

Chapter 5: Discussion and Conclusions

5.1 Discussion

5.1.1 General

A recent study on global poverty shows that about 80% of world's population lives on less than US\$10 a day. Approximately half of the world's population, i.e. about three billion people survive on less than US\$ 2.50 a day. Another 1.3 billion people face extreme poverty everyday with less than US\$ 1.25 a day. The UNICEF statistics show that about 22,000 children die everyday.¹ Global poverty alleviation is now the United Nation's top agenda and it is the first goal of SDG 2030 (zero hunger). Poor countries have been at the receiving-end of this suffering and many innovative ideas and concepts have been conceived and implemented to this effect. Microfinance has probably been the most acknowledged and the most lauded among all. It is now benefitting one in every 1000 population of the world and its proponent was Professor Muhammad Yunus of Bangladesh. He was awarded the Nobel Peace prize in 2006 for aiding the greatest welfare to the mankind with his simple concept (banker to the poor). There are both sides of the coin: success and otherwise, when it comes to poverty reducing interventions. Each of the concepts are best suited for specific parts of the world and seldom a single concept can solve all the challenges. Thus, it is imperative to study and revisit the impact and relevance of microfinancing and Bangladesh being the Mecca of Microfinance, has been naturally chosen by the researcher for this study.

5.1.2 Microcredit in Bangladesh

Bangladesh inherited a war-ravaged grim economy with 75 million mouths to feed and no asset in the treasury when it emerged as a country in 1971. Three-fourth of the population lived below poverty line and the abject poverty was coupled with battle-scarred infrastructure, high

¹ UNDP Human Development Report, 2014.

unemployment and frequent natural calamity. The most sufferers were the rural poor women who were helpless, barely educated, and often subjugated by multi-faceted deprivations and discriminations. Microfinance in general, and microcredit in particular, have been like Godsend blessings to these desolated women to be rescued from the slush since the late 70s. These women equally reciprocated with an unbelievable trustworthiness and integrity by remaining thoroughly compliant to the trust reposed onto them by the microloan financiers, who risked their personal reputation by reversing the conventional financial system at one hand, and challenging the anarchical long-drawn wrongdoings persisted by local moneylender and Mahajan.

The importance of a woman-centric approach for microfinance can hardly be overemphasized and it is widely accepted that women are the pivots in the poverty alleviation schemes designed for rural Bangladesh. Various studies have been conducted linking women and microcredit in Bangladesh. But not many studies were found in the literature review linking the impact of microfinance on women moderated by the socio-cultural compulsions prevalent in the masculinity-driven, conservative, collectivist and power distant socio-cultural setting of the rural areas. The general idea of pre-dominance of religious sacredness vis-à-vis the freedom of choice for the rural women are not congruent. The vulnerabilities of women exercising freedom of movement to pursue economic activity that brings affluence to the starving poor, might contest, if not challenge the nobilities of societal, religious, and cultural norms long-practiced in the conservative mindset of the rural-male. This requires to be viewed with compassion and considerate approach equating blessings reaped from these activities versus the possible infringement of the social-goodness.

5.1.3 Comparative state of some Studies

Data obtained from several studies on women empowerment have been compiled to get a clearer picture of the impact of microfinance on women empowerment. The following table reveals that the impact is reasonable though not as great as initially perceived:

Table 11 comparative state of some studies on women empowerment

Researcher (year)	Poverty Reduction		Empowerment of women					Access awareness
	MFI/NGO	State	Economic affluence, ownership	Household expenses	Decision making	Dignity	Mobility	
Graflund, (2013)	BRAC, GB	Yes	Positive about independent savings	Positive	Positively correlated	Give opinion in front of family	No relation, highly restricted	-
Loro, (2013)	GB	Yes	Yes	Yes	Yes	-	-	Yes
Yuge, (2011)	ASA	Yes	Yes	Personal expenses	Yes to some extent	-	-	-
Islam, Samiul (2014)	FIVDB, NUK	Yes	60% women owned more than Tk. 4000	-	Women 20% Joint 25%	60% told that their status has improved	-	36% increased 30% unaware 34% aware but do not take.
Bhushal (2010)	RDRS	Yes	Yes	Help small purchase	Take small decision, but not property related	-	Limited	-
Islam (2009)	GB	Yes	Business like; poultry, cattle, fishery	Children can eat properly	Child education, buy property	Respect has increased in society	Freely move outside their home	-
Islam, Shariful (2015)	BRAC	Yes	58.1% IGA	-	Yes	Limited	Strong	Yes
Abedin Moula (2013)		Yes	9% start their own business	Children education, small purchase	15% can buy from own money	Increased	-	-

(Source: Compiled by author, data obtained from various studies)

Table 11 shows that economic empowerment of the women is common in all the studies, though the degree could not be accurately measured. Social mobility is mostly restricted and depends on the elders of the family and the location of their work. Decision making is positive for having small purchases and planning for the education of the child; but not visible for asset and property

related issues. Some women were found handing over their loan amount to their husbands who invested the same in their business. Some of these women got entangled with further loans as their husbands barely showed integrity to repay the loans regularly. Women who were engaged in agricultural activities with husband were unable to earn any financial power or gain influence within family. Women are observed to have spent majority of their income towards own and extended family.

5.1.4 Women's Empowerment

Women constitute half of the population of Bangladesh so their potentials to contribute towards development activities should be appreciated and facilitated. They are to be provided with the equal opportunity in the fields of education, business and societal positions as far as possible. Rural women rarely get the scope to obtain higher education, skill-development training. Therefore, it is of utmost importance that the women do not underachieve in the work-domain and are able to give their best. Even though the study has displayed proof of certain level of women empowerment, freedom, independence, solvency and dignity, there are more to be done. The masculinist society of rural Bangladesh remains expectant of a differentiating role of each gender, but in fact, there is the necessity of having more of an overlapping role with a caring dimension towards welfare of the female population including young girls.

5.2 Afterthoughts for the Way Forward

5.2.1 Entrepreneurial Training and Capacity Building

Providing loans should just not be the only capital extended to the women – the loaning authority should develop provisions to arrange necessary training facility and skill-development mini-institutes that should prepare the clients to develop their ambitions and also do the capacity building of their aspirations by appropriate reinforcement. Some MFIs already are performing well in this regard.

5.2.2 Diversification

It is equally important for the MFIs and also the loan-seeking clients to be able to choose from an array of diverse options of interventions. This may be regarded as a social responsibility instead of a pure business enterprise where profit maximization is the keystone of every activity. Large NGOs are already successfully spreading their wings in multiple peripheral ventures and opportunities including establishing training institutions. The diverse interventions including higher education opportunities for the poor girls from the poor families may be targeted within the fringes of subsidy and incentives. These schemes and their associated benefits should be well-circulated in appropriate media and pursued with a notion of providing service instead of turning those into precarious business deals.

5.2.3 Loan Insurance

The microloans are sanctioned without collateral as such there are inherent risks in such schemes. Some NGOs in the likes of ASA have introduced loan insurance which benefits both, the loan receiver and the sanctioning authority. These insurances are safety valves and contingencies in order to meet the unforeseen and avoid undesirable consequences if by any chance, the debtor dies, or experiences a serious disaster that potentially puts the investment to risk. As practiced in ASA, the women borrowers need to pay a little more (Taka 7 per 1000) than the male policy holders as their policy covers both – self and spouse. This provision can be replicated by all NGOs and MFIs. Under the umbrella of MRA which is the public regulatory authority to centrally monitor and facilitate the credit environment, all MFIs can be instructed to add such compliance conditions.

5.2.4 Overlapping Borrowings

Many microcredit borrowers are being subjected to the phenomenon of overlap borrowings from more than one MFI concurrently. This can be apparently good as a stopgap arrangement for a

desperate customer to address her vulnerability, and also a bonus for the young marketing interneer to display an obese figure of new clientele. But the long-term consequences are bound to be perilous for both the stakeholders. MFIs would go all the way to recover their bad loans at the cost of enforcing compulsions to take from whatever remains of those poor. There should be an ongoing close scrutiny of the activities of all MFIs, by both inter and intra-organizational overseers. In fact, a momentary gain does not fetch seamless disasters in the end. This will also cost the reputations of the MFIs because such exploitative policies were the necessary-evils of the success of the erstwhile moneylenders who should not return with a shadow portfolio in the outfit of MFIs.

5.2.5 Take Society Aboard

Social and cultural uniqueness and ground realities of sub-regional identities of Bangladesh population are to be well understood (which is different from Europe and developed countries) and further study is recommended inclusive of socio-cultural-religious uniqueness versus localized social multiplicity. Microfinance and poverty alleviation shall continue to see a cohesive alliance as there are immediate visible benefits to be experienced. Women's empowerment in rural Bangladesh is a much low-paced progression, hence patience, persistence and sustainability are key elements to keep the microfinance interventions going even after the poverty is reduced significantly from rural Bangladesh. In the prevailing male-dominant Muslim social strata, the rise of inclusive religious motivations, dissent towards usury interest, and the expectations of conservatism (against freedom and social mobility of the impoverished women) may adversely affect the impetus of women empowerment in the country in the future. Therefore, it is suggested to carry out further study to determine the necessity to review relevant public policies by the government in this regard.

5.2.6 Cohesive Approach

The merits of microcredit are real, timely and visibly contributory in the nation's march toward the exit from the curse of poverty and inequality. Of late, there had been resistance from within

the society and also from the monitoring authority, about alleged exploitation of the poor by some MFIs. When there are about 700 MFIs that are registered, and licensed under MRA, and some more informal ones (yet to register), there can be mutual abrasions and intolerances, but those must be carefully addressed with compassion instead of megaphoning the complaints. MFIs are prospering, so are the majority of the poor women. The spirit may be accommodated with empathy and a sense of doing rather than impeding. Microloan alone can barely be the sole solution-omnibus against the abundance of adversities that persist as bi-products of poverty and gender inequality. It is therefore, a collective responsibility of the administration, enterprisers, financiers and academia to play respective parts to paint the big picture of poverty alleviation and reducing inequality, and propose strategies to do a cohesive activity that can be more effective in the social, economic and cultural dimensions of the country.

5.3 Conclusions

It is found from the study that the impact of microcredit programs has positive contribution on the empowerment of the rural women. In fact, microfinance is not 'the solution' rather an important element of the solution. The empowerment does not solely depend upon enhanced financial power of these poor women and the impact is not as great as they appeared to be. The results display how are the women better represented in the family affairs than before, and are experiencing more voice in decision-making and idea-sharing due to their renewed involvement with microfinance. However, it will be relevant to investigate further on all other aspects of empowerment to measure the footprint of microfinance more thoroughly. The findings related to women's mobility may be further verified by applying some other tools, rather than interview and questionnaire.

The findings of current study also show lack of significant evidence that MFI had pronounced impact to eradicate the existing socio-cultural disparities like, gender discrimination, lack of participative decision-making, and fragility of the women in the wake of a male-dominant, Muslim-majority rural society. Therefore, the relationship between the effects of microfinance and women empowerment is less contributory than what is generally perceived. The study recommends that a holistic microfinance approach instead of the existing low-key engagements

with inclusion of extensive educational and skill-development opportunities for the women shall bring more productive results from the microfinance initiatives. In order to minimize the effects of socio-cultural and religious impediments, it is suggested to review of relevant policy at appropriate level. It is also to be considered that the poor women are not small-scale entrepreneurs, rather active participants and beneficiaries of the efforts to enliven, enrichment and empowerment of the most helpless segment of the rural society of Bangladesh.