

**Centre for Development Studies  
UNIVERSITY OF WALES SWANSEA**

# **From the Margin to the Mainstream Micro-Finance Programmes and Women's Empowerment: The Bangladesh Experience**

**Gita Sabharwal**

**Submitted in partial fulfillment of the requirements for the degree of MSc Econ in  
Development Management of the University of Wales**

## Acknowledgments

This dissertation may not have seen the light of the day without the constant guidance of my tutor, Mary Ann Brocklesby. Her incisive comments helped sharpen the argument and strengthen the structure of the dissertation. I would also like to thank her for going through the several chapter drafts, which at times can be a painful exercise. A special note of thanks to my family and friends, whose constant encouragement was a great support, especially during the research phase of the dissertation. Last but not least, I would like to thank Department for International Development (India) for giving me the opportunity as part of the Indian Professional Officer Scheme (IPOS) to pursue a Master's Programme with the University of Wales, Swansea.

## Summary

In the 1990s, Micro-finance Programmes (MFPs) are being promoted as the single most important mechanism for poverty alleviation and women's empowerment. The positive claims being made about the transformative capacity of MFPs is leading to an increase in funding for such interventions. The minimalist approach, with its focus on financial sustainability, is being propounded as the way forward. This approach subscribed to by most donor agencies and non-government organisations, is resulting in a streamlined focus upon micro-credit delivery, leading to a marginalisation of issues concerning women's empowerment.

In this context, the study examines the nature of women's empowerment promoted by MFPs operating from the minimalist and integrated framework across Bangladesh. It is based on a review of ten research studies carried out in the 1990s.

The study is premised on a multidimensional empowerment framework. It views empowerment as a process having personal, economic, social and political dimensions, with personal empowerment being the 'core' of the empowerment process.

The study establishes that MFPs create empowerment promoting conditions for women to move from positions of marginalisation within household decision-making process and exclusion within the community, to one of greater centrality, inclusion and voice. The social processes of MFPs strengthen women's self-esteem and self-worth, instil a greater sense of awareness of social and political issues, leading to increased mobility and reduced traditional seclusion of women. Most importantly, MFPs enable women to contribute to the household economy, increasing their intra-household bargaining power. However, the study recognises the limitations to the transformative capacities of MFPs, especially those operating from a minimalist framework, as economic empowerment doesn't always lead to a reversal in gender relationships.

The study concludes by advocating for an integrated approach, as this furthers the chances for credit to become an empowering means, by supporting a continuous process of institutional and legal change.

# CONTENTS

## Acknowledgements

## Summary

## Chapter I

From the Margin to the Mainstream: An Introduction to the Study	2	1
1.1 Purpose of the Study	2	
1.2 Methodology	2	
1.3 Limitations of the Study	3	
1.4 Structure of the Study	6	

## Chapter II

Micro-Finance Programmes: Development Theory and Current Debates		8
2.1 Micro-Finance Programmes: The Underlying Rationale	10	
2.2 Development Theory and MFPs: The Long View from the 1950s to the 1990s	13	
2.3 Current Debates on MFPs: Two Divergent Approaches in Perspective	18	

## Chapter III

Women's Empowerment and Development: An Evolving Discourse	26	
3.1 The Personal End of the Empowerment Continuum	27	
3.2 The Political End of the Empowerment Continuum	31	
3.3 Empowerment Theories: A Synthesis	34	

## Chapter IV

Micro-Finance Programmes and Women's Empowerment: The Bangladesh Experience	39	
4.1 Women's Empowerment: An Analysis of the Different Dimensions	40	
4.2 The Empowerment Impact: The Divergent Approaches in Perspective	52	

## Chapter V

Mainstreaming the Empowerment Agenda: The Way Ahead		
---	--	--

54

5.1 Policy Implications of the Study

54

5.2 Conclusions of the Study

58

**Appendix**

60

Micro-Finance Programmes and Gender Impact Assessment: Research Studies in Bangladesh

**Bibliography**

68

# Chapter I

## From the Margin to the Mainstream An Introduction to the Study

During the 1990s, Micro-finance Programmes (MFPs) have emerged as a mainstream development intervention for addressing poverty alleviation and women's empowerment (Dichter, 1999; Wright, 1999; Rahman, 1999; Mayoux, 1998b; Amin *et al.*, 1998; Kabeer, 1998; Johnson and Roglay, 1997; Hulme and Mosley, 1997; Hashemi *et al.*, 1996). These programmes have become a much-favoured intervention among international development agencies, providing a 'new paradigm for thinking about economic and social development' (Mordouch, 1997:1 in Rahman, 1999). There is almost a global consensus that micro-lending to the poor, focusing on achieving equitable and sustainable gains, is the key element for economic and social development in the twenty-first century (Mayoux, 1999b; Micro-Credit Summit, 1997). Some have described this preoccupation with credit as the 'missing piece strategy' to poverty alleviation (McKee, 1989:1003), with Roglay (1996:100) calling it the 'hard-selling of a new anti-poverty formula by the 'micro-finance evangelists.'

Successive evaluations attesting to substantial developmental benefits (Amin *et al.*, 1998; Kabeer, 1998; Hashemi *et al.*, 1996) have over the past decade led to an increase in funding for MFPs, which according to Mayoux (1998b) is likely to further increase. There is no doubt that MFPs have been successful in reaching women, particularly given the challenging socio-cultural conditions in which they live. However, in the context of these programme interventions being increasingly promoted as a mechanism for women's empowerment, it becomes essential to analyse and determine the nature and extent of empowerment promoted by them.

### 1.1 Purpose of the Study

This study aims to examine the nature of women's empowerment promoted by MFPs organised by Non-government Organisations (NGOs) in Bangladesh. The underlying assumption is that participation in MFPs promotes personal, social, economic and political empowerment of women.

The study is anchored on the premise that issues of empowerment and transformation need to be located within the individual subjects' social, cultural and historical context. In other words, it takes cognisance of the way women actively transform their reality within the social constraints of their lives. By doing so, it recognises the plurality of voices and multiple realities that such an exploration leads to. The idea is not to resolve or dissolve the paradoxes, uncertainties and contradictions that emerge from the study, but in fact to recognise the tensions involved in analysing issues relating to women's empowerment.

### 1.2 Methodology

The study is a literature review of the micro-finance sector. It analyses and synthesises the current debates and trends within the sector from a global perspective. It also looks at the theoretical debates on empowerment as propounded by development practitioners and academicians, to facilitate an understanding of the

conceptual frameworks on which different writers have rooted their concept of empowerment.

It assesses the impact of credit on women's empowerment by analysing ten research studies. The details of these research studies are appended. All the studies have a Bangladesh focus and specifically analyse Grameen Bank, Bangladesh Rural Advancement Committee (BRAC) and Thangemara Mahila Sebuji Sangsthan (TMSS), in addition to some smaller and less well-known NGOs. Most of the studies have been carried out in the last five years, with the more recent ones focusing on smaller and less widely known organisations. Grameen Bank and BRAC are the two most widely researched NGOs. This is not surprising as they are pioneers in micro-finance, besides being the largest indigenous NGOs world-wide (Lovell, 1992).

### **1.3 Limitations of the Study**

There are inherent limitations imposed on a desk-based research study relying exclusively on existing literature, which need to be taken into consideration. Most of the research in micro-finance has so far focused on analysing the financial sustainability of programmes and the monetary benefits to the borrowers (Furman and Paxton, 1999; Wright, 1999; Bennett and Cuevas, 1996), referred to as 'first-generation' issues by Goetz and Sen Gupta (1996: 61). Very few 'second-generation' research studies have been carried out to assess the impact of credit on gender relations at the individual, household and community levels (Goetz and Sen Gupta, 1996). The few that have been carried out have a 'Bangladesh bias', as Bangladesh offers the best documented and most varied efforts to reach the poor through financial mechanisms (Sinha, 1998).

Analysing the impact of credit on women's empowerment is a difficult task. The concept of empowerment is itself a multi-dimensional indicator of change, difficult to define, identify or measure. It refers to a variety of attitudes and attributes, which are likely to vary across class, time, and space (Mayoux, 1998a; Hulme, 1998; Schuler *et al.*, 1997; Ackerely, 1995). The social, political and cultural dimensions of empowerment are inherently interconnected, qualitative and subjective, making impact assessment an even more complex and dynamic a task (Hulme, 1998; Goetz and Sen Gupta, 1996).

Apart from the limitations posed by conceptualising empowerment, credit-impact studies also pose problems of proving causality and attribution. It is difficult to attribute an empowered state to credit intervention alone, as there may be other factors in a woman's life contributing to such changes. In fact, most research studies make linear and deterministic linkages between credit interventions and women's empowerment, failing to consider other factors which may have contributed to the empowered state.

The reliance of the second-generation studies on quantitative structured surveys rather than on qualitative participatory research methodologies also proves limiting. As quantitative surveys allow only a partial understanding of empowerment as a subjective process of social change.

In other words, most of these research studies do not explore the issue of empowerment '... from women's own vantage point' (Kabeer, 1998:17). They do not take into account the 'voices,' aspirations and strategies of the women borrowers themselves. In fact, the indicators of empowerment do not necessarily reflect aspects of subordination that women might most seek to change, at the individual, household and community levels (Mayoux, 1998a; Hashemi *et al.*, 1996). The fact that these

indicators of empowerment reflect outsiders' perceptions means that at best they capture only some aspects of women's empowerment.

The ten research studies which form the basis for the analysis of the impact of MFPs on women's empowerment are gender impact assessments. This allows one to examine the trends within the framework of dynamic gender relationships. However, since these studies arrive at contradictory findings, the scope for a conclusive analysis of women's empowerment is limited. Further, they do not always allow for a translation of empirical findings into theoretical formulations.

Furthermore, with the studies varying from using single-dimensional to multi-dimensional indicators of empowerment (Mayoux, 1998a), the scope for comparative and inter-organisational analysis is restricted. In fact, the literature review suggests that all studies making positive claims (Rahman, 1999; Amin *et al.*, 1998; Kabeer, 1998; Osmani, 1998; Schuler *et al.*, 1997; Hashemi *et al.*, 1996; Pitt and Khandker, 1995) tend to use multi-dimensional indicators of empowerment, largely derived from the lived experiences of the subjects. These indicators include: aspects related to women's autonomy, relative access to household resources, control over decision-making, inter-spouse consultation, mobility, political and legal awareness and involvement in political campaigning and protests.

Critics highlighting the limitations of the transformative capacities of MFPs conceptualise empowerment using single-dimensional indicators, such as 'accounting knowledge' (Ackerly, 1995), 'managerial control' (Goetz and Sen Gupta, 1996), and 'cash management' (Montgomery *et al.*, 1996). Here, a multidimensional process of change is reduced to a single aspect of a process or outcome, which ignores other significant and valued changes through which credit to women can translate into positive impacts (Kabeer, 1998). In other words, they provide an incomplete perspective on the process of women's empowerment.

#### **1.4 Structure of the Study**

For an analysis of the impact of MFPs on women's empowerment, it is useful to understand the current issues linked to MFPs. These are discussed in the second chapter, which also establishes a working definition of micro-finance. It examines the rationale underlying MFPs and analyses how these programmes have been positioned within the development discourse. It places the current debates and trends in perspective by examining specifically the impact of neo-liberal and empowerment ideologies on credit delivery mechanisms.

Chapter three analyses the issue of empowerment as propounded by development practitioners and academicians. It establishes the empowerment framework for the study and looks at mechanisms for promoting empowerment within development practice.

Based on the conceptual understanding established in chapter three, the fourth chapter examines women's empowerment promoted by MFPs. It critically explores the nature of personal, social, economic and political empowerment promoted by MFPs operating from the minimalist and integrated approaches. In the context of a holistic understanding of women's empowerment, this chapter concludes by placing in perspective the empowerment impacts of MFPs.

The fifth chapter is a summary of the findings of the study and concludes by proposing strategies for strengthening women's empowerment within MFPs.



## Chapter II

### Micro-Finance Programmes Development Theory and Current Debates

Micro-finance can be described as ‘the provision of financial services dealing with very small deposits and loans’ (Bastelaer, 1999:6). As a concept it emerged in the early 1990s with the recognition that poor people needed a wide range of financial services, covering credit, savings, insurance and money transfers (Rutherford, 2000; Robinson, 1996). These services have traditionally been provided by informal or indigenous financial institutions, with formal financial institutions having emerged as an alternative in more recent times (Rutherford, 2000).

For this study, there is a need to deconstruct the concept of micro-finance and examine the rationale on which these programmes are premised. However, it is instructive to first examine the informal financial systems and the principles on which they are based in greater detail. This assumes importance in view of the fact that Micro-finance Programmes (MFPs) recognise the contribution that these informal systems make towards meeting local credit needs. In fact, in recent years MFPs have gone on to incorporate some of the principles of informal financial systems into their own practice. In this sense, MFPs are seen as embedded within informal systems besides being an alternative in themselves (Sinha and Matin, 1998; Johnson and Rogaly, 1997; Bouman, 1995; Hilhorst and Oppenorth, 1992; McKee, 1989).

Traditional finance systems have long histories and countless variations. In fact, in most countries they continue to flourish despite the emergence of formal finance systems (Rutherford, 2000; Ardener and Burman, 1995; Christesen, 1993). Broadly, these can be seen as ranging from traditional institutions such as Rotating Savings and Credit Associations (ROSCAs), local money lending and self-finance from relatives and friends, to more formal sources of credit such as trade credit and group-based MFPs promoted by Non-government Organisations (NGOs) (Bastelaer, 1999; Johnson and Rogaly 1997).

ROSCAs<sup>1</sup> are indigenous user-owned institutions which form part of a wider network of reciprocal relationships and social obligations (Rutherford, 2000; Ardener and Burman, 1995; Bouman, 1995). They are defined as ‘an association formed upon a core of participants who make regular contributions to a fund which is given in whole or in part to each contributor in turn’ (Ardener and Burman, 1995:1). While ROSCAs take different forms, most are organised as insurance funds and are managed by community members. In this sense they operate on the principle of self-help and are described as ‘the world’s most efficient and cheapest financial intermediary device’ (Rutherford, 2000: 32).

Perhaps the most common source of informal finance is loans from family and friends, characterised by uncollateralised credit that carries little or no interest. These are typically small loans, with open-ended repayment arrangements and a strong focus on reciprocity. They are usually intended to meet the consumption and contingency needs of households, rather than to build investment capability.

---

<sup>1</sup> Many developing countries have set up ROSCAs, which go by different names. They are known as *chit funds* in India, *kye* in Korea, *partners* in Jamaica, *susu* in Ghana, *njangi* in Cameroon, *tontine* in Senegal, *cheetu* in Sri Lanka, *arisan* in Indonesia and *pasanaku* in Bolivia (Ardener and Burman, 1995; Bastelaer, 1999).

A commercial variation of such loans is the traditional moneylender. Moneylenders directly draw on traditional patron-client relationships or a set of hierarchical social interactions that are reminiscent of the vertical dimensions of Coleman's (1990) definition of social capital. These relationships are exploitative in nature, as interest rates are set in such a way that full repayment is unlikely (Bastelaer, 1999; Johnson and Roglay, 1997).

Apart from self-finance, in many countries trade credit is the only other source of operational funds for small and medium enterprises. Personal relationships between the purchaser and the supplier, as well as the links that arise from a shared ethnic background, are critical elements for the extension of trade credit.

These informal sources have played a vital role in meeting the financial, social and safety net needs of the poor in urban and rural areas. Their services are easily accessible, flexible and responsive to clients' specific needs. Furthermore, they have the major advantage of being able to meet the credit needs of the poor more efficiently, as they can handle small sums of money without complex procedures or documentation. The literature review suggests that their continued success can be attributed to their operation through existing social networks and accepted norms and values, i.e. the notion of social capital within which they are embedded (Mayoux, 1999a).

## **2.1 Micro-finance Programmes: The Underlying Rationale**

MFPs operate on the principle of group-based lending, commonly referred to as 'solidarity groups' (Reinke, 1998). They consist of self-selected, small and homogeneous borrower groups, jointly liable for loans, with varying degrees of participation in programme management. Joint responsibility and liability for loans enhance accountability and result in a higher rate of repayment than the standard bilateral loan agreements of formal financial systems. Credit disbursement is organised on the principle of 'social collateral,' where borrowers' reputation or the social networks to which they belong take the place of traditional physical or financial collateral (Bastelaer, 1999).

In this sense, MFPs operate through existing stocks of social capital. The group processes strengthen existing social relations, institutions and shared values and in the process create an environment supportive for the emergence of fresh social capital (Narayan, 2000; Mayoux, 1999a; Bastelaer, 1999). They transform 'beneficiaries' into 'clients' through the development and enforcement of contracts between lenders and borrowers and by supporting the ownership and control of resources by the poorest. Some writers have argued that these programmes have resulted in a shift from transferring resources to the poor to emphasising building sustainable institutions (Edgcomb and Barton, 1998). Despite this, almost all group-based MFPs incorporate some form of social intermediation<sup>2</sup>, an important factor for promoting sustainable development (Bennett and Goldberg, 1993).

---

<sup>2</sup> Social intermediation is the process in which investments are made in the development of human resources and institutional capital, with the aim of increasing the self-reliance of marginalised groups and preparing them to engage in formal financial intermediation (Bennett, 1992; Edgcomb and Barton, 1998).

Group-based credit programmes promoted by NGOs allow poor people access to financial services that they have historically been denied. In this sense, they address the market failures of formal financial institutions (Khandker, 1998; Mayoux, 1998b; Wood and Sharif, 1997). MFPs by extending loans for production, support a virtuous cycle of investment, savings and further investments. In fact, credit is seen as a mechanism for generating self-employment opportunities for the poor and/or improving the productivity of existing enterprises, referred to as the 'promotional' strategy by Hulme and Mosley (1996:106). This leads to economic empowerment, which is assumed to promote a 'virtuous spiral' of broader social and political change by women (Mayoux, 1998b, 1999b; Ebdon, 1995). By making consumption credit available during periods of cyclical or unexpected crisis, MFPs also play a social protection role (Edgcomb and Barton, 1998:1; Hulme and Mosley, 1996:106). Whether they are instruments to tackle market failures or to reduce poverty, MFPs practice financial and social intermediation for their targeted clientele.

Further, the group-based approach has been recognised as having the capacity to empower the most vulnerable and marginalised, especially women, by creating a community-based structure that builds mutual support and trust. Such an approach allows for greater economic and social integration for the marginalised section of society, thereby directly addressing issues of vulnerability.

In the 1990s, MFPs have become a symbol of institutional pluralism, as it is believed that no single type of institution is capable of meeting the credit needs of all the poor (Seibel and Parhusip, 1998; Bennett and Cuevas, 1996; Bouman, 1995). In fact, they have expanded rapidly, as unlike formal financial services, they have demonstrated their ability to meet the credit needs of a large number of poor people. They are believed to be a more efficient and potentially self-reliant alternative to mainstream credit delivery systems, which primarily includes lending programmes aimed at individual borrowers (Mayoux, 1998b).

However, group-based models are not without their limitations. Some researchers have recently questioned the extent to which these programmes live up to the rhetoric that surrounds them. Questions have been raised regarding the extent of outreach, the limits of their ability to enforce repayments and the intensity of empowerment effects. Reinke (1998) has questioned the efficiency of their lending schemes by arguing that the cost implications of the reliance on social capital and solidarity are substantial even for poor people, as solidarity does not come free. Further, Mayoux (1999a:11-14), using data from Cameroon, suggests that these models risk increased inequalities between different groups through social exclusion of the poorest and most disadvantaged.

One set of observers (Seibel and Parhusip, 1998; Chaves and Gonzalez-Vega, 1996) have also compared group-based models with individual programs of formal financial services for linking the poor through financial intermediation. They believe that well-designed individual programs, which include intensive loan collection, savings and insurance facilities and incentives to repay may be an efficient and effective alternative, as exemplified by the Bank Rakyat, Indonesia (Hulme and Mosley, 1996).

## **2.2 Development Theory and MFPs: The Long View from the 1950s to the 1990s**

It is useful to examine the evolution of MFPs and understand the manner in which their practices have been influenced by development theory. It is possible to pick out distinct development periods, with each period characterised by a

predominant discourse and understanding of development and social transformation. As the conceptualisation of development has evolved over the decades, development programmes such as MFPs have also undergone their own transformation.

In the 1950s, development was conceptualised in terms of economic growth models. These models were based on the notion of capital investment, which was seen as a necessary prerequisite for increasing incomes and growth (Rondinelli, 1990; Bryant and White, 1982). During this period, development finance institutions and related government programmes made available subsidised sectorally and socially targeted loans, at the macro and micro levels (Adams and Von Pischke, 1992). The key assumption was that poor people were too poor to pay market interest rates and generate appreciable savings. It was thus argued that subsidised credit was important to increase capital accumulation and income of specific target groups, which would result in reducing income inequalities.

By the 1960s and 1970s, redistribution with growth and the basic needs approach emerged as alternative development discourses. These approaches aimed at removing the structural barriers for promoting rapid economic growth. Targeted poverty alleviation became central to the development strategy, with the idea of reaching the poorest and the most disadvantaged. However, development planning and implementation continued to be seen as functions of the state, based on top-down systems, involving very little participation of the target groups (Rondinelli, 1990; Bryant and White, 1982).

In the 1970s, development policy began to be influenced by the Women in Development (WID) discourse, which advocated the welfare and anti-poverty approaches.<sup>3</sup> These suggested mainstreaming women into development by integrating them into the global processes of economic, political and social change. Women's development was conceptualised as addressing issues of women's inequality, rather than involving a fundamental reassessment of gender relations and ideology (Marchand and Parpart, 1995; Moser, 1993; Ostergaard, 1992; Tinker, 1990). Conceptually it was based on the premise that integration of women into economic processes would lead to more equal gender relations. This approach led to credit programmes targeting women as a means to incorporate them into the development process, reflecting little concern for issues related to women's empowerment.

Despite the changes taking place within the development discourse, credit programmes continued to be based on the concept of making available subsidised credit to the poor, including women. Though credit programmes of this period better reflected the needs of the target group, the experience of credit provision was generally disappointing. Subsidised credit often failed to reach the intended target groups, with the better endowed and powerful sections of the population appropriating a disproportionately large share of the benefits (Paul and Subramanian, 1983). The small volumes of credit that directly accrued to individuals did not justify the relatively high costs of running these programmes. They were also characterised by low repayment rates, with frequent and widespread defaults.

By the 1980s, the recognition of widening inequality and persistent poverty led to the emergence of neo-liberal and empowerment ideologies informing the

---

<sup>3</sup> Buvic (1983) categorised three policy approaches towards women: 'welfare,' 'equity' and 'anti-poverty,' with Moser (1993) adding the 'efficiency' and 'empowerment' approaches. It should be noted that these are academic constructs, and projects often have elements of all approaches.

development debate (Rondinelli, 1990; Bryant and White, 1982). Though these ideologies tend to be associated with specific approaches, methodologies and understanding of the issues of social transformation, they are not mutually exclusive in nature. In development practice there tends to be a considerable degree of conceptual overlap, though each in its own way has contributed towards the empowerment debate.

In the following paragraphs, I will examine the neo-liberal ideology, and the empowerment perspective it subscribes to, from the perspective of MFPs. An in-depth discussion of the empowerment ideology will be taken up in the following chapter, though it is useful to briefly outline the core concept on which it is based. The empowerment approach is premised on an understanding of social change that is transformational rather than transactional in nature. Its ideology is informed by post-modernist thought (Marchand and Parpart, 1995; Booth, 1994; Schuurman, 1993; Cernea, 1991) which rejects reductionist, essentialist and economist explanations in favour of holistic and organic models, termed the 'both and' approach by Uphoff (1996:280-89). MFPs based on this ideology operate from an integrated approach, where financial and social intermediation are seen as endogenous to programme delivery (Mayoux, 1998b, 1999b).

The neo-liberal ideology with its 'efficiency' agenda is subscribed to by most multilateral and bilateral agencies (Clark, 1991). It has generated a movement away from state-centred thinking, with the market and members of the civil society, including NGOs, being seen as efficient and cost-effective channels to provide services. It needs to be mentioned that in today's world, neo-liberal ideology has moved from the concept of complete rolling back of the state, to the position of the state playing more of a regulatory function by creating an enabling environment for economic growth through conducive policies. This has resulted in what Midgley (1995:175) refers to as 'managed pluralism'.

The neo-liberal agenda is subscribed to by liberal feminists, with the gender policy approaches of 'equity' and 'efficiency' addressing women's practical needs and strategic gender interests (Marchand and Parpart, 1995; Moser, 1993). In this framework, empowerment is conceptualised as a means to an end and, as pointed out by Young (1993), viewed mainly as supporting entrepreneurial self-reliance. It assumes that women are aware of all their options and the potential consequences and, consequently, are sufficiently informed to make their own decisions (Dichter, 1999; Mayoux, 1998a). Herein the focus of empowerment is to promote the financial sustainability of programmes by encouraging individuals to contribute towards project costs.

From this perspective, credit represents a means for economic empowerment. It enhances women's self-confidence and status within the family by making them independent producers and providers of a valuable cash resource to the household economy. Credit is seen as a critical input for increasing women's employment in small-scale enterprises. It is also expected to encourage the adoption of improved technology to increase the productivity of women's homestead-based, income-generating and expenditure-saving work (Goetz and Sen Gupta, 1996). Thus, women's empowerment is assumed to be an automatic outcome of micro-finance interventions, with a series of 'virtuous spirals' of economic empowerment leading to increased well-being for women (Mayoux, 1998b, 1999b; Tinker, 1990). MFPs based on this perspective tend to operate from the financial self-sustainability paradigm, termed as the minimalist approach (Mayoux, 1998b, 1999b).

### 2.3 Current Debates on MFPs: Two Divergent Approaches in Perspective

Current debates within the field of micro-finance continue to draw on the development discourse of the neo-liberal and empowerment ideologies and the minimalist and integrated approaches that they respectively promote. It is instructive to examine these approaches in greater detail from the perspective of development practice and the manner in which they impact upon poverty reduction and women's empowerment.

Historically, NGO credit programmes were part of a larger developmental initiative and were linked to income generation. Over the past decade there is an undeniable trend for NGOs to get on to the micro-finance bandwagon and move towards minimalism, while balancing sustainability and outreach (Dichter, 1999). This trend is referred to as the 'new wave' by Wood and Sharif (1997:31). The new wave has also introduced the concept of 'new institutions,' which create alternative financial systems to the formal ones, referred to as the parallel systems approach (Edgcomb and Barton, 1998).

MFPs operating on the minimalist model of poverty alleviation are concerned with setting up viable, financially sustainable credit delivery mechanisms. Herein the delivery of micro-credit enables the programme to meet the operational costs of the intervention. Client participation tends to take the form of mobilisation of client skills and resources to reduce lenders' transaction and information costs (Wood and Sharif, 1997). The control and management of programme delivery remains with the micro-finance institution, with a progressive movement towards diversification of financial operations.

This approach emphasises, often exclusively, on credit access, which it sees as the 'missing piece' for poverty alleviation. It assumes that credit access can unlock new economic activity and lead to income growth and employment, resulting in women's empowerment (Wright, 1999; McKee, 1989). It thus withdraws from a broader political economy analysis of poverty into a narrower economic version, based on people's financial liquidity. Herein women's empowerment is essentially conceptualised in individual economic terms, with the ultimate aim being the expansion of individual choices and capacities for self-reliance (Mayoux, 1998b,1999b; Ebdon, 1995).

One of the overriding concerns of the minimalist approach is the financial sustainability of the MFP or institution. In fact, to increase their chances of financial sustainability, NGOs streamline their activities and lower their social intermediation costs by seriously cutting back complementary services (Mayoux, 1999b; Dichter, 1999; Johnson and Roglay, 1997; Bennett and Cuevas, 1996). Wood and Sharif (1997: 371) see this as '... pushing for a stripping away of NGOs multidimensional strategies in favour of a more streamlined focus upon micro-credit delivery.' Such an approach has resulted in the dilution of participatory, empowerment and institution-building objectives, with MFPs being converted into efficient credit delivery mechanisms.

Several authors (McNamara and Morse, 1998; Hulme and Mosley, 1996; Hashemi *et al.*, 1996; Ebdon, 1995; Lovell, 1992) have noted that most MFPs, as exemplified by Bangladesh Rural Advancement Committee (BRAC) are seen as progressively moving towards the minimalist agenda in their operations. They appear to be spending less time in social intermediation, group mobilisation and

conscientisation, leading to a diversion of organisational priorities away from the development of 'others' (i.e., women), to the development of 'selves' (i.e., the institution). For example, BRAC has reduced its original social mobilisation agenda from a one-year induction period, with literacy training, to two months of awareness raising and functional education (Goetz and Sen Gupta, 1996:56).

One of the many outcomes of the minimalist approach in MFP efforts to be financially sustainable has been an unprecedented scaling-up<sup>4</sup> and expansion (Uvin, 1995), by increasing the outreach and access of credit programmes. A study of BRAC shows that over the years the need to scale-up has become more important than social intermediation and group formation, thereby undercutting the very basis of sustainable financial institutions (Montgomery *et al.*, 1996). This has led MFPs to focus on the credit worthiness of borrowers, resulting in graduating away from their original target group, i.e., the core poor, towards the middle-income and upper-poor groups (Roglay, 1998; Hulme and Mosley, 1996).

Studies across Grameen Bank and BRAC suggests that this concern has at times resulted in '...assessing the credit-worthiness of the husbands of women borrowers, with women being treated as mere conduits for credit to the household' (Goetz and Sen Gupta, 1996:52). Matin (1998:51) and Zaman (1998:66) refer to this as 'mistargeting.' However, it is believed that if mistargeting is well managed, it provides a potential for organisations to cross-subsidise services to poorer users through the profits on services to better-off users.

This focus on financial sustainability has led bank workers and peer group members to exert intense pressure on borrowers for timely repayments, rather than working to raise collective responsibility and borrower empowerment. The case of BRAC women pulling down a member's house because she was unable to pay her housing loan on time, is a reflection of the priorities that groups begin to adopt under pressure for timely repayments (Montgomery *et al.*, 1996:154). There is also evidence to suggest that this may lead many borrowers to maintain their regular repayment schedule through a process of loan recycling and cross-financing, without having the ability to repay and in the process increasing their liability (Amin *et al.*, 1998:68).

Expansion strategies have also been the cause of a new and growing trend of NGO encroachment and competition. This has had negative consequences at the grassroots, especially in the case of Grameen Bank and BRAC (Ebdon, 1995). Competitive behaviour is further perpetuated by internal incentive systems that centre on the achievement of prescribed loan disbursement targets (Montgomery *et al.*, 1996). Research has pointed out that these trends negatively affect the empowerment objectives of MFPs by diluting the participatory approach.

A number of development practitioners and academicians (Schmidt and Zeitinger, 1996; Bouman, 1995; McKee, 1989) have raised the issue of the assumed 'natural fit' between NGOs and micro-finance and the promise of poverty alleviation and empowerment through them. They suggest that NGOs may simply not be the right kind of institution to provide financial services, as they are better suited for the role of social intermediation in support of micro-finance. Such debates have led more recently to donor agencies exploring partnerships with existing state or quasi-state agencies. However, it needs to be recognised that there is no single institutional solution to the problems of financial exclusion and marginalisation.

---

<sup>4</sup> Uvin (1995: 928) in his typology describes scaling-up in terms of structures (i.e. quantitative), programmes (i.e. functional), strategies (i.e. political) and resource base (i.e. organisation).

In contrast to the minimalist approach, the integrated approach, referred to as the 'credit-plus approach' (Johnson and Roglay, 1997:118) is grounded within the empowerment framework and attempts to deal with the structural causes of poverty through micro-finance delivery. It is a comprehensive approach aimed at providing a long-term integrated support package, in which loans are combined with social mobilisation, participation, training and education, so as to maximise the income, opportunities and empowerment impacts (McKee, 1989). In other words, it incorporates financial and social development issues under its mandate. Within this framework micro-finance services are a means of responding to its constituencies' demands based on an increased understanding of their livelihood constraints.

Based on a broader, less linear conception of poverty, this approach goes beyond merely increasing income/consumption measures to increasing capacities and choices, and thereby decreases the vulnerability of poor people. It focuses on protection strategies: income levels are conceptualised as fluctuating above and below the poverty line, and credit is a method to reduce dramatic decreases in income (Hulme and Mosley, 1996). Unlike the minimalist approach, credit is seen as only one of the 'missing pieces.' MFPs following this approach usually move on to addressing more complex and comprehensive strategies over time (Wright, 1999; McKee, 1989).

This approach believes that important interventions at the micro level, such as micro-finance, need to be supported by macroeconomic policies and broad social investments to create an enabling environment for the poverty eradication process (World Development Report, 1996). Here, MFPs are not viewed as a panacea in themselves, as poverty eradication is dependent on wider economic, social and political changes, which are well beyond the reach of financial intermediation.

The integrated approach advocates the building of linkages between the organised poor and existing mainstream banks or other formal financial institutions, rather than setting up parallel systems for service delivery. It takes the view that NGOs need to become 'promoters' of financial services, by helping the poor to set up financial services managed and owned by communities, as against becoming 'providers,' selling financial products to the poor. However, this role of mainstreaming is more useful in countries, such as India, where financial structures are well-developed (Dichter, 1999; Edgcomb and Barton, 1998; Johnson and Roglay, 1997).

Debate and discussion are presently focused around the appropriateness of the two approaches as the key tool for poverty reduction and empowerment (Kidder, 1997; Hulme and Mosley, 1996). Several observers (Dichter, 1999; Mayoux, 1998b; Pearson, 1998; Johnson, 1998b; Wood and Sharif, 1997; Adams and Von Pischke, 1992) have questioned the current donor and NGO emphasis on the minimalist approach in their poverty reduction strategies. They believe that the approach is too narrow, as it does not take into account the interlocking dimensions of powerlessness and the societal, political and economic constraints that poor people face (Chambers, 1983). These debates have stressed the fact that the dynamics of social and economic processes are highly differentiated, and that the patterns of exclusion produced cut across gender, ethnicity, race, age and family responsibilities and vary greatly in terms of intra-national and intra-regional locations. They believe that credit plays a facilitating and not a leading role in the process of economic development.

Another argument is that there will always be target groups and areas which are not profitable markets but which, for social and economic reasons, will have to be served. Social inclusion demands investments in social intermediation, which will

need to be provided for rather than sustained through profits generated through micro-finance operations (Johnson, 1998b; Kidder, 1997). In other words, it is argued that the minimalist model in particular provides less space for empowerment of women.

On the other hand, Hulme and Mosley (1996:135) tend to support the 'new wave' view, attaching the rider that '...as long as it is properly administered....' Credit, they argue, is the only development strategy that places a tangible capital asset in the hands of the poor. They concur with Michael Lipton (in Greeley, 1997:57) that 'you must be before you well be.' Though they simultaneously hope that '...this new wave will spread and lead to the second wave of institutional innovation and experimentation to deepen the downward reach of financial services' (135).

At the dawn of the twenty-first century, the micro-finance industry finds itself at cross-roads. The influence of neo-liberal ideology is leading to the domination of the minimalist approach in MFP delivery as evident in the Micro-Credit Summit (1997). Although this approach promotes financially sustainable credit delivery mechanisms and efficient institutions, it also results in a marginalisation of issues linked to women's empowerment. With empowerment concerns gaining wider acceptance and becoming the goal of development programmes (Craig and Mayo, 1995; Eade and Williams, 1995), one needs to understand how this movement towards minimalism can explicitly support and promote issue of women's empowerment in the future.

## Chapter III

### Women's Empowerment and Development An Evolving Discourse

Empowerment is central to the issues of equality, liberation and justice, with the concept of power being fundamental to its understanding. The concept of empowerment is used in many ways and in a wide range of contexts, and is applied by organisations of differing world views and political persuasions. There has been increasing global recognition of the vital importance of empowerment in developing responses to underdevelopment and the increasing poverty (Craig and Mayo, 1995). Commonly, empowerment is described as 'a process whereby women become able to organise themselves to increase their own self-reliance, to assert their independent right to make choices and to control resources which will assist in challenging and eliminating their own subordination' (Rowlands, 1997:17).

It is important to deconstruct the concept of empowerment by examining the varying perspectives of development practitioners and academicians. This will highlight the inter-related dimensions of empowerment and the mechanisms that development practice advocates for its promotion.

Empowerment has been conceptualised differently by different writers. However, for all of them the goal of the empowerment process is to address issues relating to women's subordination, inequality and inequity. Furthermore, women's empowerment is seen as entailing a shift from positions of powerlessness towards strategic social, economic and political participation. This implies taking on power both at the individual and social levels (Kabeer, 1994, 1999; Nelson and Wright, 1995; Moser, 1993; Friedmann, 1992).

All the conceptualisations of empowerment emphasise four main dimensions: individual or personal, economic, collective/social group and political. Most see the empowerment process as addressing a combination of these dimensions and affecting different domains: household, community, national and international. These views of empowerment are grounded within different concepts of power, the root concept within which empowerment is located, leading to different mechanisms for social change and transformation. They can broadly be organised along a continuum, with personal and political empowerment forming the two ends.

#### 3.1 The Personal End of the Empowerment Continuum

Empowerment as conceptualised by Moser (1993), Kabeer (1994), Batliwala (1994) and Rowlands (1997) can broadly be categorised as coming from the individual end of the continuum. Here empowerment is located within the notions of 'power-within,' 'power-with' and 'power-to'<sup>5</sup> which conceptualise power in variable-sum terms. From this perspective, the total amount of power in society is seen as variable and residing with members of society as a whole. In fact, it is seen as involving the capacity and the right to act, termed as 'legitimate capacity' by Parson (in Hindess, 1996). Based on this concept, empowerment can be achieved within the existing social order

---

<sup>5</sup> Rowlands (1997) identified four different forms that power can take. 'Power over' is controlling power; 'power to' is generative or productive power creating new possibilities and actions without domination; 'power with' is relational and exists only in its exercise; 'power within' is seen in terms of self-reliance and self-esteem.

without any significant negative effects upon the power of the powerful. Once empowered, they can share in the fruits of development, become agents of their own development and in the process achieving self-reliance (Craig and Mayo 1995).

Empowerment is defined by Moser (1989:1815) as '...the capacity of women to increase their own self-reliance and internal strength. This is identified as the right to determine choices in life and to influence the direction of change, through the ability to gain control over material and non-material resources.' This concept of empowerment as propounded by Moser (1993) is focused on the individual, with control over resources seen as the central means for redistribution of power. It is similar to one of the empowerment dimensions described by Oakley *et al.* (1997:18-19), 'power as a result of increasing access to economic resources, such as credit inputs.'

Though economic empowerment is recognised by Moser as crucial for addressing issues of gender inequality, it is not seen as a sufficient condition in itself. She argues that self-esteem and a sense of self-confidence also play important roles in women's potential to mobilise external strengths for bringing about fundamental changes. In addition, internal constraints such as women's health and education are critical for meeting the long-term goal of emancipation. Furthermore, her concept of empowerment is premised on addressing women's strategic interests, which lead to transforming the structures of subordination at the family, civil society, state and global levels, through collective action.

For Kabeer (1999:435) empowerment is '...the process by which those who have been denied the ability to make strategic life choices acquire such an ability.' She argues that 'for women to improve their ability to control resources, to determine agendas and make decisions, empowerment strategies must build on the 'power-within' as a necessary adjunct' (1994:229). Power from within needs experiential recognition and an analysis of issues related to women's subordination and how it is maintained. Analysis and reflection are seen as critical for the emergence of new forms of consciousness. This idea builds on the concept 'critical consciousness' put forward by Friere (1972), where the process of empowerment is necessarily underlined by an educational process.

Kabeer (1994, 1999) emphasises the importance of self-respect and a sense of agency in the empowerment process. Empowerment is seen as more than just participating in decision making, it also includes the processes that lead women to perceive themselves as able and entitled to make decisions, what Sen (1990) refers to as a change in the self-perception of women. In this sense, the empowerment process must involve undoing negative social construction, so that women come to see themselves as having the capacity and the right to act and influence decisions. Even though Kabeer (1994) views the process as involving transformation at a personal level, she suggests that collective action is important for ensuring social and political empowerment. She stresses the need for the empowerment process to result in policy changes across state and market institutions which shape and constrain women's lives.

Empowerment strategies, according to Batliwala, should build on collective processes, which are crucial for personal empowerment. She (1994) describes empowerment 'as the exercise of informed choice within an expanding framework of information, knowledge, analysis and process, which enables women to discover new possibilities and new options' (in Rowlands, 1997:23-25). The empowerment process as propounded by her involves building awareness and raising critical consciousness

through dialogue within organised women's collectives. Through this process women become aware of their own interests and how these relate to the interests of others, which enables them to participate in and influence decision making processes.

Personal empowerment for Rowlands (1997) is key to the entire empowerment process, and involves fundamental psychological and psychosocial processes and changes. She views empowerment processes as dynamic, aimed at finding 'more spaces for control' and encompassing changes at the personal, relational and collective levels. At the personal level these processes involve developing confidence and abilities, while undoing the effects of internalised oppression. Her understanding of personal empowerment is based on the concept of 'power-within.' It sees women as confronting gender conditioning and their own internalised oppression, and re-negotiating their roles within the household. Oakley *et al.* (1997:18) refers to this as 'the power through greater confidence in one's ability to successfully undertake some form of action.'

Empowerment within close relationships is associated with, and to a large extent dependent upon, self-confidence, self-esteem and a sense of agency. According to Rowlands, this is not an invariable consequence of personal empowerment, though personal empowerment is a necessary precondition for negotiating and influencing close relationships. In many respects, altering close relationships seems to be the most difficult area of change for women. Oakley *et al.* (1997:18) goes beyond close relationships and views empowerment as 'power in terms of increasing relations which people establish with other organisations.' Rowlands refers to this as collective empowerment which is closely related to personal empowerment, since without the latter it is very hard for the individual to be active at the collective level. There is also a circular relationship, with participation in the group, feeding the process of personal empowerment and vice versa.

The three levels of empowerment mentioned by Rowlands are closely interlinked, with changes in one dimension encouraging changes across others. She conceptualises the process of empowerment as the expansion of 'power- within' and 'power-to' to the point where women can tackle 'power-over.' With empowerment of women being a gender issue, there is a need to tackle the corresponding tasks with men that will open up the possibility of change in gender relations. This, according to her is critical, as women may become personally empowered in many ways and still continue to take full responsibility for domestic duties, including child care. For Rowlands the transformatory process requires an appropriate methodology, and can only be promoted through an organisational structure and change agents.

### **3.2 The Political End of the Empowerment Continuum**

In their respective conceptualisations of empowerment, Price (1992), Friedmann (1992), Johnson (1992) and Young (1993) can be categorised as leaning towards the political end of the continuum. Here the notion of empowerment signifies 'power-over,' which conceptualises power in zero-sum terms. It is seen as a 'capacity to act' and is conceived as a quantitative phenomenon that is used as an instrument for domination (Rowlands, 1997; Hindess, 1996; Elshtain, 1992). Increasing the power of one group implies, by definition, decreasing the power of others. Such a concept of power involves relationships between those who have more of it and those who have less. Empowerment becomes problematic as it involves gains, which would necessarily have to be achieved from the powerful and negotiated as part of wider strategies for

social reform. In other words, the empowerment of women is seen as inherently threatening, as it will be at the expense of men.

For Price (1992), empowerment goals go beyond personal change and growth to increasing awareness of political power and participation in political institutions. Influencing systems and structures at the macro level are seen as critical goals of the empowerment process. This view shifts the emphasis from women's economic independence through increased income and greater individual self-reliance to encouraging women in power and decision-making positions at the global, national and local levels.

Women's empowerment according to Johnson (1992 in Rowlands, 1997:18) involves 'gaining voice, having mobility and establishing a public presence'. She associates empowerment with collective public action that challenges existing power structures and identifies different development priorities. Although women can empower themselves by obtaining some control over different aspects of their daily lives, empowerment necessarily involves gaining some control over power structures and changing them. Johnson's conceptualisation emphasises individual and political empowerment, with the former not necessarily seen as leading to the latter. This makes concerted, planned and strategic effort to increase the effective participation of women in the political arena imperative.

The theory of 'alternative development' propounded by Friedmann (1992:32-34) is premised on the concept of empowerment, which emerges from within cultures, endogenous to the political and social context of society. He distinguishes between three kinds of power: social, political and psychological, with the last often a result of successful action in the former two. Social power is understood as information, knowledge and skills, which enhance the bases of household production and promotes political power. Political power, which is seen as a mechanism for affecting policy changes at the macro and micro levels, can be brought about by the power of 'voice' and collective action. While psychological power is seen in terms of self-reliance and increased self-esteem, similar to the notion of 'power within'.

For him, empowerment implies social power being translated into political power, which leads women to making political claims, resulting in legal and institutional changes. The process of claim making is strengthened through social networking, which reinforces the processes of social, psychological and political empowerment. However, he argues that practical claims can be used as an effective entry point for initiating strategic or political claims.

For Young (1993: 159), empowerment allows women 'to take control of their own lives, to set their own agendas, to organise to help each other and make demands on the state for support and on society itself for change.' It implies the radical alteration of the processes and structures which reproduce women's subordinate position as a gender. In other words, empowerment is premised on a 'transformatory potential' relating to the '...need to transform women's position in such a way that the advance will be sustained'. Simultaneously '... each step taken in the direction of gaining greater control over their lives, will throw up other needs, other contradictions to be resolved in turn...' (1993:157). Consequently, affecting significant changes in women's power within society requires women to identify allies and forge alliances when needed. She thus takes the concept of empowerment beyond the individual to the broader political arena, while emphasising the importance of collective action for individual empowerment.

### 3.3 Empowerment Theories: A Synthesis

These two perspectives on empowerment are broadly based on different conceptual frameworks, which lead to divergent approaches, emphasising alternative mechanisms for women's empowerment. They are similar in that they both emphasise the 'action' element of empowerment and link it to the transformation of social relations leading to a positive change in the situation of women. However, at the level of development practice, beyond the central focus and the common goal of addressing issues of women's subordination, there is no methodological consensus between the two approaches.

For writers from the personal end of the continuum, individual empowerment is the 'core' that opens the 'lock' on other dimensions of empowerment. Although they tend to focus on strengthening women's economic independence through increased income and greater individual self-reliance, they recognise the multiple roles and interests that women have and the interrelationships among these. This school of thought is essentially concerned with analysing and addressing the dynamics of oppression and exposing and challenging the oppressive nature of existing gender relations, while trying to creatively shape different social relations (Wieringa, 1994). Further, it sees empowerment as involving individual internal change through the process of collective mobilisation of women. In this sense, women's empowerment is argued as being an end in itself.

Hence the empowerment process begins by confronting ways in which women internalise their low social status and by assisting groups and individuals to realise that they have a legitimate part to play in decisions affecting their lives (Eade and Williams, 1995; Nelson and Wright, 1995). With the development of these core aspects through increasing self-confidence and self-esteem, a woman's self-perception will change, and internalised oppression will be challenged, contributing to increased 'power-to' and 'power-with.' This will create conditions for women to become agents of their own empowerment. Empowerment is thus not equated with self-confidence and dignity alone; it is seen as the outcome of having self-confidence and dignity.

This school of thought views personal empowerment as a process that is subjective to individual women, which leads it to take account of the social and cultural factors in the individual woman's life contributing to such changes. It is premised on a processual or open-ended model of social change, taking cognisance of the unpredictability of human agency and the diversity of circumstances under which such agency is exercised. While it identifies certain key elements of structure and agency as having a catalytic potential, it does not determine in advance how this catalytic effect will play out in practice.

As women's oppression is experienced differently by different groups of women, proponents from the personal end of the continuum believe that it leads to different empowerment mechanisms and goals. In other words, there is no one model or goal to be promoted, though there is the core to the empowerment process common to different situations. They subscribe to the notion that empowerment is not something that can be done by outsiders 'to' people, implying that such power cannot be 'bestowed' (Taliaferro, 1991 in Rowlands, 1997:16), but has to be self-generated.

This approach views women's empowerment as a gender issue, and not merely as a woman's issue, and thus entails transformation of social and structural

relations. Gender subordination is seen as a complex, multi-dimensional and all-pervasive process, affecting all aspects of women's lives and embedded at many different mutually reinforcing levels: individual consciousness, the household, work, legislation, state structures and international economic and political systems. Consequently, addressing issues of gender equality implies also affecting wider structural changes. As individuals alone cannot always effect such changes, collective solidarity strengthened through vertical and horizontal networks and movements is seen as an important means (Jackson and Pearson, 1998; Mayoux, 1998a).

The empowerment process as subscribed to by this school of thought can be viewed as a continuum of several interrelated and mutually reinforcing components. At one level it emphasises the importance of empowering women and women's groups to make their own choices, to speak out for themselves and to control their own lives. In this sense, it is based on the notion of 'power-to', seeking to build alliances and allies rather than reversing the existing power hierarchies, based on the notion of 'power-over.' In fact, it views this transformatory process as grounded in bottom-up processes of planning, with women participating in defining their own empowerment goals as 'agents' and 'participants' rather than as 'clients' and 'recipients.' In other words, '...women's own aspirations and strategies are seen as a central element and important factor in any empowerment process' (Mayoux, 1998a:41).

As this school of thought does not assume direct relationships between personal, economic or political empowerment, it believes that the empowerment process needs to be engineered and directed. Rowlands (1997), Moser (1993) and Kabeer (1994) in their conceptualisation about empowerment emphasise the process and circumstances that can contribute to empowerment. They identify aspects linked to the expansion of women's mobility as a significant feature: '...travel plays an important role in breaking down the sense of isolation and powerlessness that women are often trapped in' (Kabeer, 1994:251). Implying that activity outside the house, space for sharing problems and garnering support, reducing the isolation of women in their home, wider opportunities for interaction, building up practical and social skills, are features that need to be factored in while designing empowering projects (Karl, 1995).

At the other end of the continuum are Price (1992), Johnson (1992), Young (1993) and Friedmann (1992), who claim that the goal of the empowerment process is political empowerment, i.e., participation in formal political structures and decision making. Here, the notion of empowerment is based on the belief that personal empowerment alone cannot result in a transformation of gender and structural relations, in the absence of women's participation within the economic and political structures of society. The goal of the empowerment process is seen as enabling women to participate equally with men in the development process. However, this school of thought fails to elaborate upon the mechanism to achieve this end.

The conceptual framework of this school of thought is premised on a structural perspective neglecting questions concerning the human agency. It adopts a linear and deterministic view of the empowerment process, and fails to acknowledge the multi-dimensional and inter-related nature of the process, where each dimension advertently or inadvertently contributes and reinforces the other dimensions. In other words, empowerment is not seen as a process of change leading to an increase in women's ability to make strategic life choices, in a context where this ability was previously denied to them.

The discussion above suggests that analysing the issue of women's empowerment needs to be premised on a holistic conceptual framework incorporating both aspects of the two ends of the continuum. This study will thus base the analysis of the nature of the impact of MFPs on women's empowerment, as a process involving personal, social, economic and political dimensions with personal empowerment being seen as the core for promoting social transformation across the other dimensions. In this sense, the empowerment approach being adopted is positioned closer to the former end of the continuum, acknowledging the processual open-ended nature of the empowerment process.

## Chapter IV

### Micro-Finance Programmes and Women's Empowerment The Bangladesh Experience

The analysis of the impact of Micro-finance Programmes (MFPs) on women's empowerment is based on ten research studies from Bangladesh. This study suggests that it is simplistic to assume that merely providing women with their own financial resources will directly lead to a virtuous cycle of personal, social and political empowerment. In other words, it rejects the 'magic bullet' belief that economic empowerment, through single strategic interventions will lead to a reversal in gender relationships. However, the analysis indicates that MFPs operating from either the minimalist or the integrated approaches create empowerment-promoting conditions for women by providing opportunities for strengthening the personal, social, economic and political dimensions. Furthermore, MFPs operating from the integrated framework create conditions that have wider social and political effects, having a positive impact on women's status.

While examining the issue of women's empowerment it is important to maintain the analytical distinction between women as a socially subordinate category and as a highly diverse group of individuals. How individual women experience and act on their access to new opportunities will reflect some combination of their structural positions and their own unique personal histories. This implies that all planned interventions are unlikely to be empowering for all women. At best, such interventions can create an environment or provide the kind of resources most likely to help as many women as possible to empower themselves. In other words, there will always be some women who will not or are not permitted to take up the possibilities on offer.

Women's individuality also means that not all evidence of empowered behaviour on their part can be ascribed to the intervention under study. The tendency to do this rests on the implicit model of gender relations, which assumes that prior to the intervention all women were passive, cowed, fearful and mute (Kabeer, 1998)! Consequently, high levels of participation and a strong sense of economic agency cannot always be attributed to credit access, but in fact needs to be seen as facilitated by, and as an aspect of wider social changes (Kabeer, 1998).

#### 4.1 Women's Empowerment: An Analysis of the Different Dimensions

This section first looks at the impact of women's personal empowerment and then goes on to analysing the social, economic and political dimensions. However, it needs to be recognised that these demarcations are academic constructs and that in reality the different dimensions overlap and flow into each other. Changes in one area advertently or inadvertently have inevitable repercussions in other areas, as will be seen in the discussion below.

As mentioned earlier, personal empowerment is core to the entire empowerment process. Evidence suggests that the social aspects of credit programmes and the manner in which these aspects are organised contribute to personal empowerment of women by strengthening 'power-within.' The group-based weekly credit meetings, an aspect common to most MFPs, draw women out of their

homes and give them an opportunity to be part of larger social processes. In many cases, this is the only significant group outside the family to which the woman has ever belonged, allowing them to develop a sense of identity. In fact, research studies have noted cases where women have pointed out that the group meetings have enabled them to get over long-standing feelings of intimidation and fear of the outside world (Kabeer, 1998; Amin *et al.*, 1998; Hashemi *et al.*, 1996).

These group-based meetings also promote social empowerment by providing an opportunity for instilling a greater sense of awareness of social and political issues. In fact, MFPs operating from an integrated approach, such as BRAC, are likely to use these meetings to raise critical consciousness (Hashemi *et al.*, 1996), which has been recognised to promote personal empowerment (Batliwala, 1994). This is supported by Schuler's *et al.* (1997: 564) study, which indicates how women's participation and access to credit have augmented the use of contraceptives amongst women. By providing opportunities for frequent interaction with programme staff and other members of the social network, such meetings expose women to new ideas and values. This increases their self-confidence and makes them more assertive of their rights than women who have not had similar exposure (Hashemi *et al.*, 1996; Goetz and Sen Gupta, 1996; Ackerly, 1995).

More specifically, it has been noted that when women members play leadership roles, as group leaders and/or centre leaders, they experience an increased sense of self-confidence and self-worth (Ackerly, 1995). Similarly, in programmes where credit groups are federated at a spatially higher level, group meetings are significantly more empowering for women as they provide an enhanced status and greater bargaining power in local communities. These meetings bring together women who previously did not know each other, thereby allowing for networking and sharing of experience on a wider scale. Federations across villages, blocks and districts make the programme more visible to the outside world. In fact, the pooling of financial resources, an inevitable result of federating, enhances the economic power of the women's collective. A woman's association with such a 'visible' programme can in itself prove empowering for her.

MFPs, especially those operating from an integrated perspective and as part of larger programmes, occasionally involve training programmes and related activities. These provide women with opportunities to travel outside the village and expand their knowledge of the world outside the household and immediate community. The increased mobility leads to a greater sense of self-confidence, and is empowering in its own right, especially so in the case of Bangladesh, where the socio-cultural norms do not permit women to move beyond the homestead (Kabeer, 1998; Montgomery *et al.*, 1996). In this sense, MFPs can become a mechanism for promoting the inclusion of women into broader social processes.

However, except for anecdotal evidence, these studies fail to examine in-depth the individual, relational and collective aspects of social empowerment. At the individual level they fall short of analysing the internal processes that women go through while confronting their subordinate positions. While at the relational level, there is little analysis of the ways in which women challenge and re-negotiate their positions within the household. Further, there exists no documented evidence of positive actions for change taken by women collectives as a result of being personally empowered.

Even though MFPs most directly impact upon economic well being of a household, their positive impact on economic empowerment is subject of

considerable debate. Studies that support the view that MFPs are economically empowering suggest that by making credit accessible, these programmes provide the means to build up productive assets over time. This creates an opportunity for women to earn independent incomes and contribute towards the household economy. It is argued that even if women's contribution to household income is low, the very fact of earning an independent income gives them an opportunity to reduce their economic dependence on men and increase their 'centrality' within the household. In fact, independent income increases their bargaining power at the household level, enhances their autonomy and may even reduce their traditional seclusion.

The effect of increased intra-household bargaining power can take on an even greater significance when credit programmes are made part of larger social mobilisation effort, such as consciousness-raising and functional literacy (Amin *et al.*, 1998). For example, some women from BRAC have cited examples of a decrease in physical violence against them (Amin *et al.*, 1999; Schuler *et al.*, 1997; Hashmei *et al.*, 1996). In fact, their participation in credit programmes and access to wider social networks outside the family, contribute to their family's fear of public exposure of domestic violence, which has a mitigating effect on some forms of male violence. Furthermore, there are examples of women who directly attribute the decline in domestic violence to improvements in their household economic situation resulting from their access to credit.

Economic contributions by women made possible through credit access, results in an increase in the security and welfare of the entire household. Such contributions can change the lives of women and their families, and raise the overall standard of living of the household. Evidence suggests that over time this results in more resources being spent on women's clothing and the household's health needs. This is more marked in cases where women retain some control over their loans (Rahman, 1999; Kabeer, 1998; Osmani, 1998; Pitt and Khandker, 1995). Some studies have argued that increased spending on themselves is an indication of women's enhanced status within the household. It also reflects an empowered state of being for the woman, as it brings forth a sense of self-worth and self-esteem through a perceived self-interest. Sen (1990) describes this as a change in women's self-perception, an aspect which is the slowest and hardest to change, as it involves a process of internal confrontation with issues dealing with their subordinate position within the household.

Earning an independent income through credit access has shown to lead to an increase in women's ability to exercise 'voice' in the household decision-making process. This is important as it is a reflection of enhanced power at the household level resulting in greater choice in household resource allocation, especially for those who were previously disenfranchised (Kabeer, 1998:47). Greater inter-spouse consultation in household matters, a reflection of 'domestic prestige' (Amin *et al.*, 1998) and an increase in woman's importance in the eyes of the husband, in the long run challenges unequal gender relationships. The effects of a more pronounced role in decision-making gets magnified under conditions of extreme scarcity, where even small increases in income can make a significant difference to the family's well-being.

However, it needs to be recognised that the relationship between economic contribution and increase in women's bargaining power is rarely linear in nature. At times, an increase in women's income may not result in an increase in the total household income. This is because men may withdraw more than their own contribution for their luxury expenditure, with women's income acting as a substitute (Rowlands, 1997). Such situations could encourage men to take less responsibility

towards household welfare than before. This increases women's vulnerability and has an unsustainable impact on household well being. For example, in ACORD-Pakwach in Uganda, some men left all the household expenditure to the women once women started acquiring funds (Mayoux,1998b:35).

Some critics have argued that as credit is invested in conventional women's activities, such as paddy processing and petty trading (typically home-based activities), can lead to an increase in women's productive work without proportionate increase in incomes (Hulme and Mosley, 1996). Montgomery *et al.* (1996:156) takes this argument further by suggesting that the use of credit 'for conventional activities, may actually strengthen the intra-domestic distribution of power by not contesting the existing sexual division of labour.' For example, in the case of paddy processing, a woman who takes credit is dependent on the husband for buying the unprocessed paddy and selling the processed paddy in the market. When the division of labour and distribution of authority over resources remains uncontested, it is not easy to conclude that there has been a positive change in the degree of women's empowerment.

However, in the context of Bangladesh, Kabeer (1998) suggests that an increase in workloads should not always be viewed as negative. For many women, this increase in work is a valued transformation of the terms on which they previously worked. It is recognised as a necessary outcome of their enhanced ability to contribute to household livelihoods and the consequent mitigation of their dependency status within the household. For example, a woman commented,

'My labour has increased because we now buy more paddy, there is more paddy to boil. We couldn't afford to buy more before. Yes, it is harder work, but you can't get money without hardship' (Kabeer, 1998:31).

A woman's life circumstances, such as class, ethnicity, caste, marital status, age, health and education, have the most significant impact on the extent to which borrowing can bring about positive changes in their life (Hashemi *et al.*, 1996; Goetz and Sen Gupta, 1996; Ackerly, 1995). For example, women borrowers who are widowed, separated and divorced are more likely to retain control over loan-use compared to young or unmarried women or new brides. Similarly, studies also reveal that loan characteristics, such as loan amount, years of membership and nature of investment activity, are also important factors which effect the empowerment process (Goetz and Sen Gupta, 1996; Ackerly, 1995). For example, the larger the amount of the loan, the more likely it is to be appropriated by the husband or other male members in the family. However, the conditions for micro-finance delivery can be positively influenced by the lending organisation to ensure that access to credit creates an empowering environment for women (Ackerly,1995).

Some critics have explored the issue of women's empowerment from the perspective of loan control (Goetz and Sen Gupta, 1996; Montgomery *et al.*, 1996; Ackerly, 1995). They have pointed out that credit access does not always result in women retaining full control over their credit. In other words, women may not always be managers of the funded enterprise, as loans may get appropriated or transferred to husbands or other male members in the family (Goetz and Sen Gupta, 1996; Montgomery *et al.*, 1996, Ackerly, 1995). This implies that loans to women need not alter their subordinate position within the household since there is little change in the management of income. In fact, Montgomery *et al.* (1996:173) points out that such

loans may actually strengthen rather than weaken male dominance within the household.

Studies by Goetz and Sen Gupta (1996:48-50) to assess the degree to which women actually control loans indicate that they retained full or significant control in only 37 per cent of the cases, while 22 per cent were unable to give any details of loan use. This indicates a fairly significant degree of lack of direct control over credit. Ackerly's (1995:62-64) findings are similar and suggest that 70 per cent or more women invest their labour in loan-funded activities, but only 49.2 per cent in BRAC, 52.4 per cent in Grameen Bank and 62 per cent in SCF have knowledge of their loans and accounts. Similarly, Montgomery *et al.* (1996:170) points out that only 9 per cent of first-time female borrowers report themselves as 'primary managers' of their loan-assisted activities and the remaining 87 per cent describe these as a 'family partnership,' which suggests a disguised form of male authority and subordination.

These critics argue that a low degree of loan control can be exploitative for women, as the responsibility and liability for credit may not be matched by their economic and political resources (Goetz and Sen Gupta, 1996; Montgomery *et al.*, 1996; Ackerly, 1995). Studies show that in most cases women are simply given the money to cover the weekly repayment, leaving them exposed to their husbands' willingness to return the loan instalments. Ackerly (1995) and Goetz and Sen Gupta (1996) have examined this further and demonstrated that where husbands were unable and/or unwilling to supply the weekly instalments, women were forced to either substitute funds from their own homestead activities or take a loan from informal sources. In many cases, this leads to a lowering of household consumption standards, which particularly effects women. Women have also admitted to an increase in tension at the household level, which at times tends to turn violent (Goetz and Sen Gupta, 1996).

Anecdotal evidence from Grameen Bank also suggests that the reverse scenario, where women are unsuccessful in gaining loan access or have to wait a long time to get a loan, also tends to lead to an increase in domestic violence (Goetz and Sen Gupta, 1996).

However, it cannot be assumed that women are empowered only when they retain individual control over loans. In other words, transferring or sharing credit with a husband or other male members, in and of itself, does not signal a loss of power for women (Kabeer, 1998). In fact, some studies have pointed out that women tend to use credit as a bargaining chip to allow them access to other opportunities provided by credit organisations, such as congregating with other women and access to skill training, functional education or health inputs. For example, a BRAC borrower, Farida, whose husband had used her loan to mortgage land and farm it, stated that:

'If I don't give him all the money then I can't stay with BRAC' (Goetz and Sen Gupta, 1996: 54).

This implies that arguments premised on a unidimensional conceptualisation of empowerment which feed into dichotomous models of change have to be ruled out, as they fail to take into account the rationale on which women may tend to give up loan control.

Some of the studies which examine the social implications of credit access suggest that mere participation in the programme, with women being used as conduits for credit to the family, can also prove empowering (Rahman, 1999; Amin *et al.*, 1998; Kabeer, 1998; Hashemi *et al.*, 1996; Pitt and Khandker, 1995). This is because women's status and bargaining power in the household may increase when

they become a source of credit and income for the family, leading to a re-valuing of their contribution to household survival. For example, a borrower commented:

'Of course my position has improved; before no one took any notice of me, now they do. That is also true of my husband. Before I did not get this much affection from my husband. There would have been no loan without me' (Kabeer, 1998: 43).

Even if a woman is not an active borrower, there are positive ramifications to women's access to credit. For instance, Rahman (1999) found that an average of 63 takas were spent annually on women's health in active female-borrower households, 57 takas in passive female-borrower households and around 16 takas in male-borrower households. In other words, loan transfers from women to men marginally reduced, but did not obliterate, the favourable impact of loans on women.

Anecdotal evidence also suggests that members of the family are kinder and more respectful around the time they expect to receive the loan. In some cases, the husband provides assistance with cooking, child care, or other domestic tasks to make it easier for the woman to attend meetings. The increased value and status within the household economy is largely experienced as an increase in affection, love and consideration that women receive from other family members, particularly their husbands. This leads to an 'improvement in the quality of marital relationship,' which remains central to women's lives in Bangladesh (Kabeer, 1998:44). However, this needs to be viewed as a temporary phenomenon with further research required to understand the long-term socio-cultural implications on redistribution of gendered domestic responsibility.

Another aspect of the impact of MFPs becomes evident while examining the political dimensions of the process. Studies on women's expenditure patterns suggest that despite an increase in income-earning opportunities, women may continue to replicate - rather than counter - gender inequalities (Mayoux, 1998b). This suggests that economic empowerment in itself does not result in women challenging existing gender relations. For instance, women may employ daughters as unpaid labour, which increases the latter's workload and decreases their ability to attend school, while continuing to prioritise the interests of male children. In this sense, access to credit can be seen as having no impact unless this issue is directly addressed by MFPs through related interventions.

Some studies counter these claims. Kabeer (1998), for example, has pointed out that enhanced income levels made possible by access to credit lead women to invest in their daughters' education. In the long run, this has the potential to transform gender relations. However, it needs to be recognised that women's economic contributions have to reach a critical level to challenge existing structural inequalities (Kabeer, 1994, 1998; Osmani, 1998; Moser, 1993).

Within this divergence of opinions and research findings it needs to be reiterated that an ethnocentric approach cannot be adopted to analyse the issue of women's empowerment. These findings need to be located in the socio-political context of Bangladesh, where the household is seen as a joint venture with women responsible for household-based activities and men taking on the responsibility for all activities outside the house. In other words, women place greater emphasis on the advantage of working from home, leading to a complementary division of labour. This makes it virtually inevitable that a woman's loan will be used jointly by herself and by the productive men in the household (Kabeer, 1998).

From this it is clear that the gender division of labour is such that full individual control of the productive process is virtually impossible for women. In fact, all public forms of labour, including marketing of their own goods, is experienced as demeaning and humiliating for women. Thus it is not just the lack of self-confidence that keeps women out of the market place, but the social value they accord to this activity (Kabeer, 1998).

In the context of prevailing gender relations in Bangladesh, assessing women's increasing empowerment needs to be located within the notion of 'centrality.' It is more appropriate to view the empowerment process of women borrowers as a move from marginalisation within household decision-making and exclusion within the community, to a position of greater centrality, inclusion and voice, rather than to limiting it to issues of loan control and other similar uni-dimensional indicators.

#### **4.2 The Empowerment Impact: The Divergent Approaches in Perspective**

Having taken into consideration the conflicting claims made by the research studies and established that MFPs can promote empowerment of women, it is essential to put into perspective the kind of empowerment promoted by the minimalist and integrated approaches. MFPs operating from either approach lead to women's increased contribution towards the household economy. However, economic empowerment, as advocated by the minimalist approach, in itself is not a sufficient condition to address existing structural inequalities and alter women's subordinate position within the household (Goetz and Sen Gupta, 1996; Kabeer, 1994; Moser, 1993; Friedmann, 1992; Tinker, 1990). In other words, easing women's access to credit will not necessarily translate into empowerment.

Studies (Hashemi *et al.*, 1996:641) have shown that when MFPs follow an integrated approach towards credit delivery, the scope for personal, social and political empowerment is enhanced. Participation in these MFPs leads to an increase in self-confidence and a greater sense of self-worth, which affects other dimensions of empowerment.

This is supported by the difference in the kind of empowerment promoted under BRAC (which follows the integrated approach) and Grameen Bank (advocating the minimalist approach). BRAC has a stronger effect on women's mobility and involvement in political campaigning and protests, while Grameen Bank has a stronger influence on women's economic contribution to the household (Hashemi *et al.*, 1996). Thus MFPs adopting an integrated approach, which Kabeer (1998:7) refers to as a 'maximalist package of intervention,' furthers the chances for credit to become an empowering means by supporting a continuous process of institutional and legal changes (Ackerly, 1995).

Accordingly, measures that are likely to enhance women's intra-household bargaining power go beyond just concentrating on skill development and technical inputs directly relevant to the loan investment activity and overcoming constraints to women's access to rural markets. Consequently, MFPs need to incorporate measures linked to continuous investment in literacy and numeracy training and attitudinal changes in men and women. These attitudinal changes need to focus on women's rights over their own resources and to go beyond the limited horizons of the individual credit society into the development of collective action by women solidarity groups (Rowlands, 1997; Kabeer, 1994; Moser, 1993). In other words, what is

required is considerable commitment and long-term investment in institution building, social development and consciousness-raising work to ensure that MFPs are empowering for women.

All these studies have allowed us to examine trends within the framework of dynamic and changing gender relationships. There is no doubt that participation in MFPs provide the scope for women's empowerment across different dimensions, which in some cases occurs through women's own strategies for change and in others may be promoted through strategic organisational policies for empowerment. As a complex and dynamic process, continuous reassessment and detailed and systematic research is required to determine the changing inter-linkages between MFPs and their impact on the different dimensions of empowerment.

## **Chapter V**

### **Mainstreaming the Empowerment Agenda The Way Ahead**

Having established in the preceding chapter that Micro-finance Programmes (MFPs) can create an enabling environment for all dimensions of women's empowerment, this chapter proposes strategies and mechanisms for strengthening women's empowerment. It argues for the successful integration of empowering policies into the design and implementation of existing programmes, irrespective of the approach adhered to by the MFP. This argument is based on the premise that there are no green fields to policy formulation, requiring each organisation to mainstream empowerment issues within their existing development framework. Further, as there are no 'one size fit all' measures for promoting empowerment goals, each programme will need to develop policies in context of its prevailing socio-economic and political situation. However, within the changing discourse of development practice, an essential prerequisite for mainstreaming of this agenda will continue to be an unchallenged commitment to the issue of women's empowerment.

#### **5.1 Policy Implications of the Study**

Mainstreaming the concept of women's empowerment requires MFPs, and the organisations within which they function, to establish their own conceptual framework for empowerment, and to clearly outline their gender strategy. Such an approach will lead organisations to evolve a uniform understanding and vision for women's empowerment. It will also provide the organisation with the foundation for programme planning and design, allowing for the prioritisation of interventions in a manner which promotes women's empowerment.

MFPs to positively impact on all the dimensions of women's empowerment calls for an integrated development package. This approach needs to be supported by the right mix of strategic empowerment policies, stronger social processes and well-defined and observable empowerment-promoting tasks, which will allow addressing structural inequalities by setting new agendas.

The right mix of empowerment policies and its strategic positioning will enable MFPs to challenge formal and informal structural constraints, leading to the goal of equitable distribution of resources and power. Organisations like Grameen Bank and Bangladesh Rural Advancement Committee (BRAC) have used micro-finance policy to address one such form of structural constraint, by making it mandatory for assets to be registered in the name of the woman for credit accessibility. For example, a housing loan from BRAC and Grameen Bank requires the land and the constructed house to be the legal property of the women borrower (Ackerly, 1995:60). Similarly, some organisations have tried to address social constraints by creating incentives for women's direct involvement in their loan-funded activity.

With personal empowerment being the core that unlocks the other dimensions of empowerment, MFPs need to be designed in a manner that directly promotes and strengthens this form of empowerment. One such recognised mechanism which promotes 'power-within' is strong group process or social intermediation. Thus, MFPs

need to invest in mobilisation, participation, leadership training and education. This will not only maximise income opportunities for women but more importantly, enhance women's potential to mobilise external strengths to bring about fundamental changes.

Furthermore, MFPs need to follow a comprehensive approach aimed at providing a long-term integrated package of support to enhance the benefits that women derive from being able to access credit. Loans need to be combined with services ranging from training and skill up-gradation, marketing and technological support, to social interventions in health, education, consciousness-raising, etc. These services are an investment in building the institutional capacities of women, which directly impact upon their empowerment. However, the mix of complementary services in any one programme, will depend on the needs and priorities of the individual woman.

Successful social intermediation also requires MFPs to develop a cadre of socially trained people with knowledge and skills to promote participatory bottom-up group processes. Another prerequisite is gender training of staff, including gender sensitisation programmes for men. Such programmes aimed at an attitudinal change, open up the possibility of change in gender relations.

The positive correlation between female staff and contribution to women's empowerment implies that MFPs need to increase female representation across all levels (Mayoux, 1998b; Ackerly, 1995). This is crucial, specifically during the stages of group mobilisation, when it is easier for women who have rarely been involved in activities beyond the household to relate to female staff as compared to men.

MFPs need to incorporate women members of the collective into the structure for control and management of programmes, as this too creates an enabling environment for women's empowerment (Goetz and Sen Gupta, 1996; Ackerly, 1995). The visibility of women that is made possible through participatory programme management and ownership sends a positive message about women's capabilities in their wider social environment.

With leadership positions having shown to strengthen the empowerment process, MFPs need to introduce innovative mechanisms to give maximum number of group members opportunities to lead group processes across spatial levels.

The manner in which micro-finance delivery strategies are organised directly impacts upon women's empowerment and well being. These delivery strategies need to be viewed not narrowly as 'technical' banking decisions, but in their wider context as affecting power, resources and interests. Delivery mechanisms, such as collateral requirements, size and repayment schedule of loans, nature of investment activity and savings requirements need to be designed to serve the particular interests of women. For example, collateral requirements should treat women as independent agents rather than as dependants needing male support in the form of signatures. Similarly, MFPs need to make a conscious choice of encouraging loans for non-traditional activities, which have the potential to shift women out of low productivity female activities. Another delivery strategy is collective enterprises managed jointly by women. Such enterprises make women less vulnerable to male control of resources while increasing earnings.

It is crucial that MFPs link strategically and connect and integrate actors at all levels, including women's own networks, movements and gender lobbies to identify politically appropriate entry points to shift agendas in favour of women. This is

important in view of the fact that the ability of single programmes to bring about significant change is severely limited because of the many mutually reinforcing constraints. Consequently, inter-organisational collaborations between MFPs, and in some cases with other providers of specialist services, are critical.

## **5.2 Conclusions of the Study**

Though this study is based on ten gender impact assessments which arrive at contradictory findings, the analysis does suggest clear trends. It establishes that MFPs operating from either the minimalist or the integrated approach create empowerment-promoting conditions for women. The social processes of MFPs lead to strengthening the personal and social dimensions of women's empowerment. This results in an increased sense of self-esteem and self-worth for women and a greater sense of awareness of social and political issues.

In addition, MFPs provide women with the opportunity to contribute towards the household economy, leading to economic empowerment of women. This has ramifications at the personal and relational level. Furthermore, participation in MFPs has resulted in most women experiencing increased mobility and a concomitant reduction in their traditional seclusion. More importantly, it addresses gender relations by increasing women's intra-household bargaining power and 'voice' in household decision-making processes. These in some cases, have resulted in women participating in collective socio-political processes challenging existing gender inequality.

Despite these trends indicating a positive impact of MFPs on empowerment of women, the divergence of research findings and conflicting claims limit the scope for conclusive analysis. Furthermore, examining the issue of women's empowerment within the framework of dynamic and changing gender relationship calls for continuous and in-depth research on the multifaceted dimensions of the process. With empowerment being closely inter-linked with women's lives, it is essential for future research studies to explore the issue from the 'women's own vantage point,' taking into account their voices and strategies.

However, at the dawn of the 21<sup>st</sup> century despite the global recognition of the importance of women's empowerment more and more MFPs are adopting the minimalist approach to programme delivery premised on maximising opportunities for financial sustainability. This is resulting in MFPs cutting back on multidimensional strategies in order to lower social intermediation costs. These developments directly lead to increasing marginalisation of issues relating to women's empowerment. Within this discourse of development practice, MFPs need to adopt a balanced and sustainable approach for the future, balancing issues of financial sustainability with women's empowerment.

## **Appendix**

## **Micro Finance Programmes and Gender Impact Assessment Research Studies in Bangladesh**

This appendix gives details of some of the research studies carried out in Bangladesh from the early 1990s until 1999 to assess the impact of credit on women's empowerment. These studies provide the basis for this dissertation to examine and critically analyse the multi-dimensional nature of empowerment promoted by Micro-finance Programmes (MFPs) organised by Non-government Organisations (NGOs).

- 1. Ackerly B.A. 1995**, *Testing the Tools Of Development: Credit Programmes, Loan Involvement and Women's Empowerment*. IDS Bulletin, Vol. 26 No 3, pp. 56-68.

### Scope and Methodology

By analysing three MFPs in Bangladesh, BRAC (Bangladesh Rural Advancement Committee), Grameen Bank and Save the Children (U.S.A.), Bangladesh Field Office (SCF), this study examines the extent which credit leads to women's empowerment. It uses a statistical analysis of data from 613 female borrowers to evaluate the success of each of the programmes, by looking at the relationship between borrowers' life circumstances, loan characteristics and loan involvement, using the probit model.

### Indicator

The study uses borrowers' knowledge about the accounting of her loan activity as the indicator for women's empowerment. Accounting knowledge is measured by the borrowers' ability to provide information on three loan-related aspects: input costs, product yield and profitability of the loan-funded activity.

- 2. Pitt & Khandker 1995**, *Household and Intra-household Impacts of the Grameen Bank and Similar Targeted Credit Programmes in Bangladesh*. Paper presented at the Workshop on 'Credit Programmes for the Poor Household and Intra-household Impacts and Programme Sustainability,' Dhaka, Bangladesh.

### Scope and Methodology

The study explores the impact of male and female membership on a variety of household and individual outcomes to establish the extent to which the gender of a borrower makes a difference to these outcomes. It covers 1,798 households from across three credit programmes in Bangladesh: Grameen Bank, BRAC and the government's RD-12 programme.

### Indicator

No indicators were developed for the study.

- 3. Goetz A. M. & R. Sen Gupta 1996**, *Who Takes the Credit? Gender, Power, and Control Over Loan Use in Rural Credit Programs in Bangladesh*. World Development, Vol. 24, No 1, pp. 45-63.

### Scope and Methodology

The study explores the degree to which women borrowers control their loans and investment activities directly and meaningfully. It is based on an independent quantitative and qualitative analysis of 275 loans in four MFPs: BRAC, Grameen Bank, the government's RD-12 programme, and Thangemara Mahila Sebu Sangsthan, which is a women's NGO. Detailed loan histories were compiled focusing on women's control over loan use.

#### Indicator

The study uses a single indicator of empowerment, which is an index of 'managerial control.' This classified women into five categories, ranging from those considered to be exercising full control over their loans to significant control, partial control, very limited control and no involvement at all over the productive activity. For the study, managerial control over the loan activity implied control from the initial loan proposal stage to investment in productive assets, labour inputs, marketing, and use of profits.

**4. Hashemi S.M., S.R. Schuler & A.P. Riley 1996**, *Rural Credit Programs and Women's Empowerment in Bangladesh*. World Development, Vol. 24, No 4, pp. 635-653.

**5. Schuler S.R., S.M. Hashemi & A.P. Riley 1997**, *The Influence of Women's Changing Roles and Status in Bangladesh's Fertility Transition: Evidence from a Study of Credit Programmes and Contraceptive Use*. World Development, Vol. 25, No. 4, pp. 563-575.

#### Scope and Methodology

The study examines the impact of credit on eight dimensions of women's empowerment across two MFPs in Bangladesh: Grameen Bank and BRAC. The research is based on a statistical analysis of the level of empowerment of 1,300 married women under the age of 50. Data also comes from an ethnographic research study carried out in six villages to document the process of change in women's roles, status and norms related to reproduction. Participant observation and in-depth interviews were used to investigate the process of change.

The Schuler *et al.*, (1997) study examines the impact of women's access to credit and contraceptive use on empowerment. It employs the same data to study the statistical relationship between MFPs, women's empowerment and current contraceptive use. The ethnographic survey data is used to explain these relationships.

#### Indicator

The study uses eight criteria for empowerment constructed as scale variables and measured by scored indicators identified in the ethnographic study. These criteria are: mobility, economic security, ability to make small purchases, ability to make large purchases, involvement in major household decisions, relative freedom from domination within the family, political and legal awareness, and involvement in political campaigning and protests.

**6. Montgomery R., D. Bhattacharya & D. Hulme 1996**, *Credit for the Poor in Bangladesh* in Hulme & Mosley, 1996, *Finance against Poverty*. Volume II, Routledge, London, pp. 94-176.

#### Scope and Methodology

This is an independent research study comparing performance and the economic impact of loans on men and women across two organisations: BRAC and

government's Thana Resource Development and Employment Programme (TRDEP). It is based on a survey of 156 male and female BRAC borrowers and informal fieldwork, group histories and experiences. It captures the quantitative impact of credit on borrowers' enterprises and households.

#### Indicator

The study contains a discussion of the impact of BRAC's programmes on women's empowerment without developing a set of indicators.

- 7. Amin R., S. Becker and A. Bayes 1998**, *NGO-Promoted Micro-Credit Programmes and Women's Empowerment in Rural Bangladesh: Quantitative and Qualitative Evidence*. The Journal of Developing Areas, Vol. 32, No. 2, Winter 1998, pp. 221-236.

#### Scope and Methodology

The study examines the relationship between participation in credit programmes and credit-related activities and its impact on women's empowerment. It uses quantitative and qualitative data gathered from focus group discussions from a sample of 3,564 married women borrowers under the age of 50 across five NGOs: the Association for Social Advancement, Rangpur Dinajpur Rural Service, Development Centre International, Community Development Association and Village Education Resource Centre. The study compares NGO credit members from NGO programme areas with non-members from non-programme areas with respect to women's empowerment. It also compares non-members from NGO programme area with non-members from non-programme areas to compare the diffusion effects of NGO credit membership on women's empowerment among non-members.

#### Indicator

The concept of women's empowerment is measured through three components: inter-spouse consultation, individual autonomy and authority index.

- 8. Kabeer N. 1998**, *'Money Can't Buy Me Love'? Re-evaluating Gender, Credit and Empowerment in Rural Bangladesh*. IDS Discussion Paper, No 363.

#### Scope and Methodology

The study is a participatory evaluation of the empowerment impact on poor and not-so-poor households of the Small Enterprise Development Project (SEDP) in Bangladesh. The study relies on the oral testimonies of women borrowers corroborated with insights garnered from interviews with male borrowers and male relatives of women borrowers. Data also comes from a survey of 696 women borrowers from across two regions of SEDP. Quantitative analysis is used in this study to summarise patterns of impact by gender, while qualitative data is used to explain these patterns.

#### Indicator

As this is a qualitative study, there are no indicators developed for analysis. It relies on women borrowers themselves to indicate the kind of changes they attribute to their access to loans, supplemented with an analysis of the structural significance of these changes.

- 9. Osmani L.N.K. 1998**, *Impact of Credit on the Relative Well-Being of Women: Evidence from the Grameen Bank*. IDS Bulletin Vol. 29, No 4, pp. 31-40.

#### Scope and Methodology

The study uses a survey of 100 households to examine the impact of minimalist credit across Grameen Bank on women's relative well-being. It compares the situation of women borrowers with that of women who have never borrowed from Grameen Bank or any similar institution.

#### Indicator

Sen's (1990) co-operative conflict model is used as a framework for assessing empowerment: impact on women's breakdown position, impact on perceived interest and impact on perceived contribution. The study defines women's well-being in terms of three sets of capabilities: the degree of autonomy with which women can live their lives, their ability to control decision-making within the family and their relative access to household resources.

**10. Rahman A. 1999,** *Micro-Credit Initiatives for Equitable and Sustainable Development: Who Pays?* World Development Vol. 27, No. 1, pp. 67-82.

#### Scope and Methodology

This is an anthropological research study of Grameen Bank's MFP, based on qualitative and quantitative data gathered from one village covered by the Bank's programme in the Tangail region. It examines the lending structure of small loans among poor women and the impact of this lending on achieving equitable and sustainable gains. The study uses anthropological research techniques of participant observation, unstructured and in-depth interviews and collected case studies. The household survey consisted of 154 Grameen Bank members of whom 120 were women and 34 were men.

#### Indicator

The study based its analysis on Scott's (1990) conceptual framework of 'public and hidden transcript.'

## **Bibliography**

Ackerly B.A. 1995, *Testing the Tools Of Development: Credit Programmes, Loan Involvement and Women's Empowerment*. IDS Bulletin, Vol. 26 No 3, pp. 56-68.

Adams D.W. & J.D.V. Pischke 1992, *Microenterprise Credit Programs: Déjà vu*. World Development, Vol. 20, No 10, pp. 1463-1470.

Amin R., S. Becker and A. Bayes 1998, *NGO-Promoted Microcredit Programmes and Women's Empowerment in Rural Bangladesh: Quantitative and Qualitative Evidence*. The Journal of Developing Areas, Vol. 32, No. 2, Winter 1998, pp. 221-236.

Ardener S. & S. Burman 1995, *Money-Go-Rounds: The Importance of Rotating Savings and Credit Associations for Women*. Berg, Oxford.

Bastelaer T.V. 1999, *Does Social Capital Facilitate The Poor's Access to Credit? A Review of the Microeconomic Literature*. The World Bank, Washington DC.

Bennett L. & M. Goldberg 1993, *Providing Enterprise Development and Financial Services to Women: A Decade of Bank Experience in Asia*. World Bank Technical Paper No. 236, The World Bank, Washington D.C.

Bennett L. & C.E. Cuevas 1996, *Sustainable Banking With the Poor*. Journal of International Development, Vol. 8, No. 2, pp. 145-151.

Booth D. 1994 (ed.), *Rethinking Social Development: Theory, Research and Practice*. Longman, Harlow.

Bouman F.J.A. 1995, *Rotating and Accumulating Savings and Credit Associations: A Development Perspective*. World Development, Vol. 23, No 3, pp. 371-384.

Brinkerhoff D.W. & A.A. Goldsmith 1992, *Promoting the Sustainability of Development Institutions: A Framework for Strategy*. World Development, Vol. 20, No 3, pp. 369-383.

Brown D.R. 1997, *Sustainability is not about Money!: The Case of the Belize Chamber of Commerce and Industry*. Development in Practice, Vol. 7, No 2, pp. 185-189.

Buckland J. 1998, *Social Capital and Sustainability of NGO Intermediated Development Projects in Bangladesh*. Community Development Journal, Vol. 33, No. 3, pp. 236-248.

Bryant C. and L.G. White 1982, *Managing Development in the Third World*. Westview Press, USA.

Cernea M.M. 1991, *Putting the Last First: Sociological Variables in Rural Development*. Oxford University Press, Oxford.

Chambers R. 1983, *Rural Development: Putting the Last First*. Longman, London.

Chaves R.A. & C. Gonzalez-Vega 1996, *The Design of Successful Rural Financial Intermediaries: Evidence from Indonesia*. World Development, Vol. 24, No 1, pp. 65-78.

Christesen G. 1993, *The Limits of Informal Financial Intermediation*. World Development, Vol. 21, No. 5, pp. 721-731.

Clark J. 1991, *Democratising Development*. Earthscan Publications, London.

Coleman J.S. 1990, *Foundations of Social Theory*. Harvard University Press, London.

Copestake J.G. 1995, *Poverty Oriented Financial Service Programmes: Room for Improvement?* Savings and Development, No 4.

Craig G. & M. Mayo 1995, *Community Empowerment: A Reader in Participation and Development*. Zed Books, London.

Davis K., M. Leijenaar & J. Oldersma 1991, *The Gender of Power*. Sage, London.

Department for International Development 1998, *Banking On the Poor: DFID and Microfinance*. DFID, London.

Dichter T. 1999, *Non-governmental Organisations (NGOs) in Microfinance: Past, Present and Future*. Available from:

[www.esd.worldbank.org/html/esd/agr/sbp/end/ngo.htm](http://www.esd.worldbank.org/html/esd/agr/sbp/end/ngo.htm) (Accessed on: 20.08.99)

Dignard L. & J. Havet 1995, *Women In Micro-And Small-Scale Enterprise Development*. IT Publications, London.

Eade D. & S. Williams 1995, *The Oxfam Handbook of Development and Relief*. (Vol. I), Oxfam, Oxford.

Ebdon R. 1995, *NGO Expansion and the Fight to Reach the Poor: Gender Implications of NGO Scaling-Up in Bangladesh*. IDS Bulletin, Vol. 26, No 3, pp. 49-57.

Edgcomb E. & L. Barton 1998, *Social Intermediation and Microfinance Programs: A Literature Review*. USAID, USA.

Elshtain J.B. 1992, *The Power and Powerlessness of Women*. In Bock G. and S. James (ed.) *Beyond Equality and Difference*. Routledge, London.

Freire P. 1972, *Pedagogy of the Oppressed*. Penguin, London.

Friedmann J. 1992, *Empowerment: The Politics of Alternative Development*. Blackwell Publishers, Oxford, UK.

Fruman C. & J. Paxton, *Outreach and Sustainability of Savings First Vs Credit First Financial Institutions: A Comparative Analysis of Eight Microfinance Institutions in Africa*. Available from: [www-esd.worldbank.org/html/esd/agr/sbp/may/compeng.htm](http://www-esd.worldbank.org/html/esd/agr/sbp/may/compeng.htm), (Accessed on:18.08.99).

Goetz A. M. & R.Sen Gupta, 1996, *Who Takes the Credit? Gender, Power, and Control over Loan Use in Rural Credit Programs in Bangladesh*. World Development, Vol. 24, No 1, pp. 45-63.

Greeley M. 1997, *Poverty and Well-Being: Problems for Poverty Reduction in Role of Credit*. In Wood G.D. & I. A. Sharif 1997 (eds.), *Who Needs Credit? Poverty and Finance in Bangladesh*. Zed Books, London.

- Gustafson D.J. 1994, *Developing Sustainable Institutions: Lessons from Cross-Case Analysis of 24 Agricultural Extension Programmes*. Public Administration and Development, Vol. 14, pp.121-134.
- Hashemi S.M., S.R. Schuler & A.P. Riley 1996, *Rural Credit Programs and Women's Empowerment in Bangladesh*. World Development, Vol. 24, No 4, pp. 635-653.
- Hilhorst T. & H. Oppenoorth 1992, *Financing Women's Enterprises: Beyond Barriers and Bias*. IT Publications, London.
- Hindess B. 1996, *Discourses of Power: From Hobbes to Foucault*. Blackwell Publishers, Oxford.
- Hulme D. 1998, *Impact Assessment Methodologies for Micro-Finance: A Review*. IDS, Brighton.
- Hulme D. & P. Mosley 1996, *Finance against Poverty*. Volume I & II, Routledge, London.
- Jackson C. and R. Pearson 1998 (eds.) *Feminist Vision of Development: Gender Analysis and Policy*. Routledge, London.
- Jain, P.S. 1996, *Managing Credit for the Rural Poor: Lessons from the Grameen Bank*. World Development, Vol. 24, No 1, pp. 79-89.
- Johnson S. & B. Roglay 1997, *Microfinance and Poverty Reduction*. Oxfam, UK.
- Johnson S. 1998, *Programme Impact Assessment in Micro-Finance: The Need for Analysis of Real Markets*. IDS Bulletin, Vol. 29, No 4, pp. 21-30.
- Johnson S. 1998, *Microfinance North and South: Contrasting Current Debates*. Journal of International Development, Vol. 10, No 6, pp. 799-810.
- Johnson H. and L. Mayoux 1998, *Investigating Empowerment: Issues in Participatory Methods*. In Thomas A., J. Chataway and M. Wuyts 1998, *Finding Out Fast: Investigative Skills for Development Policy and Public Action*. Sage, London.
- Kabeer N. 1994, *Reversed Realities: Gender Hierarchies in Development Thought*. Kali for Women, New Delhi.
- Kabeer N. 1998, 'Money Can't Buy Me Love'? *Re-evaluating Gender, Credit and Empowerment in Rural Bangladesh*. IDS Discussion Paper, No 363.
- Kabeer N. 1999, *Resources, Agency, Achievements: Reflections on the Measurement of Women's Empowerment*. Development and Change, Vol. 30, No. 3, pp. 435-464.
- Karl M. 1995, *Women and Empowerment: Participation and Decision Making*. Zed Books, London.
- Khandker S. R. 1998, *Micro-Credit Programme Evaluation: A Critical Review*. IDS Bulletin, Vol. 29, No 4, pp.11-20.
- Kidder T. 1997, *Macro Debates at the Micro-Credit Summit*. Development in Practice, Vol. 7, No 4, pp. 432-439.

Levitsky J. 1989, *Microenterprise in Developing Countries: Papers and Proceedings of an International Conference*. Intermediate Technology Publications, London.

Lovell C. H. 1992, *Breaking The Cycle of Poverty: The BRAC Strategy*. Kumarian Press, West Hartford.

Marchand M.H. and J.L. Parpart 1995 (eds.), *Feminism: Postmodernism Development*. Routledge, London.

Marsden D. and P. Oakely 1990, *Evaluating Social Development Projects*. OXFAM, UK.

Matin I. 1998, *Mis-Targeting by the Grameen Bank: A Possible Explanation*. IDS Bulletin, Vol. 29, No 4, pp.66-81.

Mayoux L. 1998a, *Participatory Learning for Women's Empowerment in Micro-Finance Programmes: Negotiating Complexity, Conflict and Change*. IDS Bulletin, Vol. 29, No 4, pp.39-50.

Mayoux L. 1998b, *Women's Empowerment and Micro-Finance Programmes: Approaches, Evidence and Ways Forward*. DPP Working Paper No 41.

Mayoux L. 1999a, *Collective Strategies Reconsidered: Social Capital, Women's Empowerment and Sustainability in West African Micro-Finance Programmes*. In The Third International NGO Conference on 'NGO in a Global Future,' University of Birmingham 10th - 13th January, 1998.

Mayoux L. 1999b, *From Access to Empowerment: Gender Issues in Micro-Finance*. In CDS Virtual Conference.

McKee K. 1989, *Microlevel Strategies for Supporting Livelihoods, Employment and Income Generation of Poor Women in the Third World: The Challenge of Significance*. World Development, Vol. 17, No 7 pp. 993-1006.

McNamara N. & S. Morse 1998, *Donors and Sustainability in the Provision of Financial Services in Nigeria*. IDS Bulletin, Vol. 29, No 4, pp.91-101.

Micro-Credit Summit 1997, *Declaration and Plan of Action*. Available from: <http://www.microcreditsummit.org/declaration.htm> (Accessed on:18.08.99).

Midgley J. 1995, *Social Development: The Development Perspective in Social Welfare*. Sage, London.

Montgomery R., D. Bhattacharya & D. Hulme 1996, *Credit for the Poor in Bangladesh: The BRAC Rural Development Programme and the Government Thana Resource Development and Employment Programme*. In Hulme D. & P. Mosley 1996, *Finance against Poverty*. Volume II, Routledge, London.

Moser C.O.N. 1989, *Gender Planning in the Third World: Meeting Practical and Strategic Gender Needs*. World Development, Vol. 17, No. 11, pp. 1799-1825.

Moser C.O.N. 1993, *Gender Planning and Development: Theory, Practice and Training*. Routledge, London.

Narayan D. 2000, *Bonds and Bridges: Social Capital and Poverty*. World Bank, Washington DC.

Nelson N. & S. Wright 1995, *Power and Participatory Development: Theory and Practice*. Intermediate Technology, London.

Oakley P., B. Pratt and A. Clayton 1997 *Outcomes and Impact: Evaluating Change in Social Development*. INTRAC, Oxford.

Osmani S.R. 1989, *Limits to the Alleviation of Poverty through Non-Farm Credit*. The Bangladesh Development Studies, Vol. XVII, No 4, pp. 1-19.

Osmani L.N.K. 1998, *Impact of Credit on the Relative Well Being of Women: Evidence from the Grameen Bank*. IDS Bulletin, Vol. 29, No 4, pp. 31-40.

Ostergaard L. 1992 (ed.) *Gender and Development: A Practical Guide*. Routledge, London.

Paul S. and A. Subramanian 1983, *Development Programmes for the Poor: Do Strategies Make a Difference?* Economic and Political Weekly, pp.349-358.

Pearson R. 1998, *Microcredit Meets Social Exclusion: Learning with Difficulty from International Experience*. Journal of International Development, Vol. 10, No 6, pp. 811-822.

Pitt & Khandker 1995, *Household and Intrahousehold Impacts of the Grameen Bank and Similar Targeted Credit Programmes in Bangladesh*. In a Workshop on 'Credit Programmes for the Poor Household and Intrahousehold Impacts and Programme Sustainability', Dhaka, Bangladesh.

Price J. 1992, *Women's Development: Welfare Projects or Political Empowerment?*. Amsterdam Conference, Mimeo.

Rahman A. 1999, *Micro-Credit Initiatives for Equitable and Sustainable Development: Who Pays?* World Development, Vol. 27, No. 1, pp. 67-82.

Reinke J. 1998, *Does Solidarity Pay? The Case of the Small Enterprise Foundation*. Development and Change, Vol. 29, pp. 553-576.

Robinson M.S. 1996, *Addressing Some Key Questions On Finance and Poverty*. Journal of International Development, Vol. 8, No. 2, pp. 153-161.

Roche C. & B. Roglay 1998, *Learning About Learning on Microfinance North and South*. Journal of International Development, Vol. 10, No 6 pp. 795-798.

Roglay B. 1998, *Combating Financial Exclusion Through Co-operatives: Is there a Role for External Assistance?* Journal of International Development, Vol. 10, No 6, pp. 823-836.

Roglay B. 1996, *Micro-Finance Evangelism, 'Destitute Women', and the Hard Selling of a New Anti-Poverty Formula*. Development in Practice, Vol. 6, No 2, pp. 100-112.

Rondinelli D.A. 1990, *Development Projects as Policy Experiments: An Adaptive Approach to Development Management*. Routledge, London.

Rose K. 1992, *Where Women are Leaders: The SEWA Movement in India*. Zed Books, London.

Rowlands J. 1997, *Questioning Empowerment: Working with Women in Honduras*. Oxfam. UK.

Rutherford S. 2000, *The Poor and Their Money*. Oxford University Press, New Delhi.  
Schmidt R.H. & C.P. Zeitinger 1996, *Prospects, Problems and Potential of Credit-Granting NGOs*. Journal of International Development, Vol. 8, No. 2, pp. 241-258.

Schuler S.R., S.M. Hashemi & A.P. Riley 1997, *The Influence of Women's Changing Roles and Status in Bangladesh's Fertility Transition: Evidence from a Study of Credit Programme and Contraceptive Use*. World Development, Vol. 25, No. 4, pp. 563-575.

Schuurman F.J. 1993 (ed.), *Beyond the Impasse: New Directions in Development Theory*. Zed Books, London.

Seibel H.D. & U. Parhusip 1998, *Attaining Outreach with Sustainability - A Case Study of a Private Micro-Finance Institution in Indonesia*. IDS Bulletin, Vol. 29, No 4, pp. 81-90.

Sen A. 1990, *Development as Freedom*. Oxford University Press, Oxford.

Sinha S. 1998, *Introduction and Overview*. IDS Bulletin, Vol. 29, No4, pp. 1-10.

Sinha S. & I. Matin 1998, *Informal Credit Transactions of Micro-Credit Borrowers in Rural Bangladesh*. IDS Bulletin, Vol. 29, No 4, pp. 66-81.

Tinker I. 1990 (ed.), *Persistent Inequalities: Women and World Development*. Oxford University Press, Oxford.

Uphoff N. 1996, *Learning from Gal Oya: Possibilities for Participatory Development and Post-Newtonian Social Science*. IT Publications, London.

Uvin P. 1995, *Fighting Poverty at the Grassroots: Paths to Scaling-Up*. World Development, Vol. 23, No. 6. Pp. 925-37.

Wieringa S. 1994, *Women's Interests and Empowerment: Gender Planning Reconsidered*. Development and Change, Vol. 25, p. 829-848.

Wood G.D. & I. A. Sharif 1997, *Who Needs Credit? Poverty and Finance in Bangladesh*. Zed Books, London.

World Development Report, 1996. World Bank, Washington DC.

World Summit for Social Development, 1995, Policy Paper. Available from: <http://www.un.org/esa/socdev/wssdoc-4.htm> (Accessed on: 20.08.99)

Wright G.A.N. 1999, *Examining the Impact of Microfinance Services – Increasing Income or Reducing Poverty*. Small Enterprise Development, Vol. 10, No. 1, pp. 39-47.

Yaqub S. 1998, *Financial Sector Liberalisation: Should the Poor Applaud.* IDS Bulletin, Vol. 29, No 4, pp. 102-111.

Young K. 1993, *Planning Development with Women: Making a World of Difference.* Macmillan, London.

Zaman H. 1998, *Can Mis-Targeting be Justified? Insights from BRAC's Micro-Credit Programme.* IDS Bulletin, Vol. 29, No 4, pp. 59-65.