

Women Empowerment through Participation in Micro-Credit Programme: A Case Study from Bangladesh

¹Mahmuda Hoque and ²Yoshihito Itohara

¹The United Graduate School of Agricultural Sciences,
Tottori University, Japan

²Faculty of Agriculture, Yamaguchi University, Japan

Abstract: Problem statement: Numerous micro-credit organizations have been emerged as the form of mushroom in Bangladesh in the recent times. All of them are providing micro-credit to the poor women with the view of poverty reduction and empowering the rural women. Thus, the researchers take an attempt to check that to what extent these micro-credit programmes are effective in empowering rural women. **Approach:** The study was attempted to assess the impact of micro-credit programmes in empowering rural women in Bangladesh. All women of Rampur village were the population of the study. Empirical data for the study were collected from 180 women of Rampur village under Palashbari sub-district of Gaibandha district by using structured questionnaire. Among these 180 women 50% were active members of MF NGOs and rest were individual housewives. Lists of micro-credit NGO women were collect from concerned MF NGOs and from these lists, respondent women were selected as random basis. Similarly, lists of the individual housewives were collected from union council office and from that lists respondent women were selected randomly. **Results:** The result of the study revealed that only 21% of the respondent women are empowered and rest of them is not yet empowered. However, among the empowered respondent women 69% of them are the active members of micro-credit programmes. The result of the study also explored that among the socio-economic factors of the women institutional participation, media exposure and family land holdings are very important for women empowerment. While, micro-credit use by own self, duration of micro-credit use and monitoring by the concerned MF NGO are found as significant factors for women empowerment who are associated with micro-credit programmes. **Conclusion:** It was therefore, recommended that if it was possible to provide micro-credit to rural women and monitor them regularly, that women by themselves use this money in productive sector then they must be attained empowerment either today or tomorrow.

Key words: Participation, micro-credit programmes, women empowerment and northern Bangladesh

INTRODUCTION

The empowerment of women is one of the central issues in the process of development of all developing countries in the world. Historically, women in Bangladesh are deprived socially and economically compared to men^[1]. Disparities between men and women prevails here in education, health, employment and income opportunities, control over assets, personal security and participation in the political process that make women disadvantaged and less empowered, which limits the country's ability to achieve its full potential^[2].

It is well established that women have less access than men to investments in skills, knowledge and lifelong learning. The empowerment of women is an essential prerequisite for the exclusion of world poverty

and the upholding of human rights^[3]. The World Bank study in Bangladesh highlights that women have limited role in household decision-making, limited access and control over household resources (physical and financial assets), low level of individual assets, heavy domestic workloads, restricted mobility and inadequate knowledge and skills that leading to women's vulnerability^[4]. Thus mainstreaming of women is greatly essential for sustainable rural development.

Considering this reality the Government of Bangladesh has made Empowerment of Women one of the prime objectives of the Fifth Five Year Plan (1997-2002)^[1]. Along with Government effort NGOs (microcredit organizations) have their own programmes to uplift the empowerment of women since 1972. It is estimated that nearly 80% of the villages in Bangladesh

Corresponding Author: Mahmuda Hoque, The United Graduate School of Agricultural Sciences, Tottori University, Japan

are now covered under NGO and 690 NGOs are engaged in microfinance operations. The overwhelming majority of these NGOs are small: The few large NGOs are Grameen Bank, BRAC, PROSHIKA, TMSS and ASA. About 95% of microcredit disbursed by the NGOs is in the rural areas. As of December 2005, the total number of active members benefiting from NGO programmes stood at 26 million, 88% (23.3 million) of the beneficiaries being women^[5-7]. In addition, the last twenty years journey of micro-credit has shown that it is a proven development device capable of providing huge numbers of the poor, (particularly women), with sustainable financial services to support their livelihoods^[8]. It is suggested that credit schemes are seen as having the potential to link women with the formal banking sector and thereby integrating women in mainstream development^[9]. Unfortunately, Bangladeshi women had very limited access to credit before launching micro-credit. Actually microcredit is provided to the poor for creating self-employment, income generating activities and other poverty alleviating programmes. Studies in Bangladesh have found that apart from economic impact, access to micro-credit has had substantial impact on gender equality. A study by Hoque and Itohara^[10] reported that micro-credit is contributing to some extent in generating economic activities and participation in family decision making of the rural women. Another study by Hoque and Itohara^[11] also stated that micro-credit program in Bangladesh is developing gender awareness among the women. However, the role of micro-credit has not yet been assessed in empowering the women in rural Bangladesh. Thus, the present study was taken into account regarding whether or not micro-credit program has any role in empowering of women.

Theoretical framework: This study was conceptualized considering basically three important dimensions of women's empowerment^[12] that identifies five principles on which empowerment are achieved. "The principles are:

- Welfare: This addresses only the basic needs of women, without recognizing or attempting to solve the underlying structural causes which necessitate provision of welfare services. Women are merely passive beneficiaries of welfare benefits
- Access: Equality of access to resources such as educational opportunities, land and credit is essential for women to make meaningful progress. The path of empowerment is initiated when women recognize lack of access to resources as a barrier to their growth and overall well-being and take action to redress this

- Awareness-raising: For women to take appropriate action to close gender gaps or gender inequalities there must be recognition that their problems stem from inherent structural and institutional discrimination. They must also recognize the role that women themselves often play in reinforcing the system that restricts their growth
- Participation: This is the point where women take decisions equally alongside men. Mobilization is necessary in order to reach this level. Women will be empowered to gain increased representation, by organizing themselves and working collectively, which will lead to increased empowerment and ultimately greater control
- Control: The ultimate level of equality and empowerment, where there is a balance of power between women and men and neither has dominance. Women are able to make decisions regarding their lives and the lives of their children and play an active role in the development process. The contributions of women are fully recognized and rewarded^[12]. Based on the above mentioned principles the following conceptual framework for the study was developed

It is clear from the above framework that through participation in institution (micro-credit NGOs and others) women can join in the income earning activities which make them self reliant and ultimately make them empowered which is really very important for sustainable rural development and mainstreaming of women in Bangladesh.

Objectives of the study: The study was carried out with the following specific objectives:

- To measure the status of empowerment of rural women (both members and non members of the micro-credit organization) in the selected areas
- To ascertain the factors related to empowerment of women and
- To assess the role of the micro-credit organizations in empowering rural women in Bangladesh

MATERIALS AND METHODS

Sample and data collection: The required primary data for the study was composed from 180 women of Rampur village under Palashbari Upazila (sub-district) in Gaibandha district. Among the sample women 90 were active members of micro-credit NGOs (i.e., Grameen Bank, BRAC and TMSS) and the rest of them were individual housewives (who are not yet involved with NGOs). Before sampling was started a list of women of micro-credit programmes was collected from

the local offices of the concerned micro-credit NGOs. Later a list of 30 women was selected randomly from each micro-credit NGO and a total number of 90 women were taken as representative sample of NGOs. Similarly, concerning the individual women the list was collected from the union council office and from that list 90 women were selected as a random basis. The empirical data was collected through personal interviewing of the respondent women. Collected raw data was coded appropriately and later analyzed by binary logit model¹⁾.

Measurement of the dependent and explanatory variables:

Status of empowerment: Status of empowerment of the respondent women was a binary variable (1 or 0) and was measured based on four important indicators related to gender issues. These are: (i) Contribution to household income, (ii) Access to resources, (iii) Participation in family decision making process and (iv) Perception on gender awareness. Contribution to household income of a respondent woman was considered as positive if she contributes financially in the household income from her personal income and it was assigned score 1 and if she does not have any financial contribution in the household income, it was considered as negative and was assigned score 0. However, access to resources of a woman was measured based on scoring (a 3-point rating scale) of the selected eight (08) issues. The score ranged between 0-24. If one woman having a score of 8 or above regarding access to resources was considered that the woman has access to resources (family and social resources) and was assigned score 1, or 0 otherwise. Similarly, participation in family decision of a woman was also measured based on scoring of 10 selected issues. Women having a score of 10 and above was

treated as a woman's have participation in family decision making and was assigned score 1, or 0 otherwise. Likewise woman's perception regarding gender awareness was measured based on score of different issues related to gender equality. If a women having a score 10 and above was considered as her having positive perception on gender awareness and was assigned score 1 and 0 otherwise. Finally, if a woman having a score 1 besides the above mentioned four indicators then it was considered that she has achieved empowerment and it was assigned score 1, or 0 otherwise.

Identification of the effective factor: The explanation and measuring techniques of the explanatory variables are shown in Table 1.

So, the final model will be as follows:

$$Y_i = f(X_1, X_2, \dots, X_{12}) + e_i \quad (1)$$

where, Y_i represents women empowerment and will be measured as a combination of all exogenous variables as mentioned in the Table 1.

RESULTS

The main objective of the study was to assess whether the women have achieved empowerment or not through participation in micro-credit programmes. The status of women empowerment was measured based on four selected indicators as mentioned in the previous section. The result shown in the Table 2 clearly demonstrates that except access to resources in case of other indicators NGO women have better status compared to Non-NGO women which is patently proved by the t-statistics²⁾.

Table 1: Description of the Variables in the Empirical Model (Binary logit)

Variables	Types	Definition
Objective variables:		
Rural women's empowerment	Y_i	Binary
Explanatory variables		
Socio-personal variables:		
Age	X_1	Continuous
Formal education	X_2	Continuous
Family landholdings	X_3	Continuous
Family landholdings	X_4	Scoring
Media exposure	X_5	Scoring
Institutional participation	X_6	Dummy
Having son	X_7	Dummy
Husband-wife relationship	X_8	Scoring
Micro-credit related variables:		
Amount of micro-credit	X_9	Continuous
Duration of micro-credit use	X_{10}	Continuous
Utilization of micro-credit by own self	X_{11}	Dummy
Monitoring by the concerned credit NGO	X_{12}	Dummy

Table 2: Developments of the women in various dimensions of empowerment issues

Issues	NGO women				Non-NGO women				t- statistics
	No	Yes	Mean	SD	No	Yes	Mean	SD	
Contribution to household income	3 (3.33)	87 (96.67)	0.97	0.18	58 (64.44)	32 (35.56)	0.36	0.48	10.451***
Participation in family decision making	38 (42.22)	52 (57.78)	0.58	0.50	59 (65.56)	31 (34.44)	0.34	0.48	2.363*
Access to resources	30 (33.33)	60 (66.67)	0.67	0.47	10 (11.11)	80 (88.89)	0.89	0.31	-3.340**
Gender awareness	10 (11.11)	80 (88.89)	0.89	0.31	35 (38.88)	55 (61.12)	0.61	0.49	4.030***

Note: Number in the parentheses indicate percentage

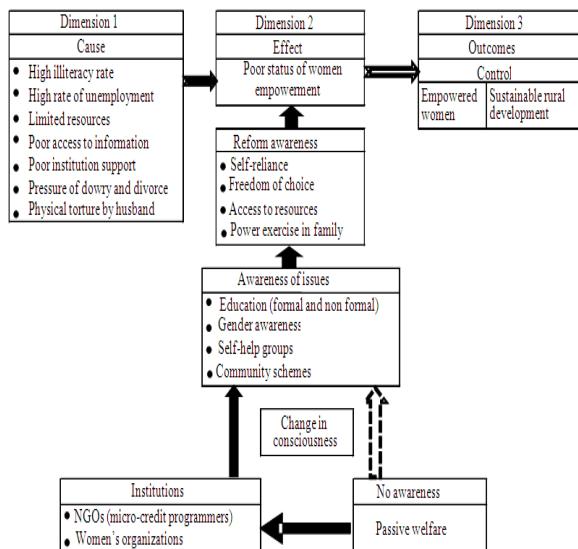


Fig. 1: Conceptual framework of the study

Table 2 shows that 58% NGO women have participation in family decision making processes. It is evident from the above Table that the absolute majority (97%) of them have direct contribution in household income compared to Non-NGO women. This is obviously due to participation in micro-credit programmes which create income opportunities for the rural women through small entrepreneurship development. Similarly, result shows that majority of the NGO women (89%) have awareness regarding gender equity, while only 60% of the Non-NGO women have that awareness. On the other hand, Non-NGO women have better access to resources rather than their counterpart NGO women. This is due to the fact that NGO women are traditionally the representatives of the resource poor families.

Based on the results of the above mentioned indicators, when the researchers calculate the status of women empowerment then it shows that the overall empowerment status of the respondent women are poor, as shown in Table 3.

The result of the study showed that among the respondent women only 21% are empowered. While, 69% of the empowered women are active members (beneficiaries) of micro-credit programmes of selected 3 MF NGOs and only 30% are individual housewives (non members). This result confirmed that micro-credit programmes have significant influence in empowering the women in rural Bangladesh. Table 3 also shows that among the selected NGOs, the highest percent (40%) of women empowerment is found among the members of Grameen Bank. While, only 23% members of both TMSS and BRAC has achieved empowerment. This is due to the fact that Grameen Bank is operating micro-credit program for more than two decades in this locality while the other two are relatively new compared to Grameen Bank.

The leading objective of the study was to explore the most important factors that can influence women empowerment significantly. Table 4 shows the result of the binary logit model separately for NGO women, Non-NGO women and all women. In case of all woman it shows that -2 log-likelihood value for the model is 39.81 and the likelihood ratio (χ^2) value is 143.07 which is greater than the critical chi-square (χ^2) value ($\chi^2_{0.01\ 11}$) of 24.7 and ($\chi^2_{0.05\ 11}$) of 19.7 at the 1% and 5% levels of significance. The result of the binary logit model explored that family land holdings, media exposure, institutional participation, micro-credit use by own self and monitoring by the concerned micro-credit NGO as most vital factors for women empowerment.

The result evidently showed that women having participation in any formal institutions (micro-credit NGOs or others) are more empowered, compared to those who does not have any institutional participation. Thus the conceptual frame work of the study (Fig. 1) is found logical as it demonstrated that through giving access to institutions rural women are supposed to be empowered. When a woman uses the money (taken as loan from micro-credit NGO) by herself in any productive purpose then she can earn money and contribute to some extent on household income. Due to this contribution she can establish her control over the family decision making process and other family affairs and thus ultimately improve her position in the family.

Table 3: Status of women empowerment among the respondent women

Types of women	Group	Status of empowerment (N = 180)				Total	
		Not empowered		Empowered			
		Number	Percentage	Number	Percentage		
NGO women	Grameen bank	18.00	60.00	12.00	40.00	30	
	BRAC	23.00	76.67	7.00	23.33	30	
	TMSS	23.00	76.67	7.00	23.33	30	
	NGO Total	64.00	71.96	26.00	28.89	90	
Non- NGO women	Individual housewives	79.00					
		87.78	11.00	12.22	90.00		
All women		143.00	79.44	37.00	20.56		

Table 4: Results of the estimated binary logit model

Variables	NGO women		Non-NGO women		All women	
	B	Wald	B	Wald	B	Wald
Age	X ₁	10.154	1.421	-0.135	1.337	0.0050
Formal education	X ₂	0.557	1.457	1.405	3.161***	0.3370
Family landholdings	X ₃	4.548	3.691***	0.627	0.498	2.9040
Spatial mobility	X ₄	-0.506	0.472	-0.454	0.681	-0.8670
Media exposure	X ₅	1.382	1.925	1.772	3.175***	1.9340
Institutional participation	X ₆	-	-	-	-	11.229***
Having son	X ₇	0.207	0.009	-0.577	0.045	0.8340
Husband-wife relationship	X ₈	0.171	0.331	0.852	2.071	0.1600
Amount of micro-credit	X ₉	0.162	2.345	-	-	0.0260
Duration of micro-credit use	X ₁₀	1.379	1.850*	-	-	0.4170
Utilization of micro-credit by own self	X ₁₁	7.358	2.239**	-	-	2.2950
Monitoring by the concerned micro-credit NGO	X ₁₂	5.913	2.440**	-	-	3.1990
Constant (K)		-28.435	4.565	-27.212	2.813	-21.2960
-2 log likelihood		17.040		13.430		39.8100
Cox and Snell R ²		0.637		0.448		0.5480
Neglkerke R ²		0.910		0.845		0.8600
Model statistics		91.170**	53.410*		143.0700**	
N		90.000		90.000		180.0000

Note: Parameter estimate significance: *** at 1%; ** at 5% and * at 10% levels

Similarly, regular monitoring of the concerned micro-credit NGO ensures utilization of the money in production. As most of the NGO members are from resource poor family, there is a chance to use this money in meeting their emergency needs or otherwise not investing in production. Thus monitoring from the concerned NGO increases the chance of using the loan in the proper way and paid back at the right time, which ultimately increases the level of confidence of the women participating in economic activities that is the pre-requisite of women empowerment. Access to media makes the women aware about their rights and scopes thus women having access to media are empowered compared to the women who does not have such access. On the other hand, result shows that women from larger farm families are more empowered than women from less family land holdings. This due to the fact that women (individual housewives) from larger family landholdings are relatively more educated and their parents' family background is also stronger, thus their status in the family is relatively better from the resource

poor family women. As a result, women from large family land holdings have better chance of being empowered.

However, the result of the study also showed that in the case of NGO women, duration of micro-credit use along with all the significant factors explored in all women model can collectively influence women empowerment among the NGO women. This is very logical that women who are using micro-credit for a long period have already established them in using micro-credit successfully in different enterprises. Thus through their experience they are able to earn a lot from investing the micro-credit money and contribute more on household income that eventually improve their empowerment.

On the other hand, the study noticed that formal education and access to media are two important factors for women empowerment among the non-NGO women. It is well established that education is the most powerful asset of a human being. Men or women having education are automatically self reliant. Thus,

respondent woman having better education should obviously be empowered. Like education, access to media is also important in this era of globalization to make men and women enlightened, women in Bangladesh have limited access to sources of information, so they are really handicapped regarding their scopes, rights and issues of gender inequality. So, when a woman gets better access to the media, she comes to know about her scopes and opportunities through which she can improve her status in the family as well as in society. This theory is sustained by the study of Parveen and Leonhäuser in Bangladesh^[13].

CONCLUSION

The results of the study provides sufficient evidence that micro-credit program is contributing to some extent in women empowerment in rural Bangladesh. Though it shows that the overall status of empowerment of the respondent women is poor, however the women who are actively involved with micro-credit programmes their status of empowerment are relatively better than the individual housewives. Thus, it can be concluded that micro-credit programmes have significant impact in empowering the rural women in Bangladesh. Results of the binary logit model also showed that institutional participation of the women and media exposure can significantly contribute in empowering the women but apart from the micro-credit NGOs rural women in Bangladesh does not have access to such type of institutions. On the other hand, micro-credit NGOs are working only with the poor section of women (specifically, marginal and landless and few parts of small farm families' women). Thus women from medium and large families do not have access to this type of institutions that can help in making them self reliant as well as empowered. However, the study also reveals that among the NGO women who are involved with micro-credit for a long period and operating the money that they take as loan from micro-credit NGOs by own self are better empowered. The study also explores that monitoring from the concerned NGO has a significant influence on women empowerment. So, micro-credit NGOs should take into account that women will use the money by themselves and they should monitor it time to time so that women use the loan money in productive purposes, which might fulfill their objectives of empowering the rural women through micro-credit programmes. Finally, it is essential to incorporate all this important factors in the national women development policy and proper attention is needed to execute it to improve women

empowerment and adjoin them in the main stream of development.

Notes:

- SPSS version 17 software was used for analyzing the data; simple statistics (mean, standard deviation, frequency count and percentage) were used to explain the data. The dependent variable was dichotomized with a value 1 if a woman attained empowerment and 0 if otherwise
- Paired t-test was used to make comparisons between two groups of women regarding various issues of women empowerment

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