that acquired motorized vehicles in past two years	4	2	6
Purchase value of motorized vehicles acquired in past two years (Rs.)	13,200	11,900	18,700
Debt owed on motorized vehicles acquired in past two years (Rs.)	3,500	8,700	1,600

**Table H-4. Participation in Education by Children in Sample Households**

<b>A. Ages 5-10 (Primary School)</b>			
<b>Total number of children</b>	<b>Borrowers</b>	<b>Savers</b>	<b>Controls</b>
Male	141	129	152
Female	122	105	123
<b>Totals</b>	<b>263</b>	<b>234</b>	<b>275</b>
<b>Number of children enrolled</b>			
Male	122	121	122
Female	97	88	99
<b>Totals</b>	<b>219</b>	<b>209</b>	<b>221</b>
<b>Percentage of children enrolled</b>			
Male	87%	94%	80%
Female	80%	84%	80%
<b>Totals</b>	<b>83%</b>	<b>89%</b>	<b>80%</b>
<b>B. Ages 11-17 (Secondary School)</b>			
<b>Total number of children</b>	<b>Borrowers</b>	<b>Savers</b>	<b>Controls</b>
Male	177	162	141
Female	179	176	176
<b>Totals</b>	<b>356</b>	<b>338</b>	<b>317</b>
<b>Number of children enrolled</b>			
Male	105	105	96
Female	98	97	88
<b>Totals</b>	<b>203</b>	<b>202</b>	<b>184</b>
<b>Percentage of children enrolled</b>			
Male	59%	65%	68%
Female	55%	55%	50%
<b>Totals</b>	<b>57%</b>	<b>60%</b>	<b>59%</b>



**Table H-5. Average Daily Expenditure on Food (Rs.)**

<b>Food/Food Item Purchased</b>	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
Staple food	23	21	21
Vegetables	8	8	7
Meat and fish	5	3	2
Beverages	14	12	11
Oil	10	8	8
Sugar	4	3	4
Food away from home	6	2	1
<b>Totals</b>	<b>68</b>	<b>59</b>	<b>56</b>

**Table H-6. Coping with Shocks**

<b>Numbers of Shocks Experienced in Past Two Years</b>	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
None	69	92	101
One	152	142	152
Two	64	62	38
Three	15	4	9
<b>Totals</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Means of Dealing with Financially Most Damaging Event</b>			
	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
Borrowed	124	145	136
Used savings	50	49	45
Reduced household expenditure	30	18	17
Worked more	33	15	13
Sold/pawned/rented assets	32	17	13
Reduced enterprise expenditure	7	4	0
Used SEWA insurance	10	3	0
Used other insurance	8	7	9
Used SEWA loan	22	1	0
Defaulted	4	4	0
Took extreme measures	0	0	0
Used mill closing compensation	3	5	4
Other	0	0	8
<b>Total number of households</b>	<b>231</b>	<b>208</b>	<b>199</b>
<b>Total number of responses</b>	<b>323</b>	<b>272</b>	<b>245</b>

## ENTERPRISE-LEVEL HYPOTHESES

**Table E-1a. Gross Sales of All Own-account Enterprises**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total in previous month from all products</b>			
Totals (Rs.)	2,037,928	1,578,267	1,272,263
Average sales (Rs.)	8,152	7,624	7,229
Median sales (Rs.)	4,400	3,300	3,642
<b>Total in previous month from top three products</b>			
Totals (Rs.)	1,664,040	1,324,097	1,126,611
Average sales (Rs.)	6,656	6,397	6,401
Median sales (Rs.)	3,225	2,775	3,012
<b>Total in previous week from all products</b>			
Totals (Rs.)	506,379	378,116	271,126
Average sales (Rs.)	2,026	1,827	1,540
Median sales (Rs.)	985	750	840
<b>Total in previous week from top three products</b>			
Totals (Rs.)	493,881	370,975	268,476
Average sales (Rs.)	1,976	1,792	1,525
Median sales (Rs.)	990	770	840
<b>Total number of households reporting</b>	177	163	137

**Table E-1b. Gross Sales of Own-account Enterprises in Manufacturing**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total in previous month from all products</b>			
Totals (Rs.)	207,996	349,685	310,617
Average sales (Rs.)	9,905	17,484	19,414
Median sales (Rs.)	4,200	3,430	5,850
<b>Total in previous month from top three products</b>			
Totals (Rs.)	167,236	322,135	308,787
Average sales (Rs.)	7,964	16,107	19,299
Median sales (Rs.)	3,900	2,830	5,850
<b>Total in previous week from all products</b>			
Totals (Rs.)	41,764	82,863	45,396
Average sales (Rs.)	1,989	4,143	2,837
Median sales (Rs.)	1,000	675	1,275
<b>Total in previous week from top three products</b>			
Totals (Rs.)	36,589	81,232	47,896
Average sales (Rs.)	1,742	4,062	2,994
Median sales (Rs.)	980	675	1,410
<b>Total number of households reporting</b>	19	18	16

**Table E-1c. Gross Sales of Own-account Enterprises in Services**

	<b>Borrowers</b>	<b>Savers</b>	<b>Controls</b>
<b>Total in previous month from all products</b>			
Totals (Rs.)	369,282	258,276	273,268
Average sales (Rs.)	3,693	2,838	3,503
Median sales (Rs.)	2,125	1,350	1,458
<b>Total in previous month from top three products</b>			
Totals (Rs.)	316,882	238,474	253,068
Average sales (Rs.)	3,169	2,621	3,244
Median sales (Rs.)	1,765	1,300	1,290
<b>Total in previous week from all products</b>			
Totals (Rs.)	92,517	64,404	54,528
Average sales (Rs.)	925	708	699
Median sales (Rs.)	555	300	325
<b>Total in previous week from top three products</b>			
Totals (Rs.)	86,973	64,794	55,377
Average sales (Rs.)	870	712	710
Median sales (Rs.)	435	300	325
<b>Total number of households reporting</b>	<b>88</b>	<b>80</b>	<b>69</b>

**Table E-1d. Gross Sales of Own-account Enterprises in Trade**

	<b>Borrowers</b>	<b>Savers</b>	<b>Controls</b>
<b>Total in previous month from all products</b>			
Totals (Rs.)	1,460,650	970,306	688,378
Average sales (Rs.)	11,323	10,107	8,395
Median sales (Rs.)	7,000	5,340	4,958
<b>Total in previous month from top three products</b>			
Totals (Rs.)	1,179,922	763,488	564,756
Average sales (Rs.)	9,147	7,953	6,887
Median sales (Rs.)	4,960	3,795	3,710
<b>Total in previous week from all products</b>			
Totals (Rs.)	377,273	232,480	168,702
Average sales (Rs.)	2,925	2,422	2,057
Median sales (Rs.)	1,575	1,260	1,120
<b>Total in previous week from top three products</b>			
Totals (Rs.)	365,144	223,318	167,703
Average sales (Rs.)	2,831	2,326	2,045
Median sales (Rs.)	1,505	1,260	1,153
<b>Total number of households reporting</b>	102	81	70

**Table E-1e. Gross Sales of Sub-contracting Enterprises**

	<b>Borrowers</b>	<b>Savers</b>	<b>Controls</b>
<b>Total in previous month from all products</b>			
Totals (Rs.)	115,217	145,469	89,193
Average sales (Rs.)	1,047	1,110	702
Median sales (Rs.)	720	750	420
<b>Total in previous month from top three products</b>			
Totals (Rs.)	118,787	151,782	90,629
Average sales (Rs.)	1,080	1,159	714
Median sales (Rs.)	720	744	420
<b>Total in previous week from all products</b>			
Totals (Rs.)	27,558	37,383	21,820
Average sales (Rs.)	251	285	172
Median sales (Rs.)	168	180	100
<b>Total in previous week from top three products</b>			
Totals (Rs.)	26,854	31,942	21,409
Average sales (Rs.)	244	244	169
Median sales (Rs.)	168	168	99
<b>Total number of households reporting</b>	101	115	123

**Table E-1f. Gross Sales of Respondents Primary Own-account Enterprise (All Sectors)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Controls</b>
<b>Total in previous month from all products</b>			
Totals (Rs.)	1,344,261	778,830	613,505
Average sales (Rs.)	8,562	5,644	5,335
Median sales (Rs.)	3,600	2,000	2,100
<b>Total in previous month from top three products</b>			
Totals (Rs.)	1,010,822	614,324	554,957
Average sales (Rs.)	6,438	4,452	4,826
Median sales (Rs.)	3,000	1,743	2,000
<b>Total in previous week from all products</b>			
Totals (Rs.)	331,317	191,721	117,190
Average sales (Rs.)	2,110	1,389	1,019
Median sales (Rs.)	900	469	525
<b>Total in previous week from top three products</b>			
Totals (Rs.)	323,321	188,555	115,346
Average sales (Rs.)	2,059	1,366	1,003
Median sales (Rs.)	896	438	525
<b>Total number of households reporting</b>	138	125	106

**Table E-1g. Gross Sales of Respondents Primary Own-account Enterprise (Manufacturing)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total in previous month from all products</b>			
Totals (Rs.)	189,156	26,296	162,497
Average sales (Rs.)	11,822	2,630	20,312
Median sales (Rs.)	7,140	1,350	2,375
<b>Total in previous month from top three products</b>			
Totals (Rs.)	150,196	20,796	160,667
Average sales (Rs.)	9,387	2,080	20,083
Median sales (Rs.)	4,550	1,350	1,960
<b>Total in previous week from all products</b>			
Totals (Rs.)	37,834	6,894	11,068
Average sales (Rs.)	2,365	689	1,384
Median sales (Rs.)	1,035	300	503
<b>Total in previous week from top three products</b>			
Totals (Rs.)	32,299	6,721	11,068
Average sales (Rs.)	2,019	672	1,384
Median sales (Rs.)	1,020	300	503
<b>Total number of households reporting</b>	15	10	8



**Table E-1h. Gross Sales of Respondent's Primary Own-account Enterprise (Services)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total in previous month from all products</b>			
Totals (Rs.)	134,242	127,861	91,260
Average sales (Rs.)	2,397	2,096	1,862
Median sales (Rs.)	1,200	700	780
<b>Total in previous month from top three products</b>			
Totals (Rs.)	125,562	113,029	83,060
Average sales (Rs.)	2,242	1,853	1,695
Median sales (Rs.)	1,200	700	780
<b>Total in previous week from all products</b>			
Totals (Rs.)	33,522	32,098	21,080
Average sales (Rs.)	599	526	430
Median sales (Rs.)	300	175	200
<b>Total in previous week from top three products</b>			
Totals (Rs.)	33,188	31,893	20,331
Average sales (Rs.)	593	523	415
Median sales (Rs.)	300	175	200
<b>Total number of households reporting</b>	<b>52</b>	<b>58</b>	<b>47</b>

**Table E-1i. Gross Sales of Respondent's Primary Own-account Enterprise (Trade)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total in previous month from all products</b>			
Totals (Rs.)	1,020,863	624,673	359,748
Average sales (Rs.)	12,010	9,323	6,203
Median sales (Rs.)	7,200	4,000	4,455
<b>Total in previous month from top three products</b>			
Totals (Rs.)	735,064	480,499	311,230
Average sales (Rs.)	8,648	7,172	5,366
Median sales (Rs.)	4,800	3,000	3,530
<b>Total in previous week from all products</b>			
Totals (Rs.)	260,295	152,729	85,042
Average sales (Rs.)	3,062	2,280	1,466
Median sales (Rs.)	1,500	1,050	1,072
<b>Total in previous week from top three products</b>			
Totals (Rs.)	257,500	149,941	83,947
Average sales (Rs.)	3,029	2,238	1,447
Median sales (Rs.)	1,650	984	1,072
<b>Total number of households reporting</b>	79	62	54

**Table E-1j. Gross Sales of Respondent's Primary Sub-contracting Enterprise**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total in previous month from all products</b>			
Totals (Rs.)	94,629	95,599	71,804
Average sales (Rs.)	946	928	603
Median sales (Rs.)	720	720	416
<b>Total in previous month from top three products</b>			
Totals (Rs.)	94,719	93,064	73,240
Average sales (Rs.)	947	904	615
Median sales (Rs.)	720	720	416
<b>Total in previous week from all products</b>			
Totals (Rs.)	21,961	22,810	17,570
Average sales (Rs.)	220	221	148
Median sales (Rs.)	159	168	96
<b>Total in previous week from top three products</b>			
Totals (Rs.)	21,690	20,115	17,219
Average sales (Rs.)	217	195	145
Median sales (Rs.)	168	144	96
<b>Total number of households reporting</b>	<b>96</b>	<b>98</b>	<b>116</b>

**Table E-1k. Gross Sales of Non-primary Own-account Enterprises (All Sectors)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total in previous month from all products</b>			
Totals (Rs.)	693,667	799,437	658,758
Average sales (Rs.)	7,459	11,586	10,799
Median sales (Rs.)	5,020	5,400	5,250
<b>Total in previous month from top three products</b>			
Totals (Rs.)	653,218	709,773	571,654
Average sales (Rs.)	7,024	10,287	9,371
Median sales (Rs.)	4,300	4,800	5,200
<b>Total in previous week from all products</b>			
Totals (Rs.)	183,058	186,395	155,780
Average sales (Rs.)	1,968	2,701	2,554
Median sales (Rs.)	1,135	1,200	1,250
<b>Total in previous week from top three products</b>			
Totals (Rs.)	162,564	182,420	151,286
Average sales (Rs.)	1,748	2,644	2,480
Median sales (Rs.)	1,075	1,225	1,225
<b>Total number of households reporting</b>	89	61	56

**Table E-11. Gross Sales of Non-primary Own-account Enterprises(Manufacturing)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total in previous month from all products</b>			
Totals (Rs.)	18,840	323,389	148,120
Average sales (Rs.)	3,768	32,339	18,515
Median sales (Rs.)	4,200	14,470	8,600
<b>Total in previous month from top three products</b>			
Totals (Rs.)	17,040	301,339	148,120
Average sales (Rs.)	3,408	30,134	18,515
Median sales (Rs.)	2,400	7,500	8,600
<b>Total in previous week from all products</b>			
Totals (Rs.)	4,290	76,142	36,828
Average sales (Rs.)	858	7,614	4,604
Median sales (Rs.)	980	2,533	2,090
<b>Total in previous week from top three products</b>			
Totals (Rs.)	3,930	74,338	34,328
Average sales (Rs.)	786	7,434	4,291
Median sales (Rs.)	980	2,503	1,515
<b>Total number of households reporting</b>	4	9	8

**Table E-1m. Gross Sales of Non-primary Own-account Enterprises (Services)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total in previous month from all products</b>			
Totals (Rs.)	235,040	130,415	182,008
Average sales (Rs.)	5,342	4,347	6,276
Median sales (Rs.)	4,080	3,750	5,000
<b>Total in previous month from top three products</b>			
Totals (Rs.)	191,320	125,445	170,008
Average sales (Rs.)	4,348	4,182	5,862
Median sales (Rs.)	3,700	3,600	5,000
<b>Total in previous week from all products</b>			
Totals (Rs.)	58,995	32,901	34,297
Average sales (Rs.)	1,341	1,097	1,183
Median sales (Rs.)	975	888	1,200
<b>Total in previous week from top three products</b>			
Totals (Rs.)	53,785	32,306	34,197
Average sales (Rs.)	1,222	1,077	1,179
Median sales (Rs.)	838	888	1,200
<b>Total number of households reporting</b>	43	30	28

**Table E-1n. Gross Sales of Non-primary Own-account Enterprises (Trade)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total in previous month from all products</b>			
Totals (Rs.)	439,787	345,633	328,630
Average sales (Rs.)	9,995	11,918	13,693
Median sales (Rs.)	6,725	10,560	5,700
<b>Total in previous month from top three products</b>			
Totals (Rs.)	444,858	282,989	253,526
Average sales (Rs.)	10,110	9,758	10,564
Median sales (Rs.)	5,375	6,400	4,884
<b>Total in previous week from all products</b>			
Totals (Rs.)	119,773	79,751	84,755
Average sales (Rs.)	2,722	2,750	3,531
Median sales (Rs.)	1,503	2,232	1,500
<b>Total in previous week from top three products</b>			
Totals (Rs.)	104,849	73,377	82,661
Average sales (Rs.)	2,383	2,530	3,444
Median sales (Rs.)	1,628	2,100	1,500
<b>Total number of households reporting</b>	42	25	23

**Table E-1o. Gross Sales of Non-primary Sub-contracting Enterprises**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total in previous month from all products</b>			
Totals (Rs.)	20,588	49,870	17,389
Average sales (Rs.)	2,059	1,781	2,174
Median sales (Rs.)	1,374	1,200	750
<b>Total in previous month from top three products</b>			
Totals (Rs.)	24,068	58,718	17,389
Average sales (Rs.)	2,407	2,097	2,174
Median sales (Rs.)	1,374	1,200	750
<b>Total in previous week from all products</b>			
Totals (Rs.)	5,868	14,573	4,250
Average sales (Rs.)	587	520	531
Median sales (Rs.)	332	268	180
<b>Total in previous week from top three products</b>			
Totals (Rs.)	4,893	11,827	4,190
Average sales (Rs.)	489	422	524
Median sales (Rs.)	332	240	180
<b>Total number of households reporting</b>	9	27	8



**Table E-2a. Enterprise Fixed Assets: Respondent's Primary Own-account Enterprise  
(All Sectors)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total enterprise fixed assets</b>			
Totals (Rs.)	431,622	214,322	142,530
Average fixed assets (Rs.)	2,749	1,553	1,239
Median fixed assets (Rs.)	0	0	0
Total number of households reporting	138	125	106
<b>Number of enterprises</b>			
Acquired fixed assets in last two years	49	42	29
Did not acquire in last two years	108	96	86
<b>Totals</b>	<b>157</b>	<b>138</b>	<b>115</b>
<b>Purchase value of fixed assets acquired in last two years</b>			
Totals (Rs.)	61,107	86,473	81,270
Average per enterprise acquiring fixed assets (Rs.)	1,247	2,059	2,802
<b>Debt on fixed assets acquired in last two years</b>			
Totals (Rs.)	10,252	61,000	0
Average per enterprise acquiring fixed assets (Rs.)	209	1,452	0

**Table E-2b. Enterprise Fixed Assets: Respondent's Primary Own-account Enterprise (Manufacturing)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total enterprise fixed assets</b>			
Totals (Rs.)	204,696	1,674	1,552
Average fixed assets (Rs.)	12,794	167	194
Median fixed assets (Rs.)	0	0	0
Total number of households reporting	15	10	8
<b>Number of enterprises</b>			
Acquired fixed assets in last two years	4	3	2
Did not acquire in last two years	12	7	6
<b>Totals</b>	<b>16</b>	<b>10</b>	<b>8</b>
<b>Purchase value of fixed assets acquired in last two years</b>			
Totals (Rs.)	779	478	2,060
Average per enterprise acquiring fixed assets (Rs.)	195	159	1,030
<b>Debt on fixed assets acquired in last two years</b>			
Totals (Rs.)	0	0	0
Average per enterprise acquiring fixed assets (Rs.)	0	0	0

**Table E-2c. Enterprise Fixed Assets: Respondent's Primary Own-account Enterprise (Services)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total enterprise fixed assets</b>			
Totals (Rs.)	64,799	133,021	133,735
Average fixed assets (Rs.)	1,157	2,181	2,729
Median fixed assets (Rs.)	0	0	0
Total number of households reporting	52	58	47
<b>Number of enterprises</b>			
Acquired fixed assets in last two years	13	15	16
Did not acquire fixed assets in last two years	43	46	33
<b>Totals</b>	<b>56</b>	<b>61</b>	<b>49</b>
<b>Purchase value of fixed assets acquired in last two years</b>			
Totals (Rs.)	17,780	84,228	74,271
Average per enterprise acquiring fixed assets (Rs.)	1,368	5,615	4,642
<b>Debt on fixed assets acquired in last two years</b>			
Totals (Rs.)	9,500	61,000	0
Average per enterprise acquiring fixed assets (Rs.)	731	4,067	0

**Table E-2d. Enterprise Fixed Assets: Respondent's Primary Own-account Enterprise (Trade)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total enterprise fixed assets</b>			
Totals (Rs.)	162,127	79,627	7,243
Average fixed assets (Rs.)	1,907	1,188	125
Median fixed assets (Rs.)	0	0	0
Total number of households reporting	79	62	54
<b>Number of enterprises</b>			
Acquired fixed assets in last two years	32	24	11
Did not acquire fixed assets in last two years	53	43	47
<b>Totals</b>	<b>85</b>	<b>67</b>	<b>58</b>
<b>Purchase value of fixed assets acquired in last two years</b>			
Totals (Rs.)	42,548	1,767	4,939
Average per enterprise acquiring fixed assets (Rs.)	1,330	74	449
<b>Debt on fixed assets acquired in last two years</b>			
Totals (Rs.)	752	0	0
Average per enterprise acquiring fixed assets (Rs.)	24	0	0

**Table E-2e. Enterprise Fixed Assets: Respondent's Primary Sub-contracting Enterprise**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total enterprise fixed assets</b>			
Totals (Rs.)	33,444	67,149	126,984
Average fixed assets (Rs.)	334	652	1,067
Median fixed assets (Rs.)	0	0	0
Total number of households reporting	96	98	116
<b>Number of enterprises</b>			
Acquired fixed assets in last two years	25	26	28
Did not acquire fixed assets in last two years	75	77	91
<b>Totals</b>	<b>100</b>	<b>103</b>	<b>119</b>
<b>Purchase value of fixed assets acquired in last two years</b>			
Totals (Rs.)	19,175	23,302	118,107
Average per enterprise acquiring fixed assets (Rs.)	767	896	4,218
<b>Debt on fixed assets acquired in last two years</b>			
Totals (Rs.)	4,501	3,400	9,500
Average per enterprise acquiring fixed assets (Rs.)	180	131	339

**Table E-2f. Enterprise Fixed Assets: Respondent's Non-primary Own-account Enterprise (All Sectors)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total enterprise fixed assets</b>			
Totals (Rs.)	244,369	279,753	336,839
Average fixed assets (Rs.)	2,600	3,996	5,522
Median fixed assets (Rs.)	0	0	0
Total number of households reporting	90	61	56
<b>Number of enterprises</b>			
Acquired fixed assets in last two years	22	18	14
Did not acquire fixed assets in last two years	72	52	47
<b>Totals</b>	<b>94</b>	<b>70</b>	<b>61</b>
<b>Purchase value of fixed assets acquired in last two years</b>			
Totals (Rs.)	313,954	159,480	290,151
Average per enterprise acquiring fixed assets (Rs.)	14,271	8,860	20,725
<b>Debt on fixed assets acquired in last two years</b>			
Totals (Rs.)	113,107	57,235	127,999
Average per enterprise acquiring fixed assets (Rs.)	5,141	3,180	9,143

**Table E-2g. Enterprise Fixed Assets: Respondent's Non-primary Own-account Enterprise (Manufacturing)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total enterprise fixed assets</b>			
Totals (Rs.)	60,000	56,905	155,099
Average fixed assets (Rs.)	12,000	5,691	19,387
Median fixed assets (Rs.)	0	0	0
Total number of households reporting	4	9	8
<b>Number of enterprises</b>			
Acquired fixed assets in last two years	2	1	3
Did not acquire fixed assets in last two years	3	9	5
<b>Totals</b>	<b>5</b>	<b>10</b>	<b>8</b>
<b>Purchase value of fixed assets acquired in last two years</b>			
Totals (Rs.)	55,030	18	200,254
Average per enterprise acquiring fixed assets (Rs.)	27,515	18	66,751
<b>Debt on fixed assets acquired in last two years</b>			
Totals (Rs.)	0	0	99,999
Average per enterprise acquiring fixed assets (Rs.)	0	0	33,333

**Table E-2h. Enterprise Fixed Assets: Respondent's Non-primary Own-account Enterprise (Services)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total enterprise fixed assets</b>			
Totals (Rs.)	110,728	112,760	177,615
Average fixed assets (Rs.)	2,517	3,637	6,125
Median fixed assets (Rs.)	0	0	0
Total number of households reporting	43	31	28
<b>Number of enterprises</b>			
Acquired fixed assets in last two years	8	7	7
Did not acquire fixed assets in last two years	36	24	22
<b>Totals</b>	<b>44</b>	<b>31</b>	<b>29</b>
<b>Purchase value of fixed assets acquired in last two years</b>			
Totals (Rs.)	241,528	148,775	87,735
Average per enterprise acquiring fixed assets (Rs.)	30,191	21,254	12,534
<b>Debt on fixed assets acquired in last two years</b>			
Totals (Rs.)	109,319	56,400	28,000
Average per enterprise acquiring fixed assets (Rs.)	13,665	8,057	4,000



**Table E-2i Enterprise Fixed Assets: Respondent's Non-primary Own-account Enterprise (Trade)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total enterprise fixed assets</b>			
Totals (Rs.)	73,641	110,088	4,125
Average fixed assets (Rs.)	1,636	3,796	172
Median fixed assets (Rs.)	0	0	0
Total number of households reporting	43	25	23
<b>Number of enterprises</b>			
Acquired fixed assets in last two years	12	10	4
Did not acquire fixed assets in last two years	33	19	20
<b>Totals</b>	<b>45</b>	<b>29</b>	<b>24</b>
<b>Purchase value of fixed assets acquired in last two years</b>			
Totals (Rs.)	17,396	10,687	2,162
Average per enterprise acquiring fixed assets (Rs.)	1,450	1,069	541
<b>Debt on fixed assets acquired in last two years</b>			
Totals (Rs.)	3,788	835	0
Average per enterprise acquiring fixed assets (Rs.)	316	84	0

**Table E-2j Enterprise Fixed Assets: Respondent's Non-primary Sub-contracting Enterprise**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total enterprise fixed assets</b>			
Totals (Rs.)	2,547	45,739	141
Average fixed assets (Rs.)	255	1,634	18
Median fixed assets (Rs.)	13	1	0
Total number of households reporting	9	27	8
<b>Number of enterprises</b>			
Acquired fixed assets in last two years	3	11	4
Did not acquire fixed assets in last two years	7	17	4
<b>Totals</b>	<b>10</b>	<b>28</b>	<b>8</b>
<b>Purchase value of fixed assets acquired in last two years</b>			
Totals (Rs.)	2,022	8,627	141
Average per enterprise acquiring fixed assets (Rs.)	674	784	35
<b>Debt on fixed assets acquired in last two years</b>			
Totals (Rs.)	0	2,500	0
Average per enterprise acquiring fixed assets (Rs.)	0	227	0

**Table E-3a. Employment in Previous Month: Respondent's Primary Own-account Enterprise (All Sectors)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
1	115	113	91
2	23	19	17
3	9	2	5
4	8	2	1
5	1	2	0
6	1	0	1
<b>Totals</b>	<b>157</b>	<b>138</b>	<b>115</b>
<b>Number of household members employed per enterprise</b>			
0	3	0	0
1	117	114	93
2	21	19	16
3	8	2	5
4	6	1	1
5	1	2	0
6	1	0	0
<b>Totals</b>	<b>157</b>	<b>138</b>	<b>115</b>
<b>Average number of days worked per month per person</b>	<b>25</b>	<b>25</b>	<b>26</b>
<b>Average monthly salary per person (Rs.)</b>	<b>1,434</b>	<b>1,188</b>	<b>997</b>

**Table E-3b. Employment in Previous Month: Respondent's Primary Own-account Enterprise (Manufacturing)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
1	12	7	3
2	0	2	4
3	1	1	1
4	3	0	0
<b>Totals</b>	<b>16</b>	<b>10</b>	<b>8</b>
<b>Number of household members employed per enterprise</b>			
1	12	7	3
2	1	2	4
3	1	1	1
4	2	0	0
<b>Totals</b>	<b>16</b>	<b>10</b>	<b>8</b>
<b>Average number of days worked per month per person</b>	<b>26</b>	<b>24</b>	<b>21</b>
<b>Average monthly salary per person (Rs.)</b>	<b>1,215</b>	<b>460</b>	<b>763</b>

**Table E-3c. Employment in Previous Month: Respondent's Primary Own-account Enterprise (Services)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
1	47	52	46
2	7	6	3
3	1	1	0
4	1	0	0
5	0	2	0
<b>Totals</b>	<b>56</b>	<b>61</b>	<b>49</b>
<b>Number of household members employed per enterprise</b>			
0	2	0	0
1	49	53	46
2	4	5	3
3	1	1	0
5	0	2	0
<b>Totals</b>	<b>56</b>	<b>61</b>	<b>49</b>
<b>Average number of days worked per month per person</b>			
	25	22	26
<b>Average monthly salary per person (Rs.)</b>	<b>1,381</b>	<b>1,067</b>	<b>862</b>

**Table E-3d. Employment in Previous Month: Respondent's Primary Own-account Enterprise (Trade)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
1	56	54	42
2	16	11	10
3	7	0	4
4	4	2	1
5	1	0	0
6	1	0	1
<b>Totals</b>	<b>85</b>	<b>67</b>	<b>58</b>
<b>Number of household members employed per enterprise</b>			
0	1	0	0
1	56	54	44
2	16	12	9
3	6	0	4
4	4	1	1
5	1	0	0
6	1	0	0
<b>Totals</b>	<b>85</b>	<b>67</b>	<b>58</b>
<b>Average number of days worked per month per person</b>			
	26	27	26
<b>Average monthly salary per person (Rs.)</b>	<b>1,511</b>	<b>1,407</b>	<b>1,144</b>

**Table E-3e. Employment in Previous Month: Respondent's Primary Sub-contracting Enterprise**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
1	72	70	82
2	16	19	19
3	8	8	13
4	4	3	4
5	0	1	1
6	0	2	0
<b>Totals</b>	100	103	119
<b>Number of household members employed per enterprise</b>			
1	72	71	82
2	16	19	19
3	8	8	13
4	4	3	4
5	0	1	1
6	0	1	0
<b>Totals</b>	100	103	119
<b>Average number of days worked per month per person</b>			
	24	25	24
<b>Average monthly salary per person (Rs.)</b>	652	734	410

**Table E-3f. Employment in Previous Month: Respondent's Non-primary Own-account Enterprise (All Sectors)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
0	1	1	0
1	64	44	48
2	19	12	8
3	7	5	2
4	1	3	1
5	0	2	2
6	2	3	0
<b>Totals</b>	<b>94</b>	<b>70</b>	<b>61</b>
<b>Number of household members employed per enterprise</b>			
0	1	0	0
1	67	48	50
2	18	14	9
3	6	3	1
4	1	1	0
5	0	2	1
6	0	1	0
<b>Totals</b>	<b>93</b>	<b>69</b>	<b>61</b>
<b>Average number of days worked per month per person</b>			
	25	26	25
<b>Average monthly salary per person (Rs.)</b>	<b>1,808</b>	<b>1,946</b>	<b>2,139</b>



**Table E-3g. Employment in Previous Month: Respondent's Non-primary Own-account Enterprise (Manufacturing)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
1	3	4	5
2	1	1	1
3	0	2	1
4	1	1	0
5	0	0	1
6	0	2	0
<b>Totals</b>	<b>5</b>	<b>10</b>	<b>8</b>
<b>Number of household members employed per enterprise</b>			
1	3	5	5
2	1	3	2
3	0	2	1
4	1	0	0
<b>Totals</b>	<b>5</b>	<b>10</b>	<b>8</b>
<b>Average number of days worked per month per person</b>			
	21	25	26
<b>Average monthly salary per person (Rs.)</b>	<b>964</b>	<b>3,397</b>	<b>4,457</b>

**Table E-3h. Employment in Previous Month: Respondent's Non-primary Own-account Enterprise (Services)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
0	0	1	0
1	32	23	28
2	9	5	0
3	1	1	0
4	0	0	1
6	2	1	0
<b>Totals</b>	<b>44</b>	<b>31</b>	<b>29</b>
<b>Number of household members employed per enterprise</b>			
1	36	25	29
2	8	4	0
6	0	1	0
<b>Totals</b>	<b>44</b>	<b>30</b>	<b>29</b>
<b>Average number of days worked per month per person</b>	25	27	27
<b>Average monthly salary per person (Rs.)</b>	1,919	1,750	2,153

**Table E-3i. Employment in Previous Month: Respondent's Non-primary Own-account Enterprise (Trade)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
0	1	0	0
1	29	17	15
2	9	6	7
3	6	2	1
4	0	2	0
5	0	2	1
<b>Totals</b>	<b>45</b>	<b>29</b>	<b>24</b>
<b>Number of household members employed per enterprise</b>			
0	1	0	0
1	28	18	16
2	9	7	7
3	6	1	0
4	0	1	0
5	0	2	1
<b>Totals</b>	<b>44</b>	<b>29</b>	<b>24</b>
<b>Average number of days worked per month per person</b>			
	25	26	23
<b>Average monthly salary per person (Rs.)</b>	<b>1,793</b>	<b>1,648</b>	<b>1,348</b>

**Table E-3j. Employment in Previous Month: Respondent's Non-primary Sub-contracting Enterprise**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
1	6	17	3
2	2	6	1
3	1	4	2
4	0	0	1
5	1	1	1
<b>Totals</b>	<b>10</b>	<b>28</b>	<b>8</b>
<b>Number of household members employed per enterprise</b>			
1	6	17	3
2	2	7	1
3	1	3	3
4	0	0	1
5	1	1	0
<b>Totals</b>	<b>10</b>	<b>28</b>	<b>8</b>
<b>Average number of days worked per month per person</b>			
	22	25	23
<b>Average monthly salary per person (Rs.)</b>	<b>1,053</b>	<b>1,252</b>	<b>548</b>

**Table E-3k. Employment in Previous Week: Respondent's Primary Own-account Enterprise (All Sectors)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
0	11	9	6
1	111	109	93
2	18	14	12
3	8	2	4
4	8	2	0
5	1	2	0
<b>Totals</b>	<b>157</b>	<b>138</b>	<b>115</b>
<b>Number of household members employed per enterprise</b>			
0	11	9	6
1	130	123	105
2	2	1	0
3	7	2	4
4	6	1	0
5	1	2	0
<b>Totals</b>	<b>157</b>	<b>138</b>	<b>115</b>
<b>Average number of days worked per month per person</b>			
	30	30	31
<b>Average monthly salary per person (Rs.)</b>	<b>338</b>	<b>312</b>	<b>240</b>

**Table E-31. Employment in Previous Week: Respondent's Primary Own-account Enterprise (Manufacturing)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
0	1	0	1
1	11	7	4
2	0	2	3
3	1	1	0
4	3	0	0
<b>Totals</b>	<b>16</b>	<b>10</b>	<b>8</b>
<b>Number of household members employed per enterprise</b>			
0	1	0	1
1	11	9	7
2	1	0	0
3	1	1	0
4	2	0	0
<b>Totals</b>	<b>16</b>	<b>10</b>	<b>8</b>
<b>Average number of days worked per month per person</b>	28	30	16
<b>Average monthly salary per person (Rs.)</b>	323	99	163

**Table E-3m. Employment in Previous Week: Respondent's Primary Own-account Enterprise (Services)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
0	6	5	2
1	43	49	45
2	5	4	2
3	1	1	0
4	1	0	0
5	0	2	0
<b>Totals</b>	<b>56</b>	<b>61</b>	<b>49</b>
<b>Number of household members employed per enterprise</b>			
0	0	0	0
1	49	53	47
3	1	1	
5	0	2	0
<b>Totals</b>	<b>56</b>	<b>61</b>	<b>49</b>
<b>Average number of days worked per month per person</b>			
	26	25	25
<b>Average monthly salary per person (Rs.)</b>	<b>332</b>	<b>296</b>	<b>207</b>

**Table E-3n. Employment in Previous Week: Respondent's Primary Own-account Enterprise (Trade)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
0	4	4	3
1	57	53	44
2	13	8	7
3	6	0	4
4	4	2	0
5	1	0	0
<b>Totals</b>	<b>85</b>	<b>67</b>	<b>58</b>
<b>Number of household members employed per enterprise</b>			
0	4	4	3
1	70	61	51
2	1	1	0
3	5	0	4
4	4	1	0
5	1	0	0
<b>Totals</b>	<b>85</b>	<b>67</b>	<b>58</b>
<b>Average number of days worked per month per person</b>			
	32	35	37
<b>Average monthly salary per person (Rs.)</b>	<b>344</b>	<b>359</b>	<b>279</b>



**Table E-30. Employment in Previous Week: Respondent's Primary Sub-contracting Enterprise**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
0	1	2	2
1	79	77	87
2	12	17	19
3	5	4	9
4	3	1	1
5	0	1	1
6	0	1	0
<b>Totals</b>	<b>100</b>	<b>103</b>	<b>119</b>
<b>Number of household members employed per enterprise</b>			
0	1	2	2
1	91	94	106
3	5	4	9
4	3	1	1
5	0	1	1
6	0	1	0
<b>Totals</b>	<b>100</b>	<b>103</b>	<b>119</b>
<b>Average number of days worked per month per person</b>			
	29	32	31
<b>Average monthly salary per person (Rs.)</b>	<b>155</b>	<b>179</b>	<b>102</b>

**Table E-3p. Employment in Previous Week: Non-primary Own-account Enterprises  
(All Sectors)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
0	7	3	5
1	70	44	47
2	9	12	5
3	6	3	2
4	0	3	1
5	0	2	1
6	2	3	0
<b>Totals</b>	<b>94</b>	<b>70</b>	<b>61</b>
<b>Number of household members employed per enterprise</b>			
0	7	3	5
1	80	58	53
2	1	3	1
3	6	2	1
4	0	1	0
5	0	2	1
6	0	1	0
<b>Totals</b>	<b>94</b>	<b>70</b>	<b>61</b>
<b>Average number of days worked per month per person</b>			
	27	33	26
<b>Average monthly salary per person (Rs.)</b>	<b>441</b>	<b>483</b>	<b>517</b>

**Table E-3q. Employment in Previous Week: Non-primary Own-Account Enterprises (Manufacturing)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
0	1	0	1
1	4	4	5
2	0	1	1
3	0	2	1
4	0	1	0
6	0	2	0
<b>Totals</b>	<b>5</b>	<b>10</b>	<b>8</b>
<b>Number of household members employed per enterprise</b>			
0	1	0	1
1	4	6	5
2	0	2	1
3	0	2	1
<b>Totals</b>	<b>5</b>	<b>10</b>	<b>8</b>
<b>Average number of days worked per month per person</b>	22	24	36
<b>Average monthly salary per person (Rs.)</b>	234	923	1,139

**Table E-3r. Employment in Previous Week: Non-primary Own-account Enterprises  
(Services)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
0	3	1	1
1	34	23	27
2	5	5	0
3	0	1	0
4	0	0	1
6	2	1	0
<b>Totals</b>	<b>44</b>	<b>31</b>	<b>29</b>
<b>Number of household members employed per enterprise</b>			
0	3	1	1
1	40	29	28
2	1	0	0
6	0	1	0
<b>Totals</b>	<b>44</b>	<b>31</b>	<b>29</b>
<b>Average number of days worked per month per person</b>			
	26	35	24
<b>Average monthly salary per person (Rs.)</b>	<b>431</b>	<b>424</b>	<b>506</b>

**Table E-3s. Employment in Previous Week: Non-primary Own-account Enterprises (Trade)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
0	3	2	3
1	32	17	15
2	4	6	4
3	6	0	1
4	0	2	0
5	0	2	1
<b>Totals</b>	<b>45</b>	<b>29</b>	<b>24</b>
<b>Number of household members employed per enterprise</b>			
0	3	2	3
1	36	23	20
2	0	1	0
3	6	0	0
4	0	1	0
5	0	2	1
<b>Totals</b>	<b>45</b>	<b>29</b>	<b>24</b>
<b>Average number of days worked per month per person</b>			
	29	34	25
<b>Average monthly salary per person (Rs.)</b>	<b>475</b>	<b>392</b>	<b>323</b>

**Table E-3t. Employment in Previous Week: Non-primary Sub-contracting Enterprises**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Total number of employees per enterprise</b>			
0	1	0	0
1	5	17	4
2	2	6	2
3	1	4	1
4	0	0	1
5	1	1	0
<b>Totals</b>	<b>10</b>	<b>28</b>	<b>8</b>
<b>Number of household members employed per enterprise</b>			
0	1	0	0
1	7	23	5
2	0	1	1
3	1	3	1
4	0	0	1
5	1	1	0
<b>Totals</b>	<b>10</b>	<b>28</b>	<b>8</b>
<b>Average number of days worked per month per person</b>			
	37	30	34
<b>Average monthly salary per person (Rs.)</b>	<b>273</b>	<b>308</b>	<b>166</b>

**Table E-4a. Principal Suppliers<sup>1</sup> and Clients<sup>2</sup> of Respondent's Primary Own-account Enterprise (All Sectors)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Principal supplier by type</b>			
No response	5	4	2
Individual	46	56	49
Retail traders	32	39	30
Wholesalers	66	34	32
Factories/manufacturers	4	1	0
Middlemen/intermediaries	0	2	0
Other	4	2	2
<b>Totals</b>	<b>157</b>	<b>138</b>	<b>115</b>
<b>Fixed sales contract in last three months?</b>			
Yes	15	15	10
No	142	123	105
<b>Totals</b>	<b>157</b>	<b>138</b>	<b>115</b>
<b>Principal client by type</b>			
No response	2	3	0
Individual	135	108	97
Retail traders	12	21	9
Wholesalers	8	4	8
Middlemen/intermediaries	0	2	0
Private offices			1
<b>Totals</b>	<b>157</b>	<b>138</b>	<b>115</b>

<sup>1</sup> The responses to the question on supplier include the following: individual/household, retailers, wholesalers, factories/manufacturers, middlemen/intermediaries, and others. In some cases multiple responses were provided. Such responses were recoded in the following manner: individual (1); retail traders (2, 12, 23, 123); wholesalers (3, 13) ; factories/manufacturers (4, 34); middlemen/intermediaries (5); and other (6).

<sup>2</sup> The responses to the relevant question include the following: individual consumers, retailers, wholesalers, middlemen/intermediaries, government offices, private offices, and other. Since multiple responses were provided in some case, these responses were recoded in the following manner: individual consumer (1); retailers (2, 12, 127, 123); wholesalers (3, 13); middlemen/intermediaries (4, 14); government offices (5); private offices (6, 16); and other (7).

**Table E-4b. Principal Suppliers and Clients of Respondent's Primary Own-account Enterprise (Manufacturing)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Principal supplier by type</b>			
No response	1	1	0
Individual	3	2	2
Retail traders	4	5	2
Wholesalers	6	2	4
Factories/manufacturers	1	0	0
Other	1	0	0
<b>Totals</b>	<b>16</b>	<b>10</b>	<b>8</b>
<b>Fixed sales contract in last three months?</b>			
Yes	2	3	2
No	14	7	6
<b>Totals</b>	<b>16</b>	<b>10</b>	<b>8</b>
<b>Principal client by type</b>			
No response	1	0	0
Individual	9	6	6
Retail traders	3	3	1
Wholesalers	3	1	1
<b>Totals</b>	<b>16</b>	<b>10</b>	<b>8</b>



**Table E-4c. Principal Suppliers and Clients of Respondent's Primary Own-account Enterprise (Services)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Principal supplier by type</b>			
No response	3	1	1
Individual	29	37	27
Retail traders	14	15	15
Wholesalers	8	5	4
Factories/manufacturers	1	0	0
Middlemen/intermediaries	0	2	0
Other	1	1	2
<b>Totals</b>	<b>56</b>	<b>61</b>	<b>49</b>
<b>Fixed sales contract in last three months?</b>			
Yes	6	4	7
No	50	57	42
<b>Totals</b>	<b>56</b>	<b>61</b>	<b>49</b>
<b>Principal client by type</b>			
No response	1	0	0
Individual	52	53	44
Retail traders	2	5	1
Wholesalers	1	1	3
Middlemen/intermediaries	0	2	0
Private offices	0	0	1
<b>Totals</b>	<b>56</b>	<b>61</b>	<b>49</b>

**Table E-4d. Principal Suppliers and Clients of Respondent's Primary Own-account Enterprise (Trade)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Principal supplier by type</b>			
Individual	14	17	20
Retail traders	14	19	13
Wholesalers	52	27	24
Factories/manufacturers	2	1	0
Other	2	1	0
No response	1	2	1
<b>Totals</b>	<b>85</b>	<b>67</b>	<b>58</b>
<b>Fixed sales contract in last 3 months?</b>			
Yes	7	8	1
No	78	59	57
<b>Totals</b>	<b>85</b>	<b>67</b>	<b>58</b>
<b>Principal client by type</b>			
No response	0	3	0
Individual	74	49	47
Retail traders	7	13	7
Wholesalers	4	2	4
<b>Totals</b>	<b>85</b>	<b>67</b>	<b>58</b>

**Table E-4e. Principal Suppliers and Clients of Respondent's Primary Sub-contracting Enterprise**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Who contracts on piece-rate business?</b>			
No response	1	1	3
Individual customers	9	7	14
Retail traders	38	39	53
Wholesalers	41	37	36
Intermediaries/subcontractors	9	17	12
Private office/companies	2	2	0
Others	0	0	1
<b>Totals</b>	<b>100</b>	<b>103</b>	<b>119</b>

**Table E-4f. Principal Suppliers and Clients of Respondent's Non-primary Own-account Enterprise (All Sectors)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Principal supplier by type</b>			
No response	9	5	1
Individual	27	14	21
Retail traders	26	18	18
Wholesalers	29	30	19
Factories/manufacturers	1	2	1
Middlemen/intermediaries	0	0	1
Other	2	1	0
<b>Totals</b>	<b>94</b>	<b>70</b>	<b>61</b>
<b>Fixed sales contract in last three months?</b>			
Yes	5	5	2
No	88	64	59
<b>Totals</b>	<b>94</b>	<b>70</b>	<b>61</b>
<b>Principal client by type</b>			
No response	2	2	0
Individual	81	47	44
Retail traders	3	11	10
Wholesalers	6	10	5
Middlemen/intermediaries	0	0	1
Government offices	1	0	0
Private offices	0	0	1
Others	1	0	0
<b>Totals</b>	<b>94</b>	<b>70</b>	<b>61</b>

**Table E-4g. Principal Suppliers and Clients of Respondent's Non-primary Own-account Enterprise (Manufacturing)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Principal supplier by type</b>			
Individual	1	0	0
Retail traders	4	3	4
Wholesalers	0	7	4
<b>Totals</b>	<b>5</b>	<b>10</b>	<b>8</b>
<b>Fixed sales contract in last three months?</b>			
Yes	0	3	1
No	5	7	7
<b>Totals</b>	<b>5</b>	<b>10</b>	<b>8</b>
<b>Principal client by type</b>			
Individual	4	0	4
Retail traders	0	6	1
Wholesalers	1	4	3
<b>Totals</b>	<b>5</b>	<b>10</b>	<b>8</b>

**Table E-4h. Principal Suppliers and Clients of Respondent's Non-primary Own-account Enterprise (Services)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Principal supplier by type</b>			
No response	7	4	0
Individual	18	12	13
Retail traders	11	10	10
Wholesalers	7	5	5
Factories/manufacturers	0	0	1
Other	1	0	0
<b>Totals</b>	<b>44</b>	<b>31</b>	<b>29</b>
<b>Fixed sales contract in last three months?</b>		1	
Yes	4	2	1
No	40	28	28
<b>Totals</b>	<b>44</b>	<b>31</b>	<b>29</b>
<b>Principal client by type</b>			
No response	0	2	0
Individual	41	26	20
Retail traders	1	1	8
Wholesalers	1	2	0
Government offices	1	0	0
Private offices	0	0	1
<b>Totals</b>	<b>44</b>	<b>31</b>	<b>29</b>

**Table E-4i. Principal Suppliers and Clients of Respondent's Non-primary Own-account Enterprise (Trade)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Principal supplier by type</b>			
No response	2	1	1
Individual	8	2	8
Retail traders	11	5	4
Wholesalers	22	18	10
Factories/manufacturers	1	2	0
Middlemen/intermediaries	0	0	1
Other	1	1	0
<b>Totals</b>	<b>45</b>	<b>29</b>	<b>24</b>
<b>Fixed sales contract in last three months?</b>			
Yes	1	0	0
No	43	29	24
<b>Totals</b>	<b>45</b>	<b>29</b>	<b>24</b>
<b>Principal client by type</b>			
No response	2	0	0
Individual	36	21	20
Retail traders	2	4	1
Wholesalers	4	4	2
Middlemen/intermediaries	0	0	1
Others	1	0	0
<b>Totals</b>	<b>45</b>	<b>29</b>	<b>24</b>

**Table E-4j. Principal Suppliers and Clients of Respondent's Non-primary Sub-contracting Enterprise**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Who contracts on business?</b>			
Individual customers	2	2	2
Retail traders	3	9	3
Wholesalers	5	11	3
Intermediaries/subcontractors	0	5	0
Private office/companies	0	1	0
<b>Totals</b>	<b>10</b>	<b>28</b>	<b>8</b>

**Table E-4k. Business Premises and Infrastructure: Respondent's Primary Own-account Enterprise (All Sectors)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Location of business<sup>3</sup></b>			
Home or homestead	87	91	64
Commercial premises	40	17	15
Mobile	29	30	36
Other	1	0	0
<b>Totals</b>	<b>157</b>	<b>138</b>	<b>115</b>
<b>Access to:</b>			
Electricity	109	97	66
Telephone	23	15	12
<b>Source of water</b>			
Tap/pump on premise	85	79	59
Tap/pump within 5 min. walk	16	17	13
Carry for > 5 min.	7	2	2
Purchase water	21	17	21
Others	13	20	17
No response/not applicable	5	3	3
<b>Totals</b>	<b>157</b>	<b>138</b>	<b>115</b>

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<sup>3</sup> The original responses to the question on the location of businesses include the following: home or homestead, residential area, permanent market area, fixed location by street/road, mobile, and other. The responses were recoded, as well as the multiple responses, as follows: home or homestead (1, 12, 13, 14, 2); commercial premises (3, 34, 4); mobile (5, 56, 15, 125, 135, 35, 45); other (6).

**Table E-4l. Business Premises and Infrastructure: Respondent's Primary Own-account Enterprise (Manufacturing)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Location of business</b>			
Home or homestead	12	9	8
Commercial premises	2	0	0
Mobile	2	1	0
<b>Totals</b>	<b>16</b>	<b>10</b>	<b>8</b>
<b>Access to:</b>			
Electricity	12	9	8
Telephone	4	0	2
<b>Source of water</b>			
Tap/pump on premise	13	7	7
Tap/pump within 5 min. walk	1	3	1
Purchase water	1	0	0
No response/not applicable	1	0	0
<b>Totals</b>	<b>16</b>	<b>10</b>	<b>8</b>



**Table E-4m. Business Premises and Infrastructure: Respondent's Primary Own-account Enterprise (Services)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Location of business</b>			
Home or homestead	43	51	36
Commercial premises	5	3	2
Mobile	8	7	11
<b>Totals</b>	<b>56</b>	<b>61</b>	<b>49</b>
<b>Access to:</b>			
Electricity	48	51	39
Telephone	7	6	9
<b>Source of water</b>			
Tap/pump on premise	39	47	37
Tap/pump within 5 min. walk	2	2	3
Carry for > 5 min.	2	0	0
Purchase water	3	5	1
Others	8	5	6
No response/not applicable	2	2	2
Others	8	3	6
<b>Totals</b>	<b>56</b>	<b>61</b>	<b>49</b>

**Table E-4n. Business Premises and Infrastructure: Respondent's Primary Own-account Enterprise (Trade)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Location of business</b>			
Home or homestead	32	31	20
Commercial premises	33	14	13
Mobile	19	22	25
Other	1	0	0
<b>Totals</b>	<b>85</b>	<b>67</b>	<b>58</b>
<b>Access to:</b>			
Electricity	49	37	19
Telephone	12	9	1
<b>Source of water</b>			
Tap/pump on premise	33	25	15
Tap/pump within 5 min. walk	13	12	9
Carry for > 5 min.	5	2	2
Purchase water	17	12	20
Others	15	15	11
No response/not applicable	2	1	1
<b>Totals</b>	<b>85</b>	<b>67</b>	<b>58</b>

**Table E-4o. Business Premises and Infrastructure: Respondent's Primary Sub-contracting Enterprise**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Location of business</b>			
Home or homestead	98	100	119
Factory shed/office	2	1	0
Fixed location (construction/building sites)	0	2	0
<b>Totals</b>	<b>100</b>	<b>103</b>	<b>119</b>
<b>Access to:</b>			
Electricity	87	93	109
Telephone	10	6	7
<b>Source of water</b>			
Tap/pump on premise	88	94	105
Tap/pump within 5 min. walk	6	4	6
Well/spring within 5 min. walk	4	3	3
Carry for > 5 min.	0	2	4
Others	2		1
<b>Totals</b>	<b>100</b>	<b>103</b>	<b>119</b>

**Table E-4p. Business Premises and Infrastructure: Non-primary Own-account Enterprise  
(All Sectors)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Location of business</b>			
Home or homestead	12	10	5
Commercial premises	29	12	10
Mobile	27	20	26
<b>Totals</b>	<b>68</b>	<b>42</b>	<b>41</b>
<b>Access to:</b>			
Electricity	35	25	21
Telephone	5	1	6
<b>Source of water</b>			
Tap/pump on premise	16	16	9
Tap/pump within 5 min. walk	19	8	11
Well/Spring within 5 min. walk	1	0	0
Carry for > 5 min.	1	3	0
Purchase water	14	8	12
Others	12	7	9
No response/not applicable	5	0	0
<b>Totals</b>	<b>68</b>	<b>42</b>	<b>41</b>

**Table E-4q. Business Premises and Infrastructure: Non-primary Own-account Enterprises (Manufacturing)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Location of business</b>			
Home or homestead	3	6	2
Commercial premises	2	2	5
Mobile	0	1	0
<b>Totals</b>	<b>5</b>	<b>9</b>	<b>7</b>
<b>Access to:</b>			
Electricity	4	9	6
Telephone	1	0	1
<b>Source of water</b>			
Tap/pump on premise	3	9	5
Tap/pump within 5 min. walk	1	0	2
No response/not applicable	1	0	0
<b>Totals</b>	<b>5</b>	<b>9</b>	<b>7</b>

**Table E-4r. Business Premises and Infrastructure: Non-primary Own-account Enterprises (Services)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-Members</b>
<b>Location of business</b>			
Home or homestead	2	2	0
Commercial premises	13	3	1
Mobile	16	10	18
<b>Totals</b>	<b>31</b>	<b>15</b>	<b>19</b>
<b>Access to:</b>			
Electricity	14	7	7
Telephone	2	1	1
<b>Source of water</b>			
Tap/pump on premise	3	3	1
Tap/pump within 5 min. walk	9	3	7
Well/spring within 5 min. walk	1	0	0
Carry for > 5 min.	0	1	0
Purchase water	10	5	6
Others	7	3	5
No response/not applicable	1	0	0
<b>Totals</b>	<b>31</b>	<b>15</b>	<b>19</b>

**Table E-4s. Business Premises and Infrastructure: Non-primary Own-account Enterprises (Trade)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Location of business</b>			
Home or homestead	7	2	3
Commercial premises	14	7	4
Mobile	11	9	8
<b>Totals</b>	<b>32</b>	<b>18</b>	<b>15</b>
<b>Access to:</b>			
Electricity	17	9	8
Telephone	2	0	4
<b>Source of water</b>			
Tap/pump on premise	10	4	3
Tap/pump within 5 min. walk	9	5	2
Carry for > 5 min.	1	2	0
Purchase water	4	3	6
Others	5	4	4
No response/not applicable	3	0	0
<b>Totals</b>	<b>32</b>	<b>18</b>	<b>15</b>

**Table E-4t. Business Premises and Infrastructure: Non-primary Sub-contracting Enterprises**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Location of business</b>			
Home or homestead	4	9	2
Factory shed/office	1	2	0
Fixed location (construction/building sites)	0	0	1
<b>Totals</b>	<b>5</b>	<b>11</b>	<b>3</b>
<b>Access to:</b>			
Electricity	3	10	3
Telephone	0	2	1
<b>Source of water</b>			
Tap/pump on premise	4	9	2
Tap/pump within 5 min. walk	1	0	1
Well/spring within 5 min. walk	0	1	0
No response/not applicable	0	1	0
<b>Totals</b>	<b>5</b>	<b>11</b>	<b>3</b>

**Table E-4u. Tenure and Registration: Respondent's Primary Own-account Enterprise (All Sectors) <sup>4</sup>**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Tenure of business premises</b>			
Owned	68	63	49
Rented	14	11	6
Not owned-authorized use	13	7	3
Not owned-unauthorized use	26	20	15
No response/not applicable	36	37	42
<b>Totals</b>	<b>157</b>	<b>138</b>	<b>115</b>
<b>Registration of business</b>			
Yes	15	4	3
No	86	78	64
No response/not applicable	56	56	48
<b>Totals</b>	<b>157</b>	<b>138</b>	<b>115</b>

**Table E-4v. Tenure and Registration: Respondent's Primary Own-account Enterprise (Manufacturing)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Tenure of business premises</b>			
Owned	11	9	7
Rented	0	1	1
Not owned-unauthorized use	2	0	0
No response/not applicable	3	0	0
<b>Totals</b>	<b>16</b>	<b>10</b>	<b>8</b>
<b>Registration of business</b>			
Yes	2	1	0
No	9	7	4
No response/not applicable	5	2	4
<b>Totals</b>	<b>16</b>	<b>10</b>	<b>8</b>

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<sup>4</sup> The responses to the question about the tenure of business premises are: own premise and land; own premise, lease land; rent premise; none of above, authorized use; none of above, unauthorized use. Some of the responses in the data set include a combination of two of these choices. They were recoded as the following: owned (1, 13, 15, 2); rented (3, 34); not owned-authorized use (4); not owned-unauthorized use (5).

**Table E-4w. Tenure and Registration: Respondent's Primary Own-account Enterprise (Services)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Tenure of business premises</b>			
Owned	31	32	30
Rented	7	8	4
Not owned-authorized use	1	1	1
Not owned-unauthorized use	3	6	1
No response/not applicable	14	14	13
<b>Totals</b>	<b>56</b>	<b>61</b>	<b>49</b>
<b>Registration of business</b>			
Yes	5	1	3
No	28	30	30
No response/not applicable	23	30	16
<b>Totals</b>	<b>56</b>	<b>61</b>	<b>49</b>

**Table E-4x. Tenure and Registration: Respondent's Primary Own-account Enterprise (Trade)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Tenure of business premises</b>			
Owned	26	22	12
Rented	7	2	1
Not owned-authorized use	12	6	2
Not owned-unauthorized use	21	14	14
No response/not applicable	19	23	29
<b>Totals</b>	<b>85</b>	<b>67</b>	<b>58</b>
<b>Registration of business</b>			
Yes	8	2	0
No	49	41	30
No response/not applicable	28	24	28
<b>Totals</b>	<b>85</b>	<b>67</b>	<b>58</b>



**Table E-4y. Tenure and Registration: Respondent's Primary Sub-contracting Enterprise**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Tenure of business premises</b>			
No response	2	3	3
Own premise and land	88	80	89
Own premise, lease land	0	1	2
Rent premise	9	18	24
Intermediary/subcontractor's place	0	0	1
Authorized to use	1	1	0
<b>Totals</b>	<b>100</b>	<b>103</b>	<b>119</b>
<b>Registration of business</b>			
Yes	9	9	7
No	80	76	92
No response/not applicable	11	18	20
<b>Totals</b>	<b>100</b>	<b>103</b>	<b>119</b>

**Table E-4z. Tenure and Registration: Non-primary Own-account Enterprises (All Sectors)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Tenure of business premises</b>			
Owned	10	10	6
Rented	4	4	4
Not owned-authorized use	15	3	4
Not owned-unauthorized use	17	8	5
No response/not applicable	22	17	22
<b>Totals</b>	<b>68</b>	<b>42</b>	<b>41</b>
<b>Registration of business</b>			
Yes	10	7	12
No	36	23	19
No response/not applicable	22	12	10
<b>Totals</b>	<b>68</b>	<b>42</b>	<b>41</b>

**Table E-4aa. Tenure and Registration: Non-primary Own-account Enterprises  
(Manufacturing)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Tenure of business premises</b>			
Owned	4	5	3
Rented	0	3	2
Not owned-authorized use	0	0	1
Not owned-unauthorized use	1	1	1
<b>Totals</b>	<b>5</b>	<b>9</b>	<b>7</b>
<b>Registration of business</b>			
Yes	0	0	4
No	4	5	2
No response/not applicable	1	4	1
<b>Totals</b>	<b>5</b>	<b>9</b>	<b>7</b>

**Table E-4bb. Tenure and Registration: Non-primary Own-account Enterprises (Services)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Tenure of business premises</b>			
Owned	4	1	0
Not owned-authorized use	10	1	3
Not owned-unauthorized use	5	2	1
No response/not applicable	12	11	15
<b>Totals</b>	<b>31</b>	<b>15</b>	<b>19</b>
<b>Registration of business</b>			
Yes	7	4	6
No	15	9	9
No response/not applicable	9	2	4
<b>Totals</b>	<b>31</b>	<b>15</b>	<b>19</b>

**Table E-4cc. Tenure and Registration: Non-primary Own-account Enterprises (Trade)**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Tenure of business premises</b>			
Owned	2	4	3
Rented	4	1	2
Not owned-authorized use	5	2	0
Not owned-unauthorized use	11	5	3
No response/not applicable	10	6	7
<b>Totals</b>	<b>32</b>	<b>18</b>	<b>15</b>
<b>Registration of business</b>			
Yes	3	3	2
No	17	9	8
No response/not applicable	12	6	5
<b>Totals</b>	<b>32</b>	<b>18</b>	<b>15</b>

**Table E-4dd. Tenure and Registration: Non-primary Sub-contracting Enterprises**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Tenure of business premises</b>			
Own premise and land	4	6	0
Rent premise	0	3	3
Intermediary/subcontractor's place	1	1	0
No response	0	1	0
<b>Totals</b>	<b>5</b>	<b>11</b>	<b>3</b>
<b>Registration of business</b>			
Yes	1	2	0
No	1	7	3
Not applicable	3	2	0
<b>Totals</b>	<b>5</b>	<b>11</b>	<b>3</b>

## INDIVIDUAL-LEVEL HYPOTHESES

**Table I-1a. Control Over Resources (Borrowers Only)**

	<b>Decision to take last loan made by:</b>	<b>Decision on use of loan made by:</b>	<b>Decision on use of microenterprise profits made by:</b>
Self	87	67	36
Spouse	18	22	7
Self and spouse	171	150	64
Other	5	5	4
Self and other	11	11	3
No response	8	45	186*
<b>Totals</b>	<b>300</b>	<b>300</b>	<b>300</b>

\* Includes those who did not use the loan for an enterprise.

**Table I-1b. Management of Household Enterprises by Gender**

	<b>Own-account enterprises</b>		
	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
Female	164	148	121
Male	86	59	55
<b>Totals</b>	<b>250</b>	<b>207</b>	<b>176</b>
	<b>Sub-contracting enterprises</b>		
Female	104	114	122
Male	6	17	5
<b>Totals</b>	<b>110</b>	<b>131</b>	<b>127</b>

**Table I-2. Respondent's Contributions, Self-esteem and Respect**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Contributions to household</b>			
Feeds family	258	252	256
Educates family	68	66	57
Contributes to income	200	172	185
Takes decisions	72	51	63
<b>Total number of respondents</b>	300	300	300
<b>Respected by household members?</b>			
Yes	281	280	272
No	10	6	4
Sometimes	6	12	18
No response	3	2	6
<b>Contributions to community</b>			
Helps neighbors	198	198	188
Resolves conflicts	109	90	79
Community demands	8	5	0
Protests	4	2	2
Leadership role	14	2	1
No contribution	78	92	104
<b>Total number of respondents</b>	300	300	300
<b>Respected by community?</b>			
Yes	217	210	218
No	33	36	39
Can't say	22	20	14
No response	28	34	29

**Table I-3a. Personal Savings**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Have savings?</b>			
Yes	89	60	64
No	211	240	236
<b>Type of savings</b>			
Money at home	37	17	20
Savings and credit group	23	27	22
VC's	19	10	9
Chit funded group	2	1	0
Private company	2	1	0
Post office savings	5	4	3
Savings certificate, NSC	0	0	2
Stocks and bonds	9	4	2
Others	8	7	4
<b>Total number of respondents</b>	300	300	300
Mean amount (Rs.)	2,974	2,409	4,280

**Table I-3b. Personal Savings and Insurance through SEWA**

	<b>Borrowers</b>	<b>Savers</b>
<b>Type of savings</b>		
Recurring account	35	15
Savings account	261	288
Bhavi Suraksha account	17	8
Riddhi Siddhi	3	2
Swapna Siddhi	4	0
Fixed deposit	12	1
Pension scheme	0	1
<b>Total number of respondents</b>	300	300
<b>Mean amount of savings (Rs.)</b>	2,342	1,062
<b>Insurance</b>		
Yes	211	27
No	24	273
Not sure	65	0
<b>Type of policy</b>		
Fixed	189	20
Recurring	9	7
No response	102	273

*Note:* Only SEWA members can acquire savings accounts or insurance through SEWA. Therefore, no data are provided for the control group of non-members.

**Table I-4. Ability to Deal with the Future**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Yes, in a good position</b>	272	265	262
<b>Reasons:</b>			
Self-confidence	72	74	71
Economic stability (savings)	128	126	115
Self reliance	33	20	14
Cooperation of family	5	8	5
Could not articulate clearly	17	28	42
No response	17	9	15
<b>No, not in a good position</b>	27	32	36
<b>Reasons:</b>			
No old age security	2	4	7
Poor economic situation	18	13	18
Lack of self-confidence	1	4	2
Could not articulate clearly	6	11	9
No response	1	3	2
<b>Totals</b>	300	300	300



## BASIC DESCRIPTIVE INFORMATION

**Table B-1. Distribution of Sample by Ward**

<b>Ward</b>	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
1. Behrampura	57	57	57
2. Jamalpur	39	39	39
3. Bapunagar	38	38	38
4. Rakhial	21	21	21
5. Asarua	26	26	26
6. Khadia	25	25	25
7. Amraiwadi	25	25	25
8. Saraspur	25	25	25
9. Raikhasd	23	23	23
10. Dudeswar	21	21	21
<b>Totals</b>	<b>300</b>	<b>300</b>	<b>300</b>

**Table B-2. Demographic Profile of Respondents**

	<b>Borrowers</b>	<b>Savers</b>	<b>Non-members</b>
<b>Age</b>			
Young (18-34)	148	188	196
Middle-aged (35-58)	148	104	87
Old (59+)	4	8	17
<b>Totals</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Marital status</b>			
Never married	6	23	23
Married	269	254	243
Divorced	2	3	0
Deserted	2	5	2
Widowed	21	15	32
<b>Totals</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Educational attainment</b>			
Never attended school	124	117	123
Primary class 1-7	131	100	106
Secondary class 8-SSC	30	68	56
Higher secondary class 11-12	11	8	6
College 1-3 years	3	6	5
Post-graduate	1	0	2
Technical training	0	1	1
Literacy program	0	0	1
<b>Religion</b>			
Hindu	221	228	221
Muslim	78	71	78
Other	1	1	1
<b>Totals</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Caste</b>			
General	9	8	19
Scheduled caste/tribe	99	114	107
Other backward caste	12	18	8
Does not know/does not wish to respond	101	88	87
<b>Totals (Hindus only)</b>	<b>221</b>	<b>228</b>	<b>221</b>
<b>Previous residence</b>			
Within Ahmedabad	263	254	249
Different city in Gujarat	9	8	8
Rural areas in Gujarat	18	19	23
Different state	10	19	20
<b>Totals</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Mean household dependency ratio</b>	<b>2.24</b>	<b>2.26</b>	<b>2.37</b>

*Note:* The dependency ratio is defined as the number of people living in household divided by the number economically active household members.

**Table B-3. Distribution of Sample by Monthly per Capita Income Relative to Alternative Poverty Lines**

	<b>Borrower</b>	<b>Saver</b>	<b>Non-member</b>
<b>Poverty line of Rs. 240</b>			
Non-poor	271	257	224
Near-poor	22	35	57
Poor	7	8	19
<b>Totals</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Poverty line of Rs. 300</b>			
Non-poor	248	224	193
Near-poor	39	57	73
Poor	13	19	34
<b>Totals</b>	<b>300</b>	<b>300</b>	<b>300</b>
<b>Poverty line of Rs. 525</b>			
Non-poor	147	97	77
Near-poor	97	117	108
Poor	56	86	115
<b>Totals</b>	<b>300</b>	<b>300</b>	<b>300</b>

*Note:* The non-poor are defined as those whose per capita monthly income is 25% above the poverty line; the near-poor fall between 25% above and 25% below the poverty line. The poor are defined as more than 25% below the poverty line.