Actually how Empowering is Microcredit?

Simeen Mahmud

ABSTRACT

This article re-assesses the effect of microcredit programme participation on women’s empowerment by applying an analytical framework that recognizes the conceptual shift in emphasis in the definition of empowerment, from notions of greater well-being of women to notions of women’s choice and active agency in the attainment of greater well-being. The author finds that microcredit programme participation has only a limited direct effect in increasing women’s access to choice-enhancing resources, but has a much stronger effect in increasing women’s ability to exercise agency in intra-household processes. Consequently, programme participation is able to increase women’s welfare and possibly to reduce male bias in welfare outcomes, particularly in poor households.

INTRODUCTION

Women’s empowerment in the development process has, up to now, been viewed as the achievement of a ‘better deal’ for women, with the ‘concentration…mainly on women’s well-being’ (Sen, 2000: 189). Consequently, and quite justifiably, the reduction and ultimate removal of gender inequality in well-being, both economic and social, has been the articulated goal in all the internationally agreed development targets. National development agendas, too, have primarily addressed the relative deprivations experienced by women, namely excess mortality, greater undernutrition, higher illiteracy, and so on.

However, the empirical association between aggregate economic development (reflected in GDP growth, levels of urbanization and industrialization, aggregate literacy, availability of public services) and reduction in gender bias in well-being was never very strong (Sen, 2000). In fact, any positive association was actually found to work mainly through variables that directly influenced the ability of women to exercise agency, namely formal schooling and participation in the labour force. Thus, there came a gradual

The author wishes to thank Prof. Naila Kabeer for her extremely thoughtful and detailed comments, and an anonymous referee of this journal for very useful feedback on an earlier draft.

realization that improvements in women’s well-being were closely connected
to women’s capabilities as agents of change and, subsequently, that these
capabilities of women must also strongly influence the well-being of other
family members, particularly of children but also of the elderly and of adult
men.

Over time the stated development goals of women’s empowerment have
evolved and broadened, from a concentration on the relative well-being of
women vis-à-vis men to the incorporation of notions of women’s agency in
the attainment of greater well-being for all, and particularly for women. It is
important to distinguish this shift in emphasis as one from passive accept-
ance of well-being enhancing assistance to one of active participation in the
attainment of those well-being objectives. In fact, women’s agency is being
increasingly posed as the pathway of social change that ‘can alter the lives of
both women and men’ (Sen, 2000: 189). However, this realization and the
accompanying shift in emphasis have not yet permeated into the inter-
national and national development agendas. There is a need to re-define
women’s empowerment so that the choice and agency aspects of this process
are seen as both distinct from and overlapping with the well-being aspects.
It is also important to recognize women’s agency as an important develop-
ment goal in itself, and not just as a means to achieving other development
objectives.

Some of the most compelling ideas about the relationship between socio-
economic development and women’s empowerment have emerged from
grassroots development experience in Bangladesh, an experience that has
been both unique and varied.1 It is hardly surprising that the outcomes of
this unique and varied experience have also been quite remarkable. First,
there have been significant development successes in Bangladesh even in the
face of severe adversities like political instability, inefficient aid utilization
and frequent natural disasters. These ‘successes’ are well known: a rapid fall
in birth rates, improvements in child survival and nutrition, increase in
school enrolment, reduction in gender gaps in survival and schooling, and
women’s increased labour force participation in the modern sectors. Second,
in all of these ‘success’ stories, women have emerged as the major players: as
factory workers in the manufacturing export sector, as borrowers of micro-
credit and as users of modern contraceptives. Clearly, the Bangladesh
experience has much to contribute towards a greater understanding of the
relationship between empowerment and socio-economic development.

---

1. The Bangladesh experience has been unique because it has been the ‘laboratory’ for some
of the most challenging and innovative development experiments in the contemporary
world. It has been varied because development interventions have ranged from vertical to
horizontal, conventional to radical, and imported to domestically evolved; and because
development actors have been many: the state, multilateral agencies, non-governmental
organizations and private entrepreneurs.
Empirical evidence on this relationship comes from evaluation studies of microcredit programmes, the largest development programme in Bangladesh today and one that is believed to have strong conceptual links to women’s empowerment. Unfortunately, however, assessments of the impact of microcredit programme participation on women’s empowerment have yielded contrary results, which can be difficult to reconcile with each other, even when evaluating the same programme. Some studies find that participation in microcredit programmes results in women’s economic and social empowerment, while others conclude that participation leads to greater subordination of women by reinforcing patriarchal norms of behaviour (see Kabeer, 2001 for a comprehensive review of evaluation studies).

Given the lack of consensus, this article re-examines the effect of microcredit programme participation on the process of women’s empowerment by taking into account the conceptual shift and drawing upon the rich grassroots development experience in Bangladesh. The next two sections critically review theoretical frameworks of women’s empowerment and empirical efforts so far to measure women’s empowerment in Bangladesh, and then propose an operational framework for measuring women’s empowerment. This is followed by a discussion of data and methods, and the presentation and examination of results, before some brief concluding remarks.

THE MEASUREMENT OF WOMEN’S EMPOWERMENT IN BANGLADESH

One of the most visible recent changes in the lives of rural women in Bangladesh is the significant increase in their access to credit. Loans are provided to women by microcredit programmes of non-governmental organizations (NGOs) and the Grameen Bank through informal groups mobilized as part of a programme strategy to reach the poor. Although access to credit and women’s empowerment are inextricably linked in much of the international discourse on the impact of microcredit, within Bangladesh the major policy thrust of microfinance institutions has not been women’s empowerment but the broader macroeconomic imperative of employment generation and poverty reduction. However, given the gender and class

---

2. By June 2001 such programmes covered 9.8 million women in rural areas. The expansion in coverage has been increasing since the mid-1980s with the fastest growth occurring after the mid-1990s (CDF, 2002). Membership in microcredit programmes is overwhelmingly female (over 85 per cent) and programme inputs, particularly credit, are targeted to the poorer segment of the population.

3. Group formation is organized initially around savings and awareness-raising activities. Later, collateral-free credit is provided to group members for various income-generating activities, undertaken either individually by households or, less frequently, by the group as a whole. The collateral is in the form of peer monitoring by group members, which creates a pressure to maintain loan repayment discipline.
based nature of rural Bangladesh society, it is hardly surprising that the
tremendous capacity of microcredit programmes to reach poor women
should have important consequences for women’s empowerment.4

Recently, concern with the ‘empowering’ effect of credit programme
participation has arisen as a result of pressure, largely coming from outside
Bangladesh, to make programmes financially sustainable (Murdoch, 2002).
This in turn has led to a growing tendency by programmes to adopt a
‘minimalist’ approach which de-emphasizes the non-credit inputs (such as
adult literacy, legal awareness, health and hygiene awareness, leadership
training, skills training, management training, and so on) that support
women’s programme participation.5 Such an approach to service provision
and women’s mobilization accompanied, as it is, by rapid scaling-up of
credit operations has direct implications for women’s empowerment. For
example, programme approaches that emphasized household welfare or
general poverty reduction were found to be less effective in achieving
women’s direct investment of loans in irrigation equipment and their con-
trol over income from loan use, compared to programmes that emphasized
women’s welfare specifically (van Koppen and Mahmud, 1996). Given that
women represent the major conduit for credit transfer to poor rural house-
holds it is quite pertinent to ask whether there are indeed any significant
payoffs for women from participation in these programmes.

In evaluating the impact of microcredit programmes, research studies
have frequently addressed this question from different disciplinary stances
and from a variety of theoretical perspectives on women’s empowerment.6
There is general consensus that empowerment is a process that is manifested
in more than one dimension. The most frequently identified dimension is
women’s absolute well-being, where empowerment is seen as the process of
improving welfare of women and girls, indicated by outcomes that measure
current status with respect to literacy and schooling, health and nutrition,

4. It is well recognized that socio-economic constraints on women’s control over productive
resources are major reasons for their low status generally and their subordinate position
relative to men. Hence, it is argued that credit to women, by increasing access to resources,
can play an effective role in improving their socio-economic status and in reducing their
economic and social subordination. Moreover, since the main mechanism for credit
delivery is through the process of group formation, which mobilizes poor women for
collective action at the village level, it is also likely that group membership promotes an
improvement in gender relations within the home and in the larger community (Mahmud,
2002). On both these grounds participation in microcredit programmes may be an
‘empowering’ experience for poor women, irrespective of whether there are any direct
poverty reducing effects or not.

5. ASA, the third largest microcredit programme in Bangladesh, with 1.33 million active
members in December 2001, adopts the minimalist approach and provides only credit
services (CDF, 2002).

6. See Amin and Pebley (1994); Goetz and Sen Gupta (1996); Hashemi et al. (1996); Huda
and Mahmud (1998); Kabir (1998); Mahmud (1991, 1994); Pitt and Khandker (1995);
Rahman (1986); Steele et al. (1998); Zaman (1996).
labour force participation, contraceptive use, mobility and ownership of clothing and assets. Another dimension is women’s relative well-being, where empowerment is seen as the process of improving the position of women relative to men within the household, and is indicated by women’s involvement in intra-household processes like decision-making, control over household income and assets, control over loans taken, and so on.

However, while the multi-dimensional nature of the empowerment process is recognized, the conceptual links between women’s relative position and absolute welfare are usually not adequately explicated. In addition, indicators used to measure empowerment at the different dimensions suffer from a lack of grounding in reality and absence of empirical validation.

**Conceptual Frameworks**

An influential hypothesis regarding women’s empowerment that has dominated the rationale of development programmes targeted at women, especially microfinance, views the effect of access to financial services like credit on women’s empowerment as a set of mutually-reinforcing ‘virtuous spirals’ of increasing economic empowerment, improved well-being and social/political/legal empowerment for women (see Mayoux, 1999). Mayoux suggests that this dominant view among practitioners, and many researchers, has emerged as the ‘confluence of three rather distinct paradigms’ of microcredit programmes for women that come from different theoretical underpinnings but are believed to lead to similar virtuous spirals of empowerment. These are the financial self-sustainability paradigm, the poverty alleviation paradigm and the feminist empowerment paradigm.

The financial self-sustainability paradigm preferred by economists, which advocates large-scale, minimalist financial services for the poor, assumes that financial services that stimulate women’s microenterprise development will lead to increased income under women’s control which will in turn lead to poverty reduction and increased well-being (consumption, health status, nutrition, literacy, housing) for women and their children (see for example Pitt and Khandker, 1995). In the poverty alleviation paradigm financial and other services targeted at women are seen as fulfilling women’s practical needs for income and employment, and are believed to be the best way of enabling women to address gender inequality and to lead to women’s empowerment. It is assumed that poverty alleviation benefits women particularly because of higher levels of poverty among women, and because of women’s greater responsibility for family welfare. The feminist paradigm regards women’s empowerment as an end in itself, requiring both a process of internal change at the individual level and organization at the macro level. Under all three paradigms women’s individual economic empowerment is believed to lead to wider social, political and legal empowerment.
and to contribute to building ‘social capital’ through developing and strengthening women’s networks.

Mayoux (1999) critiques this framework on the grounds that the assumption that access to microfinance automatically contributes to increased incomes by stimulating women’s own economic activity is frequently untenable. There are a number of reasons for this: there are barriers and constraints to access to participation; the impact on women’s incomes is small; control over income is not always evident; norms regarding intra-household responsibilities and rights vary; and the increase in women’s access to other more formal networks and services is not well established. Moreover, although the transformation of social and economic structures of women’s subordination or wider social empowerment is seen as an eventual outcome, the causal mechanism is assumed rather than explained and the role of women’s agency in contributing to the virtuous spirals of empowerment is not sufficiently spelled out.

A contrasting but increasingly influential thesis views the effect of women’s access to credit as reinforcing patriarchal norms of women’s subordination, leading to worsening gender relationships and disempowerment of women (Goetz and Sen Gupta, 1996; Montgomery et al., 1996; Rahman, 1999). Drawing on case studies of microcredit borrowers this thesis questions how far women have been ‘able to convert access to credit, and membership in credit organizations, into a process of empowerment’, where the implicit definition of empowerment is a ‘demonstrated capacity to invest loans profitably’ (Goetz and Sen Gupta, 1996: 47). It is argued that credit imposes a burden upon women as debt collectors for microfinance organizations. The intense pressure of timely loan repayment produces new forms of social and institutional dominance over women by families and by microfinance organizations, increasing tensions within the family and in the relationship between women clients of microcredit and programme personnel. There is also the hypothesis that microcredit diverts attention and resources from other more effective strategies for women’s empowerment. The assumption is that new cash inputs to the household through women are likely to be identified by household males as a resource for their use. It is also believed that women’s labour burden is increased without any significant concomitant increase in control over the productive process. As a result, it is suggested that women do not benefit from access to credit in terms of welfare outcomes. Moreover, it has been argued that the ‘hidden transcript’ of programmes which target women to generate ‘social collateral’ in order to ensure high repayment rates, may escalate violence toward women borrowers (Rahman, 1999).

However, a case can also be made that women use their relatively greater access to credit to gain some degree of leverage in unequal gender relationships, and may actually negotiate a better bargaining position within marriage by handing over loans to husbands. Loan use by male relatives also makes greater economic sense and is more likely to ensure financial security
through higher returns. Thus, the assumption that simple access to credit without significant or full control over loans improves women’s relative position in the household is also quite plausible. The question also remains whether ‘demonstrated capacity to invest loans profitably’ can be a realistic definition of empowerment in the context of rural Bangladesh, where there are significant barriers to the expansion of women’s productive investments and women’s access to markets and public services is restricted (Hashemi et al., 1996; Kabeer, 2001). In fact, capacity to invest loans actually represents the different ways in which women respond to credit provision rather than the impact of access to credit, and is determined very much by women’s pre-existing capacities and the pre-existing situation of their households.

**Measurement Indicators**

The weakness of concepts means that the relationships between indicators used to measure empowerment at different dimensions are assumed without adequate causal explanations and without sufficient empirical support. In one study access to credit was seen as empowering because the outcome ‘increased income earning time spent in credit-based activities’ was assumed to automatically lead to greater influence in household decision-making, but without providing any evidence of a positive relationship between women’s role in household decisions and time spent in market production (Pitt and Khandker, 1995). By contrast, the outcome ‘use of loans by male relatives’ was interpreted in another study as loss of women’s direct control over loans and seen as reinforcing unequal gender relationships, so that access to credit was interpreted as disempowering (Goetz and Sen Gupta, 1996). In this case, too, no evidence was given to support the assumption that male loan use was equivalent to women’s loss of control.

A related problem is that indicators used are not well grounded in women’s lived reality. For example, contrary to popular notion the empirical relationship between women’s role in decision-making and welfare outcomes is weak. Cases in which women make decisions independently — that is, women considered to be most empowered — do not necessarily have the best welfare outcomes simply because women’s independence in household decision-making usually takes place in female-headed households that are generally poorer and have lower levels of aggregate welfare compared to male-headed households where women’s decision-making is less likely to be independent.

Moreover, since the validity of an indicator as a measure of empowerment is not always empirically established, commonly used indicators (regardless of the theoretical underpinning of the concept of women’s empowerment) frequently over- or under-estimate the extent of empowerment. As Kabeer (1999) rightly points out, women’s perspectives are also rarely taken into account when assigning value to indicators. For example, an independent role in household decision-making is commonly assigned
a high value on the scale of empowerment. In reality, however, co-operation and joint decision-making with husbands or male relatives is actually more empowering in some situations, such as in matters that require access to public institutions like markets, legal and financial agencies and public service providers, because of women’s restricted access to the public domain. Hence, from the perspective of women themselves, an independent role in household decisions is not always more empowering, and often a joint or co-operative role rather than an independent role reflects active participation and exercise of agency more accurately.

Women also face difficult trade-offs between the exercise of choice and adherence to existing social norms, many of which perpetuate women’s subordination. These trade-offs impose costs upon women that can influence outcomes and behaviours. In other words, observed outcomes are highly context dependent, and cannot on their own indicate the role played by women’s enhanced choice and agency, or that played by realistic cost-minimizing strategies. Therefore, using an indicator in isolation of the underlying household process not only poses a validity problem but can also give misleading assessments of empowerment. Using the variable ‘who uses the loan’ to measure loan control is a clear case of such a pitfall (Goetz and Sen Gupta, 1996). Because institutions and norms are generally not supportive of women’s independent use of NGO loans, the variable ‘who uses the loan’ cannot meaningfully assess women’s control over loans unless it is also known whether women have a say in how the loan will be used and how income from loan use will be spent. In Kabeer’s 2001 study of women borrowers, the percentage of women in female loanee households in her sample who had some say in decision-making varied between 40 per cent as primary decision-maker and 90 per cent as joint decision-maker.

Finally, there is an inclination to assume that the empowering process is triggered only by exogenous events, overlooking the importance of pre-conditions like socio-economic status, life-cycle situation and intra-household relationships, as well as local social norms and practices, in shaping the environment in which new experiences can or cannot be empowering. Thus, the initial situation of individual women mediates the empowering effect of subsequent experiences, including joining a microcredit programme.

A CONCEPTUAL FRAMEWORK FOR ASSESSING WOMEN’S EMPOWERMENT IN BANGLADESH

The enormous challenge in assessing the process of empowerment is captured by Kabeer’s observation that ‘Empowerment is seen to occur at

---

7. One such trade-off is between the pressure to maintain the norms of purdah (seclusion) that limit women’s access to markets and other public institutions and the need to maintain control over the use of loans taken by them.
a number of different levels, to cover a range of different dimensions and to materialize through a variety of different processes’ (Kabeer, 1999: 2). Kabeer’s concept of empowerment rests upon the notion of power as determining choice and ability to choose, and with how lack of power and choice can be ‘disempowering’. She refers to empowerment as ‘processes by which those who have been denied the ability to make choices acquire such an ability’ (ibid.). Kabeer further points out that a distinction has to be made about the type of choice, and the focus necessarily has to be on strategic life choices, that is, choices that shape livelihoods or are ‘critical for people to live the lives they want’ (ibid.: 3). In her framework for assessing empowerment Kabeer suggests tracing women’s ability to make choices through three dimensions: the pre-conditions of choice or resources; the exercise of choice or agency; and the consequences of choice or achievements that reflect increased capacity to transform the structures of women’s subordination.

In a complimentary approach Chen and Mahmud (1995) distinguish different dimensions of empowerment — material, cognitive, perceptual and relational — on the basis of pathways of positive change, the consequence of which is women’s improved fall-back position and greater bargaining power. Material empowerment occurs through expansion in the material resource base of women. Cognitive empowerment occurs from women’s recognition of their own abilities and skills, indicated by greater self-esteem and self-confidence. Perceptual empowerment occurs through changes in how others perceive them, indicated by increased social prestige and value. Relational empowerment takes place through changes in gender relations within the family and in the broader society, indicated by reduction in gender inequality in relationships. These empowering changes are triggered by specific events in women’s lives like schooling, paid work and participation in development programmes, and by secular life cycle events like marriage, birth of children, setting up of separate household, marriage of children and divorce or widowhood.

In both these frameworks women’s empowerment is evident not only from the process — women’s agency — but also from the outcome — women’s greater welfare. However, while Kabeer emphasizes empowerment as a process of internal change, Chen and Mahmud identify external changes as also being important for empowerment, namely through the changed perceptions of others and through changed gender relations. Drawing upon them, an operational framework for assessing women’s empowerment in Bangladesh is presented as follows. In Bangladesh social, economic and political structures generate norms and practices of women’s subordination to men, the consequences of which are women’s relative lack of choice and agency in decisions that shape their welfare. In this context empowerment is the process of gaining power over those strategic life decisions through expansion of women’s choice and increase in women’s agency in order to increase welfare, both absolute and relative, and reduce
subordination to men. This process of change evolves over three dimensions: the condition for empowerment, the route to empowerment and the achievements of empowerment. In each dimension there are several pathways through which change occurs. Table 1 illustrates the complementarity among these frameworks.

The condition for empowerment is defined by the set of choices and options initially available to women for increasing welfare and reducing subordination to men. Expansion of choice renders this condition more favourable, regardless of whether those choices are eventually exercised or not. In practice absence of choice is a consequence of the gendered nature of access to and control over material and non-material resources. Therefore, in this dimension empowerment results from an increase in access to and control over choice-enhancing resources under male control, which both strengthens women’s resource base and increases their social prestige and value. The pathway of change is both material, through increase in access to and control over material resources like land and assets, employment and human capital like education and skills; and perceptual through increase in access to non-material resources such as non-kin networks, public services and markets, and favourable household and community attitudes.

The route to empowerment is the translation of choice-enhancing resources into greater welfare for women and reduced subordination to men. In this dimension empowerment takes place through women’s agency in intra-household processes that determine welfare, such as strategic decision-making, allocation of resources and income control. Women’s active participation in these processes is a more direct and sustained means of increasing welfare and reducing subordination than passive acceptance of

---

8. It is recognized that resource access and control will both increase choice, but in different ways and in different degrees.
the actions of others because it facilitates the incorporation of women’s own preferences into household decisions and reduces their dependence on male family members. The transition from passivity to agency takes the cognitive and relational pathways. Cognitive empowerment consists of increase in women’s self esteem and self confidence that comes from greater cognitive skills and capabilities to influence household processes, such as ability to judge the welfare implications of different actions, ability to make informed decisions, and ability to be self-reliant. Relational empowerment consists of improvement in women’s position vis-à-vis men within the household and comes from more egalitarian intra-household relationships.

The immediate achievement of empowerment is increased welfare of women, which encompasses the welfare of other family members particularly children. Immediate achievements are outcomes that reflect improvement in both women’s absolute welfare and in welfare vis-à-vis men reflected in reduced male bias in welfare outcomes such as literacy, health, nutrition, mortality and morbidity, consumption, and so on. The long-term achievement is reduced subordination to men resulting from the transformation of social, economic and political structures that constrain women’s welfare and reinforce women’s subordination. Thus, long-term achievements are outcomes reflecting changed norms and practices with respect to institutions such as inheritance, marriage, resource ownership and control, division of labour, purdah, and political power.

Empowerment is thus an evolving process, with empowering changes at one dimension leading to empowering changes in subsequent dimensions. The framework allows for the possibility that there may be varied entry points of impact of development interventions on this process and different pathways of empowering change. It recognizes the reality that empowering effects of an experience like participation in a microcredit programme can be mediated, for example, by where a woman is situated in her life cycle. By identifying and distinguishing women according to the initial condition for empowerment this framework is also useful for tackling the selectivity question, which contends that the empowering effect of development programmes is over-estimated because women who join programmes have a relatively more favourable initial condition.

DATA AND METHODS

The above operational framework is used to re-assess the relationship between participation in microcredit programmes and women’s empowerment in rural Bangladesh using new data from a large representative survey of rural households in programme and non-programme villages. The methodological problem of using survey data to assess a dynamic process like empowerment lies in the adequacy of quantitative indicators to capture difficult-to-measure concepts; nevertheless the power of numbers in
establishing patterns cannot be ignored. A large survey also allows us to attribute effects more confidently since statistical tests are permitted. However, in order to minimize the grossness of quantitative measurement, indicators have been fine-tuned by breaking down a dynamic process, like income control or household decision-making, into discrete and more readily quantifiable sub-processes. This increases validity and reduces subjectivity of indicators used by limiting the scope for interpretation. As discussed above, the validity problem is not limited to quantitative data alone and can even be a constraint for more qualitative ethnographic data.

Data used in this paper come from the first round household survey held in early 1998 under a longitudinal study on the evaluation and monitoring of microcredit programmes in rural Bangladesh (BIDS, 1998). The study covered nearly 2000 households in ninety-one villages of twenty-two rural thanas (sub-districts) of Bangladesh, of which eighty villages were programme and eleven were non-programme villages. The villages were randomly selected through multi-stage sampling from the universe of villages covered by all the active partner organizations (POs) of the Palli Karma Shahayak Foundation (PKSF), which is an apex body that provides institutional and financial support to its POs for running microcredit programmes. Non-programme villages were selected from among neighbouring villages in order to maintain comparability in geographical characteristics and infrastructure. In each selected village, households for in-depth interviews were chosen to cover participating and non-participating households from both poor and non-poor categories. The poor/non-poor status of households was on the basis of household ‘eligibility’, the criterion used by programmes to target poor households.

9. Under the study, a complete enumeration of all households in 91 villages of 22 rural thanas of Bangladesh was conducted at the end of 1997. The first stage was the selection of 13 partner organizations (POs) on the basis of criteria set out by the PKSF, followed by the selection of one to three thanas under each selected PO on the basis of NGO programme diversity. The geographic coverage of the survey was spread fairly evenly over Bangladesh, and thana-level comparisons revealed that selected thanas were not different from the average (BIDS, 1998). The next stage was the selection of villages in each selected thana, stratified according to presence of NGO activity (programme village) or absence (non-programme village). In each PO area six programme and two non-programme villages were selected after stratification according to the level of infrastructure development. However, since non-programme villages could not be found under some of the POs, only 11 non-programme villages could be included for the study. In order to over sample participating and poor households and to ensure a minimum number of households from each group, a non-proportionate random sampling technique was followed. Proper weights were used to arrive at means for the sample categories and for programme and non-programme villages.

10. As practised by most NGOs, households owning less than half an acre of arable land were defined as ‘eligible’ for membership in an NGO programme. Participation was defined as membership in an organization, which, at the least, undertook such activities as group formation, savings mobilization, awareness building and supervised lending.
The effect of participation in microcredit programmes on women’s empowerment is assessed by comparing observed differences in the condition for empowerment, the route to empowerment and the achievements of empowerment at the household level in each of the four categories according to participation and poor/non-poor status, and at the aggregate level for programme and non-programme villages. The comparison by participation status is the primary focus of this analysis. Both household and individual level indicators are used, where individual indicators are restricted to ever married women aged fifteen years or more, either the wife of the head or the female head. This restriction is imposed as a control for life cycle effects on the process of empowerment, since senior women or wives of heads and junior women or daughters and daughters-in-law in the same household will have unequal power in intra-household processes.

The condition for empowerment is assessed from women’s access to choice-enhancing resources. These are both material resources (education and employment) and non-material resources (public domain and a favourable household attitude). While the effect of education and employment in increasing women’s choice is fairly clear, the effect of access to the public domain in expanding choice is more ambiguous (Kabeer, 2001). In Bangladesh women’s mobility in the public domain, and consequently their access to markets, information, services and employment opportunities, is strongly circumscribed by norms of purdah. Although the public domain is male-dominated, there are differential degrees of male dominance which determine the social acceptability of women’s mobility into specific locations. Thus, the bazaar or the bank is less acceptable than the health centre or the NGO office. This is different from the actual observance of purdah, the use of a head and body cover when going outside the home, which is viewed by some as a resource in terms of allowing women mobility outside the home. The use of such a cover, however, does not relax the restrictions imposed on women’s mobility into the male-dominated public domain. Therefore, access to the public domain enhances choice for women regardless of whether they actually use purdah or not. A household attitude that is favourable to women also expands choice since this increases the likelihood that women’s welfare is incorporated into household livelihood strategies. Husband’s approval of family planning represents a favourable household attitude because this increases welfare of women and children by reducing the costs to women of using modern birth control methods.

11. In this analysis purdah refers to the norms of women’s seclusion, which prescribe the boundaries of women’s legitimate mobility into the public sphere comprising almost all locations outside the homestead. Purdah is also commonly used to mean the actual veil or covering some women use when moving in the public domain.

12. Husband’s approval of the use of modern birth control methods, although not essential, reduces women’s ‘costs’ of using contraception to regulate fertility, especially in the case of young women living in extended families.
The route to empowerment or the exercise of women’s agency in strategic intra-household processes is more difficult to assess empirically, especially with quantitative survey data. In this study, exercise of women’s agency is indicated by an active role vis-à-vis men in two intra-household processes: gaining access to household income and participating in decisions about household expenditures. A distinction is made between an active role and an independent role. Women’s active role is not necessarily an independent one, and is possible even in a mutually dependent relationship with male family members through joint control over income and co-operation in decision-making on expenditures. Women’s independent role, on the other hand, is evident when women make decisions alone and control income entirely on their own.

Conventionally, women’s access to household income is greater with respect to small incomes that women themselves earn (although sometimes women may not have access even to their own incomes) compared to income from male production, which is relatively much larger. In order to assess women’s income control household income was disaggregated by source into income from the sale of crops and income from the sale of poultry and eggs, roughly corresponding to ‘male’ and ‘female’ incomes respectively. Women’s agency in income control is greater when women acquire access to male incomes.

Since access to household income raises the likelihood of influencing how that income is spent, women have a smaller role in decisions about how male incomes will be spent — that is, decisions in the male domain (production outside the home) — and have a relatively greater role in decisions in the female domain (production inside the home). Women’s access to male incomes increases their role in ‘male’ decisions, which generally have greater impact on family members’ well-being because male incomes are larger. Consequently, women’s agency in household decision-making is greater when women actively participate in decisions falling within the male domain. For assessing women’s role in decision-making this process was also disaggregated into male and female domains of decision-making by distinguishing the type of expenditure. Crop production expenditure decisions were located in the male domain, food consumption expenditure decisions in the female domain, with decisions on children’s schooling falling in the common domain.

Given data limitations, this article only examines immediate achievements of empowerment, that is, outcomes and behaviours that indicate increased current welfare and/or reduced gender inequality in welfare. Current welfare is indicated by the behaviours ‘time allocation’ and ‘fertility regulation’, and by the outcomes ‘treatment for illness’ and ‘child immunization’. Since women in rural areas have rigid patterns of time use any flexibility in their time allocation, particularly a decline in household chores and childcare and increase in time spent on income earning work, represents behaviour with the potential to increase welfare. Since fertility regulation using modern
birth control leads to improved survival prospects of children and better health of women, contraceptive use also represents welfare augmenting behaviour. Receiving treatment when ill and, in particular, receiving modern treatment increases women’s absolute welfare, while immunization increases child welfare, and consequently women’s welfare as well. Moreover, the sex ratios of proportions of children immunized and proportions of household members receiving any type of health care and modern health care when ill indicate gender inequality in welfare. The variables used in the analysis to assess empowerment at the different dimensions and their indicators are described in Table 2.

### Table 2. Variables

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Variable</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Condition for empowerment: Initial choice</strong></td>
<td>Education</td>
<td>Primary schooling (1–5 years)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Secondary schooling (6+ years)</td>
</tr>
<tr>
<td>Material resources</td>
<td>Paid employment</td>
<td>Currently self employed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Currently wage employed</td>
</tr>
<tr>
<td>Non-material resources</td>
<td>Male-dominated public domain</td>
<td>Visited bank/bazaar</td>
</tr>
<tr>
<td></td>
<td>Less male-dominated public domain</td>
<td>Visited NGO office/hospital office</td>
</tr>
<tr>
<td></td>
<td>Favourable household attitude</td>
<td>Husband approves family planning</td>
</tr>
<tr>
<td><strong>Route to empowerment: Agency in household processes</strong></td>
<td>Access to ‘female’ income</td>
<td>Women keep income from poultry rearing</td>
</tr>
<tr>
<td>Access to household income</td>
<td>Access to ‘male’ income</td>
<td>Women keep income from crop sale</td>
</tr>
<tr>
<td>Participation in household decision-making</td>
<td>Active role in ‘female’ decision</td>
<td>Joint or independent decision maker for food expenditure</td>
</tr>
<tr>
<td></td>
<td>Active role in ‘male’ decision</td>
<td>Joint or independent decision maker for crop expenditure</td>
</tr>
<tr>
<td></td>
<td>Active role in ‘common’ decision</td>
<td>Joint or independent decision maker for school expenditure</td>
</tr>
<tr>
<td><strong>Achievement of empowerment: Improved relative and absolute welfare</strong></td>
<td>Fertility regulation</td>
<td>Current use of contraceptive</td>
</tr>
<tr>
<td>Welfare-augmenting behaviours</td>
<td>Time allocation in home-based work</td>
<td>Time spent in household work, childcare and income earning</td>
</tr>
<tr>
<td>Welfare outcomes</td>
<td>Family member’s access to health care by sex</td>
<td>Received any treatment when ill</td>
</tr>
<tr>
<td></td>
<td>Children’s access to immunization by sex</td>
<td>Children under 7 immunized</td>
</tr>
</tbody>
</table>
RESULTS

Before comparing indicators of empowerment it is important to ascertain whether the groups are indeed comparable with respect to basic socio-economic characteristics. Table 3 presents the socio-economic profile of ever-married women, wives or female heads, and their households by participation status, household poverty status and programme placement. Individual variables used in the profile were: age, whether currently married, number of children born alive, age of the youngest child and whether literate (able to read and write). Socio-economic profile variables at the household level were head’s literacy status, occupation and sex. Comparisons at the individual level always refer to ever-married wives of heads or female heads.

Participant women were generally older and had more children compared to non-participant women. In non-poor households participation was associated with greater literacy of respondents and heads, but this was not the case among poor households. Socio-economic differentials were, in fact, more pronounced according to household poverty status than according to participation status. For example, participant women in poor households were younger and less likely to be literate, as well as more likely to belong to labour-selling households and less likely to belong to farming households compared to participant women in non-poor households. Socio-economic profiles did not vary significantly by the presence of a programme in the village.

Table 4 presents the distribution of respondents according to school attendance, participation in paid employment, visit to the health centre or NGO office, visit to the bank or bazaar, and husband’s approval of family planning. It was found that about one third of rural ever-married women had attended school at some time, but were far less likely to be employed, particularly in wage work, or to have visited the bank or bazaar. Women’s mobility in the public domain was not only very restricted but also negatively associated with the degree of male dominance of the public space.13 The only exception was husband’s approval of family planning, which was fairly common among all respondents, a reflection of the wide acceptance of the use of modern birth control methods. Women in programme villages were more likely to have visited the NGO office or health centre in the last year and to have a husband who approved of family planning, but not more likely to have visited the more restricted public domain of the bank and the bazaar.

Women in poor households, regardless of participation status, were less likely to have gone to school and more likely to be wage employed compared to women in non-poor households. On the other hand, participant

13. Within the public sphere male dominance is greater in the bank and the bazaar compared to the health centre and NGO office.
Table 3. Indicators of Socio-economic Status of Women Respondents (wife of household head or female head) and Sample Households (averages and mean proportions)

<table>
<thead>
<tr>
<th>Number of women/households</th>
<th>Socio-economic status of women</th>
<th>Socio-economic status of households</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Age (in years)</td>
<td>Prop. currently married</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>----------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td><strong>Programme Villages</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor Households</td>
<td>1442</td>
<td></td>
</tr>
<tr>
<td>Participant</td>
<td>956</td>
<td>31.7* (8.01)</td>
</tr>
<tr>
<td>Non-participant</td>
<td>486</td>
<td>29.5 (8.13)</td>
</tr>
<tr>
<td>Non-poor households</td>
<td>889</td>
<td></td>
</tr>
<tr>
<td>Participant</td>
<td>571</td>
<td>34.5* (8.54)</td>
</tr>
<tr>
<td>Non-participant</td>
<td>318</td>
<td>32.9 (8.97)</td>
</tr>
<tr>
<td>All households</td>
<td>2331</td>
<td>31.7</td>
</tr>
<tr>
<td><strong>Non-programme Villages</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All households</td>
<td>310</td>
<td>31.8</td>
</tr>
</tbody>
</table>

**Notes:**
Figures in brackets are standard deviations.
Means for all households in programme and control villages are weighted means.
*Significantly different from the mean value for non-participants in the same household category.
Table 4. Distribution of Women Respondents according to Formal Schooling, Paid Employment, Visit to Locations in the Public Domain and Husband’s Approval of Family Planning (%)

<table>
<thead>
<tr>
<th>Programme Villages</th>
<th>With Formal Schooling</th>
<th>In Paid Employment</th>
<th>Visited in the last year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Primary</td>
<td>Secondary</td>
<td>Wage Employed</td>
</tr>
<tr>
<td>Poor Households</td>
<td>2331</td>
<td></td>
<td>2331</td>
</tr>
<tr>
<td>Participant</td>
<td>.14 (.35)</td>
<td>.15 (.36)</td>
<td>.06 (.24)</td>
</tr>
<tr>
<td>Non-participant</td>
<td>.12 (.32)</td>
<td>.15 (.36)</td>
<td>.07 (.25)</td>
</tr>
<tr>
<td>Non-poor households</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participant</td>
<td>.21 (.41)</td>
<td>.33* (.47)</td>
<td>.02 (.14)</td>
</tr>
<tr>
<td>Non-participant</td>
<td>.20 (.40)</td>
<td>.43 (.50)</td>
<td>.02 (.13)</td>
</tr>
<tr>
<td>All households</td>
<td>.15</td>
<td>.21</td>
<td>.05</td>
</tr>
<tr>
<td>Non-programme Villages</td>
<td>310</td>
<td></td>
<td>310</td>
</tr>
<tr>
<td>All households</td>
<td>.16</td>
<td>.20</td>
<td>.07</td>
</tr>
</tbody>
</table>

Notes:
Figures in brackets are standard deviations.
Figures in bold are the number of valid cases.
Means for all households in programme and control villages are weighted means.
*Significantly different from the mean value for non-participants in the same household category.
women were more likely than non-participant women to be self-employed, to have visited the health centre or NGO office and to have husband’s approval of family planning in both poor and non-poor households. Generally speaking, household poverty status was more strongly associated with access to resources than programme participation.

Table 5 presents the distribution of households according to who keeps income from different sources\(^\text{14}\) and confirms that men were more likely to keep crop income while women were more likely to keep poultry income. However, although poultry income was predominantly kept by women (men kept poultry income in only 7 to 12 per cent of households), crop income was kept by both men and women. In fact, the proportion of households where crop income was kept by women was surprisingly large across all households and villages, ranging from 36 per cent in programme villages to 43 per cent in non-programme villages. Women were more likely to keep crop income and less likely to keep poultry income in non-programme compared to programme villages. Women in poor households, irrespective of participation status, were more likely to keep household income from all sources compared to women in non-poor households. In the poor households participant and non-participant women were equally likely to keep crop income and poultry income. In non-poor households participant women were more likely than non-participant women to keep crop income but not poultry income.

Table 5a presents the distribution of households according to gender roles in household expenditure decisions. Participation of women in household decisions conformed to the usual pattern of male and female domains of decision-making.\(^\text{15}\) Women actively participated (joint or independent decision-maker) most frequently in decisions on food expenditure, least frequently in decisions on crop production expenditure and fairly commonly in decisions on children’s school expenditure. There was joint decision-making on food expenditure in nearly three-fourths of the households; in crop production expenditure in almost one third of households; and in

\(^{14}\) Access to income was determined on the basis of the variable ‘who kept cash income from that source’ and the response was categorized as ‘both’ when income was shared equally by the head and spouse, as ‘men’ when the male head and/or other male family members kept more than 50 per cent, and as ‘women’ when the head’s wife or the female head and/or other female family members kept more than one half of the income.

\(^{15}\) In each case the decision-maker was categorized as ‘men’ when the male head and/or male family members were the primary decision-maker, as ‘both’ when the decision was made jointly by the male head and spouse, and as ‘women’ when the primary decision-maker was the head’s wife or female head and/or other female family members. Women were reported as having no role in household decision-making when the primary decision-maker was ‘men’ and to have an active role when the primary decision-maker was ‘both’ or ‘women’. Independent decision-making by women was not very common, seen in 8 per cent or less of households in programme villages and in 13 per cent or less of households in non-programme villages.
**Table 5. Distribution of Households according to Who Keeps Household Income from Different Sources (%)**

<table>
<thead>
<tr>
<th>Who keeps household income from different sources</th>
<th>Crop sale</th>
<th>Poultry or egg sale</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Both</td>
<td>Men</td>
</tr>
<tr>
<td>Programme Villages</td>
<td>1136</td>
<td>.10 (.30)</td>
</tr>
<tr>
<td>Poor Households</td>
<td>390</td>
<td>.06 (.50)</td>
</tr>
<tr>
<td>Participant</td>
<td>.10 (.31)</td>
<td>.53* (.50)</td>
</tr>
<tr>
<td>Non-participant</td>
<td>.11 (.32)</td>
<td>.61 (.49)</td>
</tr>
<tr>
<td>Non-poor households</td>
<td>746</td>
<td>.10</td>
</tr>
<tr>
<td>Participant</td>
<td>.11 (.31)</td>
<td>.53* (.50)</td>
</tr>
<tr>
<td>Non-participant</td>
<td>.11 (.32)</td>
<td>.61 (.49)</td>
</tr>
<tr>
<td>All households</td>
<td>103</td>
<td>.07</td>
</tr>
</tbody>
</table>

**Notes:**
Figures in brackets are standard deviations.
Figures in bold are the number of valid cases.
Means for all households in programme and control villages are weighted means.
*Significantly different from the mean value for non-participants in the same household category.

**Table 5a. Distribution of Households according to Who Participates in Household Expenditure Decisions (%)**

<table>
<thead>
<tr>
<th></th>
<th>Crop production</th>
<th>Children's schooling</th>
<th>Food consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Both</td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>Programme Villages</td>
<td>1541</td>
<td>814</td>
<td>1580</td>
</tr>
<tr>
<td>Poor Households</td>
<td>652</td>
<td>.66</td>
<td>.04</td>
</tr>
<tr>
<td>Participant</td>
<td>.30</td>
<td>.66</td>
<td>.04</td>
</tr>
<tr>
<td>Non-participant</td>
<td>.33</td>
<td>.62</td>
<td>.05</td>
</tr>
<tr>
<td>Non-poor households</td>
<td>889</td>
<td>759</td>
<td>1104</td>
</tr>
<tr>
<td>Participant</td>
<td>.29</td>
<td>.68</td>
<td>.04</td>
</tr>
<tr>
<td>Non-participant</td>
<td>.29</td>
<td>.65</td>
<td>.06</td>
</tr>
<tr>
<td>All households</td>
<td>.30</td>
<td>.66</td>
<td>.05</td>
</tr>
</tbody>
</table>

**Notes:**
Figures in brackets are standard deviations.
Figures in bold are the number of valid cases.
Means for all households in programme and control villages are weighted means.
*Significantly different from the mean value for non-participants in the same household category.
children’s school expenditure in a little more than half of households. Moreover, women in programme villages had a joint role in decision-making more frequently compared to women in non-programme villages for all three types of decisions.

With the exception of decisions on children’s school expenditure, women’s active participation in household decision-making was different in poor and non-poor households. In decisions on crop production expenditure women in non-poor households were more likely to have an active role compared to women in poor households, possibly because poor households engaged in crop production less often. The opposite was observed in decisions on food expenditure. With respect to differences by programme participation, participant women in poor households were more likely to have an active role in decisions on children’s schooling and food consumption expenditures compared to non-participant women. In non-poor households participant women were more likely to have an active role compared to non-participant women only in food expenditure decisions.

Table 6 shows the distribution of respondents according to contraceptive use and time allocation in home-based work. Current contraceptive use was restricted to currently married women only. About half of all currently married women were using modern contraceptives, and the extent of use was similar in poor and non-poor households. Women in non-programme villages were far less likely to be using contraceptives compared to women in programme villages. Additionally, participants were significantly more likely to be using contraceptives compared to non-participants in all households.

Women in programme villages were found to spend nearly nine hours per day working inside the home, with three-fourths of the time spent in household work, about 16 per cent in childcare and 8 per cent in income-earning work. Women residing in non-programme villages spent slightly more time working inside the home compared to women residing in programme villages, as well as proportionately less time in income-earning work and proportionately more time in childcare. The pattern of women’s time use varied according to both household poverty status and women’s programme participation. On average, better-off women spent less time in income-earning work inside the home, and consequently in total work. Participant women spent proportionately more time in income-earning work regardless of poverty status of household, while in poor households participants spent less time in childcare compared to non-participants. Thus, participation was associated with significant re-allocation of women’s home-based work.

Table 6a shows the distribution of households according to proportion of sick members receiving any treatment and modern treatment and the proportion of children aged seven years or less who were immunized, disaggregated by sex of family member. The possibility of receiving treatment, either modern or any type, when sick depended more upon sex than household economic status. In all household categories male family members were
<table>
<thead>
<tr>
<th>Per cent of current contraceptive user</th>
<th>Time use pattern in home-based work (mean minutes/day)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All work Min</td>
</tr>
<tr>
<td>Programme Villages</td>
<td>2331</td>
</tr>
<tr>
<td>Poor Households</td>
<td></td>
</tr>
<tr>
<td>Participant</td>
<td>.51* (.49)</td>
</tr>
<tr>
<td>Non-participant</td>
<td>.43 (.45)</td>
</tr>
<tr>
<td>Non-poor households</td>
<td></td>
</tr>
<tr>
<td>Participant</td>
<td>.52* (.50)</td>
</tr>
<tr>
<td>Non-participant</td>
<td>.42 (.49)</td>
</tr>
<tr>
<td>All households</td>
<td>.48</td>
</tr>
<tr>
<td>Non-programme Villages</td>
<td>310</td>
</tr>
<tr>
<td>All households</td>
<td>.38</td>
</tr>
</tbody>
</table>

Notes:
- Figures in brackets are standard deviations.
- Figures in bold are the number of valid cases.
- Means for all households in programme and control villages are weighted means.
- *Significantly different from the mean value for non-participants in the same household category.
Table 6a. Distribution of Households according to Sick Family Members Receiving Treatment and Children Immunized by Sex (%)  

<table>
<thead>
<tr>
<th></th>
<th>Per cent of sick members receiving modern treatment</th>
<th>Per cent of sick members receiving any treatment</th>
<th>Per cent of households with children under 7 immunized¹</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>female</td>
<td>male</td>
<td>f/m*100</td>
</tr>
<tr>
<td>Programme Villages</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor Households</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.67 (.47)</td>
<td>.76 (.43)</td>
<td>86</td>
</tr>
<tr>
<td>Non-participant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.66 (.47)</td>
<td>.81 (.39)</td>
<td>83</td>
</tr>
<tr>
<td>Non-poor households</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.72 (.45)</td>
<td>.80* (.40)</td>
<td>92</td>
</tr>
<tr>
<td>Non-participant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.64 (.48)</td>
<td>.67 (.47)</td>
<td>100</td>
</tr>
<tr>
<td>All households</td>
<td>.67</td>
<td>.76</td>
<td>88</td>
</tr>
<tr>
<td>Non-programme Villages</td>
<td>103</td>
<td>93</td>
<td>102</td>
</tr>
</tbody>
</table>

Notes:  
Figures in brackets are standard deviations.  
Figures in bold are the number of valid cases.  
Means for all households in programme and control villages are weighted means.  
¹Only DPT vaccination  
*Significantly different from the mean value for non-participants in the same household category.
more likely to receive treatment than female family members when ill (indicated by female/male ratios of less than 100). The male bias in receiving treatment was slightly greater in poor households compared to non-poor households; and in poor households the male bias was greater with respect to modern treatment. This suggests that male bias in treatment is intensified by household resource constraints, being greater in poor households and with respect to costlier modern treatment.

In general, programme participation did not increase the likelihood of receiving treatment when ill, except in non-poor households for male family members receiving modern treatment. In poor households programme participation was associated with higher female/male ratios or lower male bias in the proportions receiving any treatment and modern treatment. The likelihood of receiving treatment was generally lower for all family members in non-programme villages compared to programme villages, while the male bias in treatment received was also less pronounced.

The pattern of child immunization also varied more by sex of the child than according to household economic status. There was a persistent small male bias in the likelihood of children being immunized. This male bias was slightly lower for programme participants in poor households, but could be greater for participants in non-poor households. The overall extent of child immunization, both girls and boys, was higher in programme villages compared to non-programme villages, and the male bias was also lower.

DISCUSSION

Socio-economic status differentials among women respondents were more strongly related to household poverty than to participation in a microcredit programme. This was not unexpected because targeting of participants was not strictly adhered to and women from both poor and non-poor households joined microcredit programmes. However, variation in the demographic status variables, age and parity, by participation status suggested that programmes preferred slightly older women.16

The issue of selectivity bias or non-random differences between programme participants and non-participants has long plagued impact assessment studies, particularly when assessing the impact on women’s empowerment (Pitt and Khandker, 1995; Zaman, 1996). An examination of the condition for empowerment reveals whether there is any systematic inclusion into microcredit programmes, to the extent this is observable, on the basis of access to resources. Selectivity bias is indicated if participants have relatively greater access to resources whose access is unlikely to be influenced by programme participation, in this case formal schooling, wage

16. Respondent’s age was, in any case, not strongly correlated to the indicators used in the analysis.
work, ability to visit the bank or bazaar and husband’s approval of family planning. A positive effect of participation on the condition for empowerment is indicated if participants have greater access to those resources whose access is influenced by participation, namely self employment and visit to the NGO office or health centre.

In non-poor households women with less schooling were more likely to join a programme, while in poor households women having husbands who approved of family planning were more likely to join a programme. In non-poor households this does not pose a problem for assessing the effect of programme participation on empowerment because the bias will, if anything, tend to depress the small improvement in the condition for empowerment associated with participation. In poor households, the bias may exaggerate improvement in the condition for empowerment associated with participation. However, because husband’s approval of family planning is a very common experience (observed for more than two thirds of respondent women) the magnitude of its effect on women’s agency and on welfare outcomes is unlikely to be very differentiated by participation status.

On balance, women in poor and non-poor households had comparable initial conditions for empowerment. The evidence shows that microcredit programme participation expands women’s access to resources like self-employment and mobility into certain public spaces, like the NGO office and health centre. This is hardly surprising given that programmes require visits to the NGO office, encourage women’s self-employment and often motivate participants to avail themselves of public health services. The positive effect of participation on the condition for empowerment is, however, small since women’s access to more remunerative wage employment and mobility into the male dominated public sphere is not increased.

In general, women’s access to household income was negatively related to the degree of male involvement in income earning and positively related to household poverty status. A positive programme placement effect on women’s access to female household income was evident. Programme participation was associated with women’s increased access to male income in poor households, and to both male and female incomes in non-poor households. Thus, participation effect on women’s access to household income was greater in situations where women were traditionally less likely to have access to household income, that is, in non-poor households and in the case of male incomes.

The pattern of women’s participation in household expenditure decision-making was less consistent than the pattern of access to household incomes. Poor women were more likely to have an active role in some decisions (food expenditure) while non-poor women were more likely to have an active role in other types of decisions (crop production expenditure). Programme participation was associated with women’s active role in household decision-making, particularly in poor households and primarily with respect to decisions in the ‘female’ or common domains. Programme placement had a generally positive association with women’s active involvement in
household decision-making. Hence, programme participation enabled women to exercise agency in household processes, and the effect of participation in promoting women’s active role in household decision-making processes was greater in situations where women are traditionally most subordinate to men and least likely to exercise agency.

With regard to welfare-augmenting behaviour, programme participation directly and presence of a programme in the village indirectly both had a positive effect on women’s welfare by raising the probability of modern contraceptive use. Participation also increased women’s welfare by allowing them to re-allocate work time within the home, while the presence of a microcredit programme in the village probably had a favourable effect on women’s time use as well. With regard to welfare outcomes, although participation in microcredit programmes did not increase women’s access to health care generally, it was likely to reduce male bias in access to health care and possibly in access to child immunization as well. However, the effect of participation in reducing male bias in immunization was less obvious than its effect in reducing male bias in access to health care. Hence, the positive effect of participation in microcredit programmes on women’s welfare is quite strong. The positive links are most visible in the case of behaviours that imply improved intra-household gender relationships, for example fertility regulation and women’s time allocation. The links are less visible in the case of outcomes in which a re-allocation of household resources is implied, for example in women family members’ access to health care.

CONCLUSION

Improvement in women’s material resource base due to participation in microcredit programmes is small because increase in women’s resource access was limited to resources that do not expand women’s choice a great deal. In rural areas women’s self-employment has lower returns than wage employment and mobility to the NGO office or health centre is less choice-enhancing than mobility to the bank or bazaar. The positive effect of participation on women’s agency is larger since there is a relatively greater increase in the likelihood that women will actively engage in intra-household processes that determine welfare. Both these empowering changes can be causally linked to the observed achievements of empowerment. Thus, improvement in women’s access to health care is relatively small because expansion in women’s material resource base is small; on the other hand, improvement in fertility regulation and time allocation is significant because increase in women’s agency is large.

Hence, the effect of participation in microcredit programmes on women’s empowerment is not uniform across all three dimensions. Programme participation has limited potential for improving the condition for empowerment since participation has little impact in altering gender-based access to resources within the household and outside; participation has relatively
greater potential for enhancing women’s ability to exercise agency in intra-household processes. Programme participation is most likely to increase women’s absolute and relative welfare through more egalitarian intra-household gender relations. Thus, norms governing intra-household gender relationships appear more responsive to programme participation, while norms governing gender-based access to resources within the household and outside are less responsive.

This is not surprising, because households have strong internal incentives to improve intra-household gender relations as this produces outcome whose benefits to the household outweigh the costs, for example lower fertility through contraceptive use and greater time spent by women on income earning through a changed pattern of women’s time use. On the other hand, there is less incentive for re-allocation of resources in favour of women, say with respect to investment in health and human capital, and it is more costly because benefits to the household are limited by the gendered nature of the external opportunity structure, which is determined by resilient socio-economic institutions like marriage, purdah and inheritance.

It has been argued that measurement of programme effect on women’s empowerment is distorted by self selection of relatively more empowered women into microcredit programmes. Unfortunately, factors that may influence women’s empowerment but not participation are not readily observed, so that disproving this contention is not easy. However, this analysis indicates that selectivity bias in programme membership with respect to women’s empowerment is not as generally valid as it is made out to be. Indeed, if loan use by male family members can be taken as an indicator of ‘loss of control’ by women, as some have done, then case studies of women borrowers in the first year would suggest that a very high proportion of women who join microcredit programmes are actually disempowered (Goetz and Sen Gupta, 1996). In fact, at a conceptual level it is equally plausible that women who are more empowered are less likely to agree to join a microcredit programme, which is usually part of a household’s livelihood strategy where men decide whether their wives will join a programme or not. Recent research which has examined the household decision-making process of whether to join a programme or not has shown that women in unequal gender relationships within the household are more likely to become members (Mahmud, 2000).

Finally, there are some general observations that emerge from the mapping of rural women’s access to resources, exercise of agency and actual outcomes. It is clear that empowering changes may not be manifest at all dimensions and, even when they are, empowering effects may not be of similar magnitude. This suggests that the process of empowerment is more

17. This research found that the household decision to join a programme is determined by the interplay of the household’s demand for microcredit, the opportunity costs of membership activities and the natures of intra-household gender relationships (Mahmud, 2000).
readily influenced at some dimensions than at others. This has program-
matic implications depending upon the objectives that a programme wishes
to achieve. If the programme objective is to raise absolute levels of women’s
welfare then increasing women’s access to male-dominated resources does
not appear to have immediate benefits. In that case expanding access to
resources may be less urgent than increasing women’s ability to exercise
choice within the existing structures of resource access and control. If, on
the other hand, the programme wishes to reduce male bias in welfare out-
comes then household resource allocation must be altered in favour of
women. In this case strengthening women’s resource base becomes import-
ant and programmes will have to address the issue of increasing women’s
access to male dominated resources and be willing to tackle the costs
associated with the erosion of long-standing male dominance of social and
economic institutions. For the sake of social sustainability microcredit and
other development programmes may very well be averse to imposing such
costs on their clientele, especially women.

The redeeming feature is that even without a significant increase in
women’s access to resources whose allocation is structurally determined, it
is possible to increase access to other choice-expanding but less restricted
resources and to enhance the exercise of women’s agency, both of which can
eventually be effective in transforming structures that restrict women’s
access to resources. In this respect a long-term and sustainable programme
strategy would be to promote the expansion of women’s access to household
resources, particularly income generated from loan investment, even when
these are used by men in family based enterprises. This is possible by
providing services that support women’s active involvement in decisions
about loan use and in the control over incomes from loan use.

REFERENCES
Women’s Development Programme in 36 Bangladeshi Villages’, Bangladesh Development
Study on PKSF’s Monitoring and Evaluation system’. Dhaka: Bangladesh Institute of
Development Studies.
Credit-based Development Interventions’. Working Paper No 28, BRAC-ICDDR,B Joint
Research Project at Matlab, Dhaka.


Simeen Mahmud is Senior Research Fellow at the Bangladesh Institute of Development Studies (E 17 Agargoan, Sher-e-Bangla Nagar, GPO Box 3854, Dhaka 1207, Bangladesh; e-mail simeen@sdbnd.org). She studied Statistics at Dhaka University and Medical Demography at the London School of Hygiene and Tropical Medicine. Her current research is on children’s work and schooling, the transition of adolescents to adulthood and on citizenship and community participation in the health sector.