

ROLE OF MICROFINANCE IN POLITICAL EMPOWERMENT OF WOMEN: BANGLADESH EXPERIENCE

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Abstract: Microfinance programs can also serve as social development tool. This can lead to a higher social status, better education, more independence and better political participation of women. This paper focuses on the wider areas of microfinance's role in social participation and socio-political empowerment of women. The author present finding from research involving 297 structured interviews with women from two different groups, namely members of the Bangladesh Association for Social Advancement (ASA) microfinance program and a control group made up of non-microfinance program members. This research contributes to public policy setting by governments and policy makers in both developing and developed countries in highlighting strategies that facilitate facing the challenges to increase women's participation in socio-political activities. The results illustrate that microfinance is also a powerful tool for the empowerment of women, significantly increasing women's socio-political participation.

Keywords: Microfinance, Socio-political empowerment, Women empowerment, Development policy.

INTRODUCTION

Non-government organisation (NGO)-provided microfinance services in Bangladesh have various social objectives, carry out development programs alongside the government and often are called an alternative development sector.

Access to microfinance usually leads to a higher and better-diversified income situation, both at the personal, and at the household level though creation of more jobs, higher quality of jobs (i.e., creating an enabling environment for improved labour conditions, enhanced productivity, improved skills base), and more stable income at the family level. These benefits can bring positive impact on raising the level of education, improving health conditions and sanitation facilities etc. The social effects of microfinance provision can also take place through empowerment of women, who are often preferred clients of microfinance institutions. This can lead to higher social status, better education and more independence for women. It also helps them to be able to cope with economic shocks (e.g. loss of an important family member, natural catastrophes etc.), by means of savings, credit, and micro-insurance products. Thus, microfinance works as a mechanism to provide social protection to the disadvantaged. These impacts can in turn affect the overall incidence of poverty, whether defined in narrow income terms or more broadly (Simanowitz 2003).

Social and Economic Reality of Women in Bangladesh

Society overall is highly patriarchal in Bangladesh. Blanchet & Kramer (1987) and Kabeer (1991b) noted that the underlying history of Bangladesh is based upon the struggle between Islamic and Bengali identities. Recent socio-political change in Bangladesh, namely the process of islamisation as a

harsh interpretation of Islamic prescriptions, is arguably causing that society to mutilate its secular form. Women who violate the social and religious norms may become scapegoats and often these religious groups are using the social platform to work against women's interests nationally, in the name of 'protecting' women's interests (Adnan 1989). In many forms (e.g. shamaj and salish) men exercise control over women on their choice of marriage partner, access to the labour market and their income and assets.

The social practice of religion in Bangladesh has taken a syncretic form due to the influence of various religions and cultures (Kabeer 1991a). The seclusion of women (purdah) is instituted by Islamic social beliefs that define separate spaces for men and women and tie the protection of family honour (izzat) to the control of female sexuality. Purdah restricts women's mobility in the public space and allows men to exercise control over them whilst also representing a set of norms internalised by women regarding appropriate behaviour (Adnan 1989). The Human Development Report (UNDP 2000, p.163) ranked Bangladesh 121st out of 143 on the Gender Related Development Index. This index adjusts the average achievement of each country in life expectancy, educational attainment and income in accordance with the disparity in achievement between women and men.

In rural Bangladesh, women's opportunity for employment outside the home (bari) has been very limited. Women usually take their place in doing household work (e.g. weaving, preparing food, and parenting) (Rahman 1992). In some cases, impoverished rural women lease land or ponds to engage in activities such as livestock and poultry rearing, fishpond cultivation and vegetable production, but the scope for this is very limited indeed (Jahan 1989). Disparity in women's access to labour markets can be found both in urban and central areas and the difference is much wider in non-agricultural employment. For example, women's wages are on average 86 percent of male's in the more formal labour market (UNICEF 1992). Bangladesh has extensive labour legislation, but it is poorly enforced (Blanchet & Kramer 1987). Despite relatively prevalent unionisation, unions are often tied to political parties and thus serve the interests of women poorly. (Hossain, Jahan & Sobhan 1988). The next section further discusses the various forms of disparity that women face in the current socio-economic circumstances in Asia and particularly in Bangladesh.

Women and poverty: A synopsis

Generally in South Asia and predominantly in Bangladesh, the multidimensional nature of poverty

constricts women, as well as their overall households, to having very little capacity to fight against poverty. The majority of the population in Bangladesh lives in rural areas where landlessness is reasoned to increase the incidence of poverty (Hossain 1988, p 15-16). By and large, women's poverty is considered to be related to that of the households of which they are members. However, the magnitude of women's poverty is also partly separate from that of men due to the existence of gender inequalities within the household and beyond (Kabeer 1992). Women are more likely to be poorer than men with fewer opportunities in fighting against poverty because women in Bangladesh are paid less and have lower access to paid labour than men (Khan & Hossain 1989). As such, it is harder for them to transform their capabilities or resources to income or well-being (Kabeer 1996). Zillur & Sen (1993) argue that women's socio-economic opportunities are restricted by their existing gender specific vulnerability to poverty and, more importantly, in the course of 'the constraining impact of violence and insecurity'. Kabeer (1991a) believes this inequality also identifies the existing gender differentiation in entitlements by women in different forms, namely labour, capital, and also their 'crisis-coping capacity'.

Moreover, across various cultures in Asia, generally women are specialised in unpaid activities such as reproductive and care provision compared to men's tendency to specialise their labour in productive activities. Thus, the combined paid and unpaid labour time of women is greater than that of men (UNDP 1997, p. 33) and the return for women's paid work is also lower than that of men. As a result, women on average work more with less command over income as well as over assets (Kabeer 1996). Due to this gender-based division of paid and unpaid labour, women are further pushed into socio-economic insecurity and the vulnerability of poverty. This can result from personal, family and socio-economic crises, including macroeconomic issues such as political and ethnic conflict, HIV/AIDS epidemics etc. (Cagatay & Ozler 1995; Moser 1996). Nonetheless, women tend to work harder than men and thus increase their paid and unpaid labour in case of crises and so maintain households (Floro 1995; Gonzales 1994; Moser 1996, 1998).

A study by Moser (1996, 1998) conducted in the Philippines, Zambia, Hungary and Ecuador reveals women's and children's labour are used as the principal coping mechanism in response to economic crises. In all four communities, women's combined paid and unpaid labour was higher than that of men and they increased their paid work, often in the informal household sector in times of crisis. In the case of utilising children's labour, domestic work responsibilities of mothers tended to be taken up by

girls, while boys tended to mobilise into paid labour. Accordingly, girls' labour was unpaid and less

visible. The disparity in gender-based earnings in the informal sector is greater than in the formal sector.

Table 1: Relative earnings of women and men

	Female and male Earnings Ratio	Gender Gap	Portion of Gap unexplained (%)
Developed Countries (n = 19)	0.77	0.23	80.4
Developing Countries (n = 42)	0.73	0.27	82.2

Source: (World Bank 2002b, p. 55)

In times of crises, feminisation of the labour force can lead to further worsening of women's position in labour markets. An empirical study (World Bank 2002b, p. 55) by the World Bank conducted in 71 countries found that women in developed countries earn on average 77 percent of that of men and in developing countries 73 percent. Table 1 captures the relevant data.

Likewise, in connection with labour-based entitlements, 'women's labour restricts within the tight parameter imposed by purdah and is less likely to be remunerated and receives lower returns when it is' (Kabeer 1991b, p.252). Women in Bangladesh have very limited rights with respect to inheritance property and in some cases do not even claim those rights. Safilion-Rothschild & Mahmud (1989) revealed that only one fifth of women in landless households could independently gain access to their inherited land e.g. through share-cropping arrangements.

It is evident from the foregoing discussion that from both social and economic perspectives, one essential ingredient needed to ensure equal opportunity and rights for women is 'empowerment'.

Women's Empowerment: An Overview

The concept of emancipation of women became introduced in the Indian sub-continent during the nationalist movement against colonial British rule. Liberation of the state and emancipation of women was an integral and integrated issue in the very context of the nationalist movement for freedom (Sparr 1994). British colonial rule contributed to legislation that positively affected the status of women in the sub-continent, such as widow remarriage being permitted in 1854 and the ban of *sati* in 1859 (burning wives along with their deceased husbands). With the instrumental support of the British government, several local leaders and social reformers, such as Vidyasagar and Raja Ram Mohun Roy, spearheaded reforms by passing these laws (Hartstock 1985). Later women took an important part in the struggle for national freedom. *Pritilota* was the first woman who took part in a bloody

encounter with British troops in *Chatgao* in 1932 (now known as Chittagong) and to die (Neogi 2006). Other leaders such as 'Mahatma Gandhi', 'Netaji Shuvash Bose' and 'Mastarda Surya Sen' gave prominent positions to women in the freedom movement.

During the 1970s and 1980s feminists rephrased the concept of empowerment to address the existing gender differences within the control and distribution of resources. Mayoux (2000) noted two aspects of the idea of power, *firstly* "power over", meaning control, and *secondly*, "power to", as to the ability to influence change. Mayoux (Fernando 1997, p. 167) defined empowerment as a multidimensional process (as the power dimension operates in economic, political and social spheres of life) that influences (at different levels such as in individual, household, community, market and institutional) the change in power relations. She also identifies the diverse power relation of women as: (a) *Power within: Enables women to act on their own targets and strategies for change.* (b) *Power to: Enables women to have access to develop skills and resources to achieve their targets.* (c) *Power with: Enables women to study and act to organize for collective interests and to achieve them, and to consider other organizations for change.* (d) *Power over: Brings equality in access to power and resources that could enable women to overcome constraints.*

Inequalities are socially constructed by the intervention of various elements (such as religion, culture, caste etc.), which are also an integral part of one's social being and that also can restrict women's access to power and resources (Batliwala 1994; Fernando 1997). According to Batliwala (1994, p. 130), empowerment "begins not only by recognising the systemic forces that oppress them [women], but [by acting] to change existing power relationships. Thus empowerment is a process aimed at changing systemic forces which marginalise women in a given context" and that process (empowerment) has to be "externally induced, by forces working with altered consciousness and awareness that the existing social order is unjust and unnatural" (Batliwala 1994).

Hence, in broader terms, empowerment relates to the institutional environment that enables women to have “control over material assets, intellectual resources and ideology. The material assets over which control can be exercised may be physical, human, or financial, as land, water, forests, people’s bodies and labor, money, and access to money. Intellectual resources include knowledge, information, and ideas. Control over ideology signifies the ability to generate, propagate, sustain, and institutionalize specific sets of beliefs, values, attitudes, and behavior-virtually determining how people perceive and function within a socio-economic and political environment (Sen & Dreze 1995, p. 178). Thus, the liberation of women is “an integral part of social process, not just a women’s issue” (Calman 1992, p. 192).

The indispensable elements of empowerment are economic and social well-being. Wages, education, health care etc. are the required tools to achieve economic and social progress and which can lead women to become empowered. On the contrary, unemployment, poor health, illiteracy and domestic violence make women disempowered and thus less able to participate in the political process (World Bank 2002a). According to the World Bank (CIDA 1995, p. 89) empowerment is represented in freedom of choice and in capabilities- “empowerment is the expansion of assets and capabilities of the poor people to participate in, negotiate with, influence, control and hold accountable institutions that affect their lives”.

The various social and political forces in Bangladesh are alleged to be responsible for hindering the progress of emancipation of women. In this context, various NGOs have evolved with diverse objectives and have offered their services as an alternative approach to development. Moreover, the primary focus of these development initiatives by NGOs has been and is on poverty alleviation and women’s empowerment. Microfinance has become a well-regarded concept in helping disadvantaged women in many developing countries and most significantly in Bangladesh. It has helped women regardless of their age, race and social status. The advent of microfinance has not only helped women to enable them to fight against poverty but also has helped them to rise against the oppression of patriarchal society and establish their socio-political rights (Heleh 1998; Kabeer 1991a; Mayoux 2001). The next section discusses the nexus between microfinance and women’s empowerment in Bangladesh and in particular, an issue that goes to the very essence of this paper.

Microfinance and Women’s Empowerment: The Nexus

Article 8 of the UN Charter forbids any restrictions on the eligibility and participation of women and men in any capacity and under conditions of the equality in its principal and subsidiary organs (United Nation 2005). The UN’s definition of empowerment includes: women’s sense of self-worth, their right to have and to determine choice, their right to have the power to control their own lives, both within and outside the home; and their ability to influence the direction of social change to create a more just social and economic order, nationally and internationally (Batliwala 1994).

Recognising women as equal partners is likely to significantly improve the gender relations between men and women and thus renewed energy and skill will be brought to social and political movements and institutions (Fernando 1997; Rowlands 1998). Increased power will enable women to have better decision making authority in family and community affairs. Thus, empowerment works as an active catalyst in changing the relationship of women with men and with the rest of society. According to this view, the literature on women in the development movement in the 1970s suggests that women need to be “empowered” to participate in the ‘development processes’ (Kabeer 2001). This is why an increase in income for women brings better equality and establishes a better sense of rights within the families of poor microfinance clients in the developing world.

Given the existing socio-cultural constraints on women in Bangladesh, there was tremendous growth and development in poverty-oriented credit programs during the 1980s, and women were a priority target group for these programs. In Bangladesh, the rural poor as well as poor women had long been neglected by the formal financial institutions due to the ‘poorly extended commercial banking system’, lack of collateral amongst the poor, ‘high transaction costs for borrowers’ and essentially a range of socio-cultural constraints on the appropriateness of women engaging in market-oriented production (Hussain & Afsar 1988, p.58-59). Thus there existed the urgent need to redesign the traditional financial institutions, which some have condemned as having hastened poverty further amongst the poor (Yunus 1997).

In reality the advent of microfinance was a major government policy shift in the rural financial environment and must be seen as an opportunity for women. White (1992, p.102-105) describes this as the expansion of credit programs at the cost of more qualitative program inputs into structural and attitudinal change in gender and class relations. Many of these programs specifically target women on the basis of the view that they are more likely to be credit constrained than men, have restricted access to the wage labour market, and have an inequitable share of

power in household decision making (Mizan 1993). Moreover, credit provided to women is more likely to influence children of both genders' schooling expenditure and asset accumulation than credit provided to men (Hossain, Jahan & Sobhan 1988).

There are a number of reasons for group-based lending to be particularly attractive to women in rural Bangladesh and in other low income societies. As explained previously, very few women work in the wage labour market in rural Bangladesh. It is a conservative Islamic society that encourages the seclusion of women (purdah). Self-employment activities that produce goods at home for market sale are less frowned on culturally. Moreover, time in self-employment at home may jointly produce household goods such as child care. Although some of these production activities can be operated at low levels of capital intensity, for many a minimum level is needed. This minimum is often the result of the indivisibility of capital items.

Group lending schemes may have an informational advantage over those of outside lenders. Without them obtaining information about the actions of each member of a group by an outsider lender would be costly and subject to misinterpretation. Group members can monitor each other with relative ease, as well as train and assist low productivity members. Social custom in rural Bangladesh restricts direct contact between potential female borrowers and (male) outside lenders. Even if the credit program organiser is male, it is easier for a woman to interact with the organiser when in the company of a larger group of women. The informational advantages of group-based credit are thus likely to be greater for women than for men. The group lending programs of the well known Bangladesh microfinance institution, Grameen, create a support network amongst members, which also facilitates the process of "peer mentoring" that has contributed to women's empowerment (Bernasek 1997; Bernasek & Stanfield 1997; Hashemi, Schuler & Riley 1996).

Several studies have found positive impacts of microfinance programs on income, wealth, asset accumulation employment, health, and nutrition (Chowdhury, Mahmood & Abed 1991; Khandker 1998). Hossain, Jahan & Sobhan (1988) found that the average household income of Grameen Bank's members was 43 per cent higher than that of households in a control group (non-members). Another study supports an increase in income of 26 per cent by BRAC borrowers compared with non-borrowers (Chowdhury, Mahmood & Abed 1991).

Studies have also found a significant positive impact of microfinance programs on employment. Hossain (1988) revealed that women who borrowed from Grameen Bank were employed 18 days of each

month compared to 2.4 days for the control groups in various income generating activities. Moreover, the RD-12¹ impact study revealed an increase in employment of both men and women of 217 to 269 days and 139 to 221 days respectively (Matienzo 1993, p.18). Women's access to resources, such as credit, also enables women to have better decision making power and has a positive effect on household nutritional status, health, and education of the children (Sen & Grown 1987).

Kabeer (2001) in a Bangladesh context finds that "*.. growth of women's self-confidence, in their knowledge of their rights, their willingness to participate in public action and even the reduction of domestic violence may have occurred as a result of women's participation in the new forms of social relationships embodied in credit organizations*" (Kabeer 2001, p. 81). The success of microfinance programs in empowering women depends on the scale of women's participation. NGO programs can bring substantial success because they work at the grass-roots level, where the target population is (Fernando 1997).

Since inequalities are based upon issues deeply rooted in society, such as various social elements like religion, culture, caste etc., developing social and political empowerment through education cannot always be an effective mode of change. Women's economic vulnerability is at the center of their powerlessness, and improvement in their economic status has a positive impact on other dimension of empowerment (Sundram 2001). The driving force of the microcredit movement is to particularly engage poor women to alleviate poverty and also to increase their access to resources and enhance their power in decision making (Khandker 2001). Chen (1996) also found that women participating in microfinance programs acquire assets and exercise power in decision making. Thus, microfinance institutions (MFIs), by improving women's economic status, can play a vital role in empowering women.

Therefore, it could be said that MFIs can create the institutional relations that could assist women to achieve socio-economic and political equality. Women's control over and access to material resources is essential to their exercise of social power and autonomy. Likewise, higher productivity and employment enables women to exercise greater power and autonomy within the household (Fernando

¹ The RD-12 project was a rural development program, begun in 1988-89 for those people without assets. This program was financed by the Canadian International Development Agency (CIDA) and administered by Bangladesh Rural Development Board (BRDB) (Khandker, Khan, Khalily 1995).

1997). Microfinance programs can also provide an avenue through which a broader range of social change can be achieved without any threat to the existing social and institutional order. These programs can facilitate the formation of small groups where women can exercise and carry out educational and other forms of social programs and pursue other dimensions of social change (Islam-Rahman 2002). A 1998 UN Resolution states that, in addition to its financial objective, microfinance enhances women's empowerment and contributes to the social and human development process (UN 1998).

Empowerment of women through microfinance has been an important milestone in the development discourse during the 1990s. Granting of credit to women is more likely to benefit female consumption standards than those of males. Khandker (2001) revealed that members receiving credit are more likely to participate in household decision-making than women who are not receiving credit. Other studies (Chen 1996; CIDA 1995; Fernando 1997; Islam-Rahman 2002; Kabeer 2001; Mushtaque, Chowdhury & Bhuiya 2001; Zohir et al. 2001) showed that households receiving credit are largely better off than those not participating in a credit program. Moreover, the finding from the previously stated studies, that the gender of the credit receiver influences the pattern of household decision making outcomes, is interpreted as evidence that women's preferences carry greater weight in determining decision-making outcomes in households where they receive credit compared to households where either men receive credit or no credit is received. Many other studies have found a significant relationship between microfinance and empowerment of women (Khandker 2001).

Microfinance programs can particularly empower women because they strengthen women's social networks (Hunt & Kasynathan 2001; Milgram 2001). Microcredit has created social mobility of women in rural Bangladesh during the past two decades and has successfully been able to change the traditional rural power structure and have a significant impact in empowering women (Khandker 1998; Mayoux 2001; Rahman 2002). MFIs such as Grameen Bank, BRAC and Association for Social Advancement (ASA) are pioneers in empowering formerly powerless women by providing credit. Microfinance programs reach an overwhelming majority of the poor women in Bangladesh, provide access to credit and have significantly improved the rural credit market, having a significant impact in empowering women (Rahman 2002).

RESEARCH DESIGN

This following section provides a detailed discussion of the research design and methodology employed in

the conduct of this research. This section also covers discussion on research design, the research instrument utilised, the population and sampling design and the statistical tools utilised in the analysis of the gathered data. Three groups of respondents form the sample for this study. Data gathered from MFI members who had been in a microfinance program for at least two durations; 4 years and 8 years. The third group of respondents consists of the control group² none of whom are members of any microfinance program. Two structured interview guides for MFI members and non-members are divided into four parts; 1) personal profile, 2) socio-political participation and social rights, 3) economic profile and 4) human development. Sample questions under the second category are: "Have you voted in the last national election?", "Why did you vote for the candidate?", "Are you a member of any political parties?", "Why do you support any given political party?" etc. In the question set for the MFI members there are specific items requesting answers that provide data for two different time segments, *firstly* for members 'present' status and *secondly* on their past or status 'before they become a member of the MFI'. Most of the questions in this questionnaire provide an open-ended option as well as few suggested answer prompts.

Validation of Instrument

Copies of the structured interview guides were evaluated and critiqued by a microfinance expert in UNDP, a senior academic in development studies from the University of Melbourne and by NGO executives from the Grameen Bank, and the BRAC in Bangladesh. None of these reviewers was a participant in the study. The interview guides were translated into Bengali to ensure better understanding of the interview questionnaires both by the interviewees and interviewers. These interviews were conducted in December 2005 by the researcher and two other trained research assistants.

Population and Data Sampling

MFIs advocating microfinance

Bangladesh was chosen as the country or the geographical area for this research due to the success of microfinance in that country in improving the socio-economic status of the vast majority of poor people (Bhatt & Tang 2001; Hashemi 1996; Holcombe 1995; Khandker 1998; Pitt & Khandker

² A second approach is the control group method, which has been widely used. This requires a before and after comparison of a population that received a specific treatment (i.e., a microfinance program) and an identical population (or as near as possible) that did not receive the treatment Hulme (2000).

1998). For the purpose of this study, the top 50 MFIs were selected according to the Credit and Development Forum (CDF) (2004) ranking. This ranking is undertaken on the basis of MFIs' performance on several operational aspects; namely number of active members, net savings by the borrowers, cumulative disbursement, outstanding borrower, and Revolving Loan Funds (RLF)³ etc. Communication occurred officially with the top 10 MFIs with an outline provided to them of the intended research. After a series of communications with the potential respondent MFIs, successful negotiation was made with the ASA. In this process of selecting the specific locations for interview, a random sampling technique was used and three districts ("Gaibandha", "Gazipur" and "Kurigram") out of 64 districts were selected. All of the names of prospective participants were provided were for female members, since members of ASA are primarily women (99.99%) (Chowdhury 2005).

Respondent interviewees

In the *first stage*, samples from the three chosen districts were drawn according to two categories; namely those with 4 year MFI membership, those with 8 year MFI membership. Once the '4 year' and '8 year' members had been identified by ASA, a random sampling technique was used to select 33 MFI members from each group (*Groups 1 & 2*). So, a total of 198 MFI members were selected for the interview process from the three districts (i.e. 3 districts x 2 groups x 33 MFI members). It was also agreed with the participating MFI that if a selected member did not wish to participate, details for a replacement MFI member would be provided. In the *second stage*, one of the researchers randomly approached one individual from households in the local community, explained the project and then asked if she was willing to participate in the research and accept to be interviewed. Then, the potential participants were asked whether they had ever been a member of any MFI. Women who had never been involved in any microfinance program were selected and interviewed as the control group (*Group 3*) until 99 such people had agreed to participate. Thus, 99 respondents from each of the three chosen districts (*Groups 1, 2 & 3*) participated to give a total of 297 respondents.

³ Credit operations are carried out through a Revolving Loan Funds (RLF). Loans realized, are created to and from a part of the RLF for extending future credit. This process of lending, recovery and further lending ensures that the credit facilities are eventually available to all clients or group members. RLF comes from internal and external sources.

Impact of Microfinance Program on Political Empowerment

This section presents data relevant to the context of political empowerment and provides analysis that can be used to assess the respondents' state of empowerment. One indicator of socio-political empowerment is the extent to which individuals take part in political life. Membership in microfinance programs appears to have an impact on respondents' participation in socio-political activities. Table 2 reveals that 98% of MFI members voted in the last national election compared to 81% of the control group participants. This difference is significant ($\chi^2 = 30.068, p < .01$). However, there is no significant difference ($\chi^2 = 0.338, p > .05$) between the membership duration of MFI members and their voting practice.

This study also reveals the factors that influenced the voting decisions. Table 3 reveals the 10 most frequent issues that were put to participants as a potential influence on respondents' voting decisions. More than double (63%) the MFI members exercised their own personal preference in making voting decisions compared to respondents from the control group (30%). This difference is significant ($\chi^2 = 38.896, p < .01$). Of the MFI members, for 46% voting decisions were influenced by the perception that the 'candidate will bring economic prosperity' compared to only 19% of the control group members and this difference is also significant ($\chi^2 = 327.293, p < .01$). Moreover, 25% of the MFI members responded that they had a party affiliation or they were involved or participating in a political party compared to only 13% of the control group respondents, which again is a significant difference ($\chi^2 = 8.894, p < .01$).

More importantly, this table reports that almost half (47%) of the respondents from the control group felt vulnerable to pressure from the local leaders, which influenced their voting decisions compared to 13% of MFI members living in the same community. This difference is also significant ($\chi^2 = 24.471, p < .01$). To the contrary, no significant difference is found for NGO influence on voting decisions. On the other hand, for all categories of suggested potential influence on the voting decision, no significant difference is found based on membership duration among the MFI members.

From these results, it could be said that MFI members are more informed and involved in the socio-political process than the control group members. This finding provides evidence of MFI membership playing a role in improving members' capacity to develop socio-political awareness and exercise their civil and political rights to a greater extent than those in the control group.

Table 2: Voting practice

Voted at last election	Non-MFI Members (Control Group) (N= 99)	MFI Members		
		4 & 8 Years (N= 198)	4 Years (N=99)	8 Years (N=99)
Yes	81% (n=80)	98% (n=195)	98% (n=97)	99% (n=98)
No	19% (n=19)	2% (n=3)	2% (n=2)	1% (n=1)
Pearson Chi-sq. p-value	30.068 0.000		0.338 0.561	

Table 3: Influence on respondents' voting decisions

Influence on Voting Decision	Non-MFI Member Control Group (N=99)	MFI Members		
		4 & 8 Years (N=198)	4 Years (N=99)	8 Years (N=99)
Personal preference	30% (n=24)	63% (n=124)	60% (N=59)	66% (N=65)
Pearson Chi-sq. p-value	38.896 0.000		0.777 0.378	
Local community preference	29% (n=23)	9% (n=18)	7% (n=7)	11% (n=11)
Pearson Chi-sq. p-value	11.092 0.001		0.978 0.323	
Perceive candidate will bring economic prosperity	19% (n=15)	46% (n=91)	45% (n=45)	46% (n=46)
Pearson Chi-sq. p-value	27.293 0.000		0.020 0.887	
The leader is from locality	6% (n=5)	17% (n=34)	21% (n=21)	13% (n=13)
Pearson Chi-sq. p-value	8.501 0.004		2.237 0.132	
Candidate's personal qualities	9% (n=7)	14% (n=28)	12% (n=12)	14% (n=14)
Pearson Chi-sq. p-value	2.455 0.117		0.177 0.674	
Candidate's educational attainment	1% (n=1)	9% (n=18)	10% (n=10)	8% (n=8)
Pearson Chi-sq. p-value	7.197 0.007		0.244 0.621	
Candidate's financial capacity	1% (n=1)	2% (n=3)	1% (n=1)	2% (n=2)
Pearson Chi-sq. p-value	0.127 0.722		0.338 0.561	
Party affiliation	13% (n=10)	25% (n=49)	27% (n=27)	22% (n=22)
Pearson Chi-sq. p-value	8.894 0.003		0.678 0.410	
NGO influence	0	1%	0	2%

		(n=2)		(n=2)
Pearson Chi-sq. p-value		1.007 0.316		2.020 0.155
Pressure from local leader	47% (n=37)	13% (n=25)	15% (n=15)	10% (n=10)
Pearson Chi-sq. p-value		24.471 0.000		1.145 0.285

**Multiple responses. ** Percentages and totals are based on numbers responding.

Table 4: Respondents supporting a political party

Support political party	Non-MFI Member Control Group (N=99)	MFI Member		
		4 & 8 year (N=198)	4 Years (N=99)	8 Years (N=99)
Yes	46% (n=46)	68% (n=135)	79% (n=78)	58% (n=57)
No	54% (n=53)	32% (n=63)	21% (n=21)	42% (n=42)
Pearson Chi-sq. p-value		13.078 0.000		10.267 0.001

Table 5: Reasons influencing support of a political party

Reason Influenced to Support a Political Party	Non-MFI Members Control Group (N=46)	MFI Members		
		4 & 8 years (N=135)	4 Years (N=78)	8 Years (N=57)
Power/ Recognition	9% (n=4)	33% (n=45)	31% (n=24)	37% (n=21)
Pearson Chi-sq. p-value		16.729 0.000		0.259 0.611
Social Status	24% (n=11)	41% (n=55)	38% (n=30)	44% (n=25)
Pearson Chi-sq. p-value		10.607 0.001		0.629 0.428
Pressure from Local Leader	43% (n=20)	17% (n=23)	19% (n=15)	14% (n=8)
Pearson Chi-sq. p-value		3.926 0.047		2.410 0.121
Religious Reason	17% (n=8)	5% (n=7)	5% (n=4)	5% (n=3)
Pearson Chi-sq. p-value		2.844 0.092		0.148 0.700
Extra Source of Earnings	39% (n=18)	12% (n=16)	12% (n=9)	12% (n=7)
Pearson Chi-sq. p-value		6.643 0.010		0.272 0.602

**Multiple responses. ** Percentages and totals are based on respondents.

It can be inferred that MFI members are more likely to be informed citizens and hence to be and to feel more socially included than their non-MFI member counterparts.

Participating in various socio-cultural and political activities and membership in these organisations revealed that MFI members are more socio-politically empowered than non-members. MFI members are found to be more involved in such activities as presented in Table 4. This table shows the percentage of respondents who support political parties. It reveals that 68% of the MFI members actively support their desired political party compared to 46% of the respondents from the control group. It can be thus argued that the MFI members are more involved in the political process than the control group, with this difference found to be significant ($\text{Chi}^2=13.078$, $p<.01$). In consequence, it could be said that MFI members are more integrated and participative in social-political activities and thus are more socially included than the control group. Interestingly, there is evidence from the analysis of a decline in supporting a political party in the '8 year' group and this is negatively significantly different ($\text{Chi}^2 =10.267$, $p<.01$) from the '4 year' group.

There are various reasons that could influence or motivate individuals to be involved in participating in or supporting a political party. Table 5 reveals some of these reasons that respondents provide as influencing them to support a political party.

This study reveals the five most frequent reasons that influence the rural poor to support a political party. Table 5 further supports the fact that MFI membership brings positive impact on the socio-political life of members. Two reasons (Power/recognition and social status) are recorded to mostly influence the MFI members in supporting a political party. The Table shows that 33% and 41% of the MFI members support a political party for Power/recognition and social status reasons respectively. This needs to be compared with 9% and 24% respectively for the control group. A chi square test of the difference is significant in this respect for power / recognition ($\text{Chi}^2=16.729$, $p<.01$) and social status ($\text{Chi}^2=10.607$, $p<.01$). This table also supports NGOs' role in fighting fundamentalism as only 5% of MFI members state that they are influenced by religious reasons to support their political party compared to 17% of the control group members, although, this is found to be not significantly different ($\text{Chi}^2 =2.844$, $p>.05$) statistically. MFI members from the 4 and 8 year groups have similar types of attitudes and in all categories expected to influence respondents' support of a political party, no significant difference is found based on membership duration among the MFI members.

On the other hand, pressure from local leaders (43%) and extra source of earnings (39%) are the major reasons found to influence the control group respondents to support a political party compared to 17% and 12% respectively amongst MFI members. Again these differences are significantly different ('pressure from local leaders' $\text{Chi}^2=3.926$, $p<.05$ and 'extra source of earnings' $\text{Chi}^2 = 6.643$, $p<.05$). Thus, it could be said that the reasons influencing MFI members in supporting a political party are personally motivating factors that to some extent bring about enhancement in their social status and the feeling of becoming 'someone' in society, compared to reasons cited by the control group members. Control group respondents are shown to be more vulnerable to pressure from local political leaders and less able to exercise their social rights independently. Moreover, due to poverty and other reasons, these people are more at risk of being exploited by local political leaders and less able to think rationally, or else they are willing to take the chance to make some quick cash and get financial benefits for their support of a political party.

CONCLUSION

The foregoing discussion has argued that women in developing countries and particularly in Bangladesh have been excluded from participating in social activities and that this is a major impediment for development to any individual and to society. These concepts are also the focus of researchers, development practitioners, politicians and donor agencies around the world. Together, these concepts constitute a key issue that government and civil society have been trying to address in every region in the world and, more importantly, in developing countries. Many studies have found a significant relationship between microfinance and empowerment of women. This study, through quantitative analysis of primary data, reveals that participation in a microfinance program enabled women to have better involvement in social and political activities as well as having better political awareness compared to women not involved in a microfinance program. In the developing world, millions of people are involved in microfinance programs. It is important for reasons of public policy and for the involved NGOs themselves to know whether their efforts are effective in making a difference in empowering women.

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