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Abstract

The present paper seeks to dissect the significance of microcredit in empowering women. It starts with a brief discussion on the role of microcredit in poverty alleviation in general, widely acclaimed in contrast to the top-down policies. The concept of empowerment is defined from different perspectives of power, feminism and personal autonomy in family framework before taking up the agency of microcredit for analysis. Here we identify three contrasting ‘paradigms’ with different underlying aims and understandings and different policy prescriptions and priorities in relation to both microfinance itself and to gender policy such as the feminist empowerment paradigm, the poverty alleviation paradigm and the financial self-sustainability paradigm. Though some evaluations paint a positive picture of the impact of credit programs on women's lives in that access to savings and credit can initiate or strengthen a series of interlinked and mutually reinforcing ‘virtuous spirals’ of empowerment, we take care not to ignore the practical difficulties involved. Also considered in this respect is the role of outside agencies in the empowerment process.

“Frailty, thy name is woman!”

– Shakespeare (*Hamlet* Act 1, scene 2, 149)

“The key to ending extreme poverty is
to enable the poorest of the poor to get their foot on the ladder of development.
The ladder of development hovers overhead,
and the poorest of the poor are stuck beneath it.
They lack the minimum amount of capital necessary to get a foothold,
and therefore need a boost up to the first rung. “

– Jeffrey D. Sachs

“Give a man a fish, he'll eat for a day.
Give a woman microcredit,
she, her husband, her children and her extended family will eat for a lifetime.”

“Power can be taken, but not given. The process of the taking is empowerment in itself.”

– Gloria Steinem

Empowering the Frailty: Dissecting the Role of Microcredit

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1 Introduction

A just society is expected to provide its citizens with enough means to satisfy their basic needs in food, clothing, housing, health and education. Though the constitution of India guarantees various civil liberties to citizens as the Fundamental Rights (Articles 12 to 35),¹ the noble norms of basic welfare are included only in the Directive Principles of state policy, which are not enforceable by any court. The Constitution explicitly states that 'the State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life'.² These norms include the right to an adequate means of livelihood, distribution of ownership and control of material resources to subserve the common good, prevention of concentration of wealth and means of production to the common detriment, equal pay for equal work for both men and women, protection of workers and children, opportunities and facilities to children to develop in a healthy manner and in conditions of freedom and dignity, organisation of village panchayats as units of self-government, effective provision for securing the right to work, to education, and to public assistance in cases of unemployment, old age, sickness and disablement and in other cases of undeserved want, suitable legislation to ensure a decent standard of life and full enjoyment of leisure and social and cultural opportunities to all workers, uniform Civil Code for citizens, provision of free and compulsory education for children, promotion of educational

¹ These include right to equality before law, nondiscrimination on grounds of religion, race, caste, sex or place of birth, equality of opportunity in matters of public employment, abolition of untouchability, abolition of hereditary titles, freedom of speech, assembly, association, movement and residence, protection of life and personal liberty, freedom of conscience and free profession, practice and propagation of religion, and protection of interests of minorities.

² <http://lawmin.nic.in/coi.htm>. Accessed on March 23, 2009.

economic interests of Scheduled Castes, Scheduled Tribes and other weaker sections, and so on.

Despite these norms, poverty is still *the* major problem in India. The World Bank estimates that 456 million Indians (42% of the total Indian population) now live under the new global poverty line of \$1.25 per day (purchasing power parity: PPP). This means that a third of the global poor now reside in India. However, this also represents a significant decline in poverty from 60 percent in 1981 to 42 percent in 2005.³ At the same time, it is found that income inequality in India (with Gini coefficient of 32.5 in 1999- 2000) is increasing.⁴ On the other hand, the Planning Commission of India uses its own criteria and has estimated that 27.5% of the population was living below the poverty line in 2004-05, down from 51.3% in 1977-78, and 36% in 1993-94.⁵ This estimate was based on the 61st round of the National Sample Survey (NSS) and the criterion used was monthly per capita consumption expenditure below Rs. 356.35 for rural areas and Rs. 538.60 for urban areas. It was also found that 75% of the poor are in rural areas, most of them daily wagers, self-employed householders and landless labourers.

Despite significant economic progress, 1/4 of the nation's population earns less than the government-specified poverty threshold of \$0.40/day. A 2007 report by the state-run National Commission for Enterprises in the Unorganised Sector (NCEUS) found that 77% of Indians, or 836 million people, lived on less than 20 rupees per day (US\$ 0.50 nominal, US\$ 2.0 in PPP), with most working in informal labour sector with no job or social security, living in abject poverty.⁶ It was also reported that around 26 percent of India's population live below the poverty line, which is defined as 12 rupees per day.⁷

It goes without saying that poverty causes social problems such as infant malnutrition and criminality. It also negatively affects the economic performance of the country because it prevents the formation of a qualified work force and restrains aggregate demand. It is however commonly accepted now that poverty is a multidimensional problem of deprivation. Poverty refers not only to low income and consumption but also to low achievement/deprivation in other areas of human development such as education and health. Hence the World Bank (2001) proposes a strategy to attack poverty which includes not only promoting economic growth but also giving the poor access to education and health services, sanitation, water, credit and jobs. Furthermore, it proposes

³ <http://www.worldbank.org.in/>. Accessed on March 23, 2009.

⁴ <http://www.legco.gov.hk/yr04-05/english/sec/library/0405fs07e.pdf>

⁵ <http://www.planningcommission.gov.in/news/prmar07.pdf>

⁶ http://nceus.gov.in/Condition_of_workers_sep_2007.pdf.

⁷ <http://www.reuters.com/article/latestCrisis/idUSDEL218894>

facilitating empowerment by making state institutions more responsive and accountable to poor people and strengthening their participation in political processes and local decision making. On reviewing the literature on policy programs to reduce poverty, we can find a tendency to highlight the importance of poor people's participation in local decision-making. In this respect, microcredit programs have proven to be successful. This paper seeks to dissect the significance of microcredit in empowering women.

What follows is structured in four sections. The next section briefly discusses the role of microcredit in poverty alleviation in general, widely acclaimed in contrast to the top-down policies. Part three presents our focus on microcredit and women empowerment; first the concept is defined from different perspectives of power, feminism and personal autonomy in family framework and then the agency of microcredit is analysed. Here we identify three contrasting 'paradigms' with different underlying aims and understandings and different policy prescriptions and priorities in relation to both microfinance itself and to gender policy such as the feminist empowerment paradigm, the poverty alleviation paradigm and the financial self-sustainability paradigm. Though some evaluations paint a positive picture of the impact of credit programs on women's lives in that access to savings and credit can initiate or strengthen a series of interlinked and mutually reinforcing 'virtuous spirals' of empowerment, we take up a brief discussion also of the practical difficulties involved. Also considered in this respect is the role of outside agencies in the empowerment process. This core section ends with a critique of the role of microcredit in empowerment. Section four presents the methodological issues in measuring empowerment; we briefly discuss both the qualitative and quantitative approaches that we intend to pursue in our further work. The last section concludes the study.

2 Poverty and Microcredit

In the 1950s and 1960s many viewed large investments in physical capital, infrastructure and economic growth as the primary means of development and poverty reduction. Top-down policies, mainly those promoting industrialization, were favored. The main goal was to create jobs in the cities for people displaced from the countryside. In the 1970s awareness grew that physical capital was not enough, and that at least as important were other basic human needs such as health and education. However, in the 1980s most developing countries followed the "Washington 3 Consensus" and implemented mainly top-down policies, which comprised economic stabilization, market liberalization and state reform. It was argued that neo-liberal reforms would restore economic growth and increase income, and that benefits would trickle down to the poor people. But sustainable growth proved elusive and poverty increased. Economic growth alone is not enough to alleviate poverty (World Bank 2001, Helwege 2000, Sharma 1999). Its positive effect on poverty can be mitigated and even eliminated if income distribution worsens. Some authors have pointed out the relation among economic growth, inequality and poverty (Korzeniewicz and Smith 2000).

It is now clear that macroeconomic policies implemented to support economic growth must be accompanied by income redistribution through effective social policies (Helwege 2000). Among the main causes of income inequality are education, age, genre, ethnic and social divides (World Bank 2001). Currently it is accepted that economic growth and market-led reforms are necessary to reduce poverty, but not sufficient. State intervention is also required in order to facilitate poor people's access to education and health. Korzeniewicz and Smith (2000) found education to be strongly correlated with income inequality and the probability of being poor. The new approach to poverty proposes implementing top-down macroeconomic policies in concert with bottom-up micro policies (World Bank 2001, Snow and Buss 2001, Woller and Woodworth 2001, Sharma 1999). Both the World Bank and Sharma point out the importance of institutions and efficient public administration in spurring equitable economic growth. On the other hand, Piazza and Liang (1998) highlight the importance of government commitment, education, health, institutional strengthening and community participation in the fight against poverty.

Microcredit, along with other grass-roots approaches, offers an alternative to the top-down macroeconomic approaches in the fight against poverty. Lately microcredit is enjoying widespread acceptance by global development agencies (Fairley 1998, Snow and Buss, McGuire and Conroy 2000). Microcredit entails loans of small amounts of capital to poor borrowers for self-employment projects so that they can earn their own income, increase their productivity and eventually become self-reliant. The Grameen Bank experience in Bangladesh made microcredit very popular during the 1990s. Founded in 1976, the Bank loans small amounts of money (\$60 average) using only five-people peer groups as guarantors. When an individual joins the Bank and forms a peer group, each member is expected to begin to save; this amount may be less than a dime a week. Once she knows she can save from daily expenditures, she is allowed to borrow money for a productive activity agreed upon by her group. The interest rate on the loan is a market rate, but considerably less than the one charged by moneylenders. The interest goes to support the administration of the bank, to an emergency fund and to a fund to repay the debt of a member who dies or becomes ill. Members meet weekly and receive training to reduce spending as well as to save and utilize credit. At first more men than women joined the Bank, but today most borrowers are women due to their stronger repayment records.

The positive impact of the Grameen Bank on the rural poor was so impressive that adaptations of microcredit have appeared in many developing countries. Studies of these programs show that the families of the members enjoy improved nutrition because of increased income (Tinker 2000, McGuire and Conroy 2000). In addition to increasing income, microcredit spurs participation, self-reliance and solidarity among the poor. It also builds up their management abilities and saving habits. It seems that microcredit is more likely to be successful in highly populated communities where there are informal markets and suitable infrastructure. Bhatta (2001) shows how difficult geographic

conditions in Nepal, combined with extreme poverty, have made it very difficult to implement microcredit programs and obtain good results. It is also argued (Bamfo 2001) that microcredit should be implemented by local governments. On the other hand, Tinker (2000) proposes focusing microcredit programs on women instead of on territories. He argues that doing so results in better nutrition of children and more family stability. Other studies confirm Tinker's arguments (Mayoux 1998, McGuire and Conroy 2000).

According to Fairley (1998) the main problems with microcredit are: a) microcredit institutions work with credit-worthy groups, not the poorest, to ensure sustainability; b) microcredit programs tend to be both paternalistic and distrustful of the poorest; c) identifying and reaching the poorest is time-consuming; d) the poorest often reject microcredit because they do not want to assume the risks involved; e) inflexible microcredit criteria, such as group borrowing, initial loan repayments or collateral requirements are beyond the means of the poorest; and f) an unstable economic climate counters business growth and savings potential. In other words, microcredit does not reach the poorest. McGuire and Conroy (2000) confirm Fairley's argument. Fairley states that the Trickle Up Program (TUP) is a way to reach the poorest. TUP loans one hundred dollars as seed capital to families or groups who want to start a new business. There are only three basic conditions: completion of a business plan and report, working 250 hours per person in a three-month period and saving at least 20 percent of the profits for household and business use.

If microcredit institutions are to be sustainable, careful attention must be given to costs, loan repayments and interest rates. Subsidizing the poorest might endanger microcredit sustainability. For specific and most disadvantaged populations, other initiatives, including a high component of subsidies, must be undertaken (European Commission 2000). McGuire and Conroy (2000) point out the importance of the role of donors, institutions and governments that provide funds to microcredit institutions. They should support only those institutions that are well-managed, conform to international standards, are independent from political influences, and have good information systems for financial control.

There is an on-going debate whether credit alone or credit plus is needed for poverty reduction. There are views that credit alone on its own is inadequate to fight poverty. The need for other services is also important in this respect. Such views, although do not negate the role of credit, fail to appreciate the role of credit on its own merit.

Nobody says that credit alone is cure for all. Most of the practitioners believe that credit plays a vital role as an instrument of intervention for a poor person to discover her potential and to stride for better living. Muhammad Yunus advocates that credit is a human right. Once this right is established, the entitlement to other rights for leading a dignified life becomes easier. It empowers to break the vicious cycle of poverty by instantaneously creating self-employment and generating income. When in the ultimate

analysis nothing can be said to be panacea, by overemphasising that microcredit is not a panacea is in a sense overreacting and underestimating the role of credit as an instrument to combat poverty. Micro-credit is itself a very powerful tool. But if it is combined with others, it is definitely more empowering.

How micro-credit can reduce poverty may better be understood by understanding conceptually the mechanisms by which financial services can affect the lives of the poor. It is important to consider the fulfilment of basic needs (food, clothing, shelter, health, education and psychological well-being), the means to achieve welfare at present and in the future, social networks and empowerment and vulnerability to risk.

It is known that poor people live in a high risk and vulnerable conditions. Their ability to take advantage of opportunities that will lead to increasing their income or economic status, to protect themselves against risks of crises, and to cope with these when they occur is very important. Reduction of poverty is partly a process of increasing income and economic stability which enables fulfilment of basic needs and access to different kinds of services. This may also be understood in the form of developing a range of assets that will reduce the vulnerability of the poor to physical, economic and social shocks. These assets may be defined as financial (income size, regularity and security, savings, loans or gifts), human (skills and knowledge, ability to work, good health, self-esteem, bargaining power, autonomy and control over decisions), physical (housing, land, productive and non-productive possessions etc.) and social (networks, group and centre membership, trust based relationship, freedom from violence and wider access to society and social institutions).

Positive references in support of the role of microcredit can be seen in the final documents of the Twelfth Ministerial Conference of the Non-Aligned Movement (New Delhi, 4-8 April 1997), the Ninth South Asian Association for Regional Cooperation Summit (Male, 12-14 May 1997), the Organization of African Unity Summit (Harare, 2-4 June 1997), the substantive session of 1997 of the Economic and Social Council (Geneva, 30 June-25 July 1997) and the Commonwealth Heads of Government Meeting (Edinburgh, 24-27 October 1997) as well as the Group of Seven statement on economic and financial issues (Denver, Colorado, 21 June 1997). The international community observed the period 1997-2006 as the first United Nations Decade for the Eradication of Poverty and a Microcredit Summit was held at Washington, D.C., from 2 to 4 February 1997, which through its Declaration and Plan of Action, endorsed a global campaign to reach 100 million of the world's poorest families, especially women of those families, with credit for self-employment and other financial and business services, by the year 2005, the final year of the campaign of the Microcredit Summit.

In 1998, proclaiming 2005 as the International Year of Microcredit (resolution 53/197 of 15 December), the UN General Assembly requested that the Year's observance be a special occasion for giving impetus to microcredit programmes throughout the world.

The Assembly asked all those involved in poverty eradication to take additional steps to make available credit and related services for self-employment and income-generating activities to an increasing number of people living in poverty. Governments, NGOs, the private sector and the media were invited to highlight the role of microcredit in poverty eradication, its contribution to social development, and its positive impact on the lives of the poor.

To crown it all, the Nobel Peace Prize for 2006 was awarded to the Grameen Bank in Bangladesh and its founder Muhammad Yunus, “for their efforts to create economic and social development from below”. The Nobel Prize press release continued that “Lasting peace cannot be achieved unless large population groups find ways in which to break out of poverty. Micro-credit is one such means. Development from below also serves to advance democracy and human rights.....Every single individual on earth has both the potential and the right to live a decent life. Across cultures and civilizations, Yunus and Grameen Bank have shown that even the poorest of the poor can work to bring about their own development. Micro-credit has proved to be an important liberating force in societies where women in particular have to struggle against repressive social and economic conditions. Economic growth and political democracy cannot achieve their full potential unless the female half of humanity participates on an equal footing with the male.”⁸

3. Microcredit and Women Empowerment

3.1. Empowerment: An Introduction

It is claimed that microcredit schemes not only give women access to credit, but have the potential to significantly contribute to gender equality and to women's economic empowerment, as well as to pro-poor development and to civil society strengthening. The advocates of these claims maintain that through their contribution to women's ability to earn an income these programmes have the potential to initiate a series of ‘virtuous spirals’ of economic empowerment, increased well-being for women and their families and wider social and political empowerment. The term ‘empowerment’ emerged as a result of several assessments and deliberation generated by the women's movement throughout the world, most especially by DAWN. In search of attainable means of women's development, DAWN maintains explicitly:

“Rather than see women crushed further under the burden of their traditional work in unchanging divisions of labour, we argued that if human survival is now the world's most pressing problem, and if women are crucial to that survival, then the empowerment of women is essential for the emergence of new, creative and cooperative solutions to the

⁸ http://nobelprize.org/nobel_prizes/peace/laureates/2006/press.html Accessed on March 24, 2009.

crisis.” (Sen and Grown 1985:13).

The concept of women’s empowerment was the outcome of several important critiques and debates generated by the women’s movement throughout the world, and particularly in the developing countries. In essence, as we have already discussed in Chapter 2, the 1980s saw the rise of stringent feminist critiques of development strategies and grassroots interventions: mainly for having generally failed to make any significant dent in the status of women. The failure was ascribed to the adaptation and the application of such approaches as welfare, antipoverty, and to some extent the efficiency approach.

In her analysis of women’s development planning and approaches, Kate Young (1993) argues that the emergence of empowerment is essentially concerned with development interventions that have focused on improving the daily conditions of women’s needs but gives less attention to underlying structures of subordination and inequality which have existed over the years. She stressed that these approaches sometimes improve women’s conditions, but their position remains largely unchanged.

Even so, the frequent reference to the term ‘empowerment’ in development and other related subjects conceals the complexity of the concept. For example, most users of the terminology often create an air of being able to achieve a definite outcome and disregard the possibility of continuum. In fact, today, it is common to hear about empowerment from mainstream politicians, the World Bank/IMF officials and NGOs. What is more, literatures about ‘empowerment’ are found in the areas of education, health, psychology, business management, community and social works, as well as in the works of feminists and of community development. Users of the term tend to assume an understanding of the meaning within some particular context. Often no clear explanation of empowerment is given. We believe that some of the confusion arises because the root concept – power – itself is disputed, and so is understood and experienced in different ways by different people. In fact, the underlying assumption of many interest groups or institutions (such as the World Bank and the UN) is that economic empowerment automatically converts to women’s empowerment.

As the following discussion of empowerment unfolds, the major issues to be reflected upon are the concept of empowerment through the use of microcredit schemes and its importance to women’s development. We begin by exploring the concept of power, the definition of empowerment, a critical discussion on empowerment as a process, and the theoretical relationship between microcredit schemes and women’s economic empowerment.

3.2. Power and Empowerment

At the core of the concept of empowerment is the idea of power. Power can be

understood as operating in different ways and its conceptualisation varies from context to context. In fact, some explanation is grounded in an understanding that power will be seen and understood differently by people who inhabit various positions in power structures. Power in a traditional sense denotes a force exercised by individuals or groups. Foucault (1982:61) observed that “power is a set of actions that act on other possible actions – it functions in the field of the possible or inscribes itself in the behaviour of actors by inciting, inducing, seducing, facilitating or hindering, expanding or limiting”. In sum, Foucault’s model of power involves recognizing the existence of multiple power relations. “Power”, he wrote, “is considered to circulate and to be exercised rather than possessed”. Foucault maintains ‘resistance’, where individuals contest fixed identities and relations in ways which may be subtle, is seen as an inevitable companion of power. Max Weber (1922) on the other hand placed ‘power’ as the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance, regardless of the basis on which this probability rests (cited in Presser and Sen 2000:38-39). According to Janet Townsend *et al.* (1999:130) in reference to power relations within a household: “Power consists primarily in being able to take a decision, which will affect someone else, or in acting to force, confine, forbid or prevent. Whoever exercises such power subordinates and degrades, forces actions, exercises control and assumes the right to punish, seize material property, infringe symbolic rights and dominate in every respect.”

They pointed out that such understanding of power is very common and considered ‘natural’ in Latin America or Africa with a long history of colonialism, dictatorships and military government. Lukes (1974:23-24) on the other hand pointed out that “The most effective and insidious use of power is to prevail by shaping people’s perceptions, cognitions and preferences in such way that they accept their role in the existing order of things, either because they can see or imagine no alternative to it, or because they see it as natural and unchangeable or because they value it as divinely ordained and beneficial.”

Hence, when a control becomes internalized, it is no longer necessary to assert power overtly. Indeed, there is overwhelming evidence to show that a group of people, especially women who live in a predominantly patriarchal society, can be denied power or basic rights. Because what patriarchal institutions tolerate, expect, and reward is ‘different forms of obedience’ – such as conformity and uniformity – all inspired and maintained by fear (French 1985; cited in Rowan-Campbell 1999). For instance when a woman is constantly subjected to violent abuse, cultural constraints or self-invalidations as a result of her surroundings she often fails to express her own view because internalized oppression directly or indirectly influences her ability to protest. Indeed, some form of power or exercise of power is sometimes visible and sometimes invisible: that is to say, power is not always overt, and the reasons for decisions are not always easily visible. There are overwhelming debates on the notion of power; however, its discussion here would dwell mainly on its relationship to women’s empowerment.

Rowlands (1997: 9) has noted that such definitions focus with varying degrees of subtlety on the ability of one person or group to get another person or group to do something against their will. Such power could be described as ‘zero-sum’: the more power one person has, the less the other has.

The definition of power in relation to domination and obedience as stated above, contrasts with views in generative terms, such as the power some people have of stimulating activity in others. This form of power is not zero-sum; an increase in one person’s power does not necessarily weaken that of another (Rowlands 1997, Page and Czuba 1999). The term ‘empowerment’ refers to ‘power-to’ and it is achieved by increasing one’s ability to resist and challenge ‘power-over’. It implies more than a forced change of power in which there is a destruction of previous structures and values. It entails an increase of consciousness. For example, the commonly held belief in micro-credit schemes is that, providing women with access to credit is a powerful tool which stimulates activities in women and directly leads to their empowerment and subsequently promotes gender equity. Hence, growth of capital and its control not only sensitizes poor women, but augments their ‘power’ relation in the household and community. Consequently, the concept of power seems to come in more than one essence as this is clearly reflected in feminist understanding. Below is a summary of feminist understanding of power:

Concepts of power	Practical Applications
Power Over	Related directly or indirectly to domination and subordination, it controls people and is associated with conflict between powerful and powerless groups.
Power To	Creative or productive, increasing individual’s capacity for leadership, it generates ability so that people can make decisions and solve problems on their own. It shows new possibilities and actions without domination.
Power Within	Self-esteem and confidence, self-respect and self-acceptance and acceptance of others; it generates individual critical analytical skills
Power With	Enabling women to examine and articulate their collective interests, to organize to achieve them and to link with other women’s and men’s organizations for change.

Sources: Rowlands (1995), Kabeer (1994), Mayoux (2005)

These multiple connotations of power further unveil the complexity surrounding the concept of empowerment, and how it can be stimulated. For example, taking the concept of empowerment beyond simply control of resources, Naila Kabeer (1994: 229) observes that empowerment as a concept with theoretical and practical potential merits being more than an empty terminology. Deconstructing the perception of power, she maintains: “The multidimensional nature of power suggests that empowerment strategies for women must build on ‘the power within’ as a necessary adjunct to improving their ability to control resources, to determine agendas and make decisions.”

She reasons that power from within needs “experiential recognition and analysis” of issues to do with women’s own subordination and how it is maintained. For instance, she notes: “For women in particular, in societies where deeply-entrenched and internalized cultural rules, norms and values not only tend to devalue their worth and well-being but also to militate against recognition by women themselves of what is often described as ‘lack of equity in the ruling arrangement’. The power of social conditioning in shaping the ‘choices’ that women make, to the extent that they may be resigned to, and indeed actively promote, the distribution of resources which discriminate against themselves and their daughters, cannot be underestimated.” (Kabeer 1996: 54)

She further points out that such power ‘cannot be given; it has to be self-generated’. That is to be understood as the need to move beyond project participation into the realm of policymaking. Indeed, certain aspects of culture or norms enable women in some communities to negotiate and maintain some degrees of power within their families or lineages. This understanding creates possibilities to avoid making absolute claims about the outcomes of empowerment process.

Now we turn to examine the different understandings of empowerment, especially as perceived by feminist scholars.

3.3. What is Empowerment?

A review of definitions of empowerment reveals both diversity and commonality. Most definitions focus on issues of gaining power and control over decisions and resources that determine the wellbeing of one’s life. Inherently, it is an ideology endowed with potential for assisting development growth, especially for women in developing nations. For example, according to DAWN, empowerment represents the transformation of power relations throughout society, increased wellbeing, community development, self-sufficiency, expansion of individual choices and capacities for self-reliance. The above description seems to substantiate one of the few specific empowerment definitions that centred on women’s development. Similarly, Keller and Mbwewe (1991:45) describe empowerment

as: “A process whereby women become able to organize themselves to increase their own self-reliance, to assert their independent right to make choices and to control resources which will assist in challenging and eliminating their own ‘socio-political’ subordination.”

As noted above, the abstract nature of empowerment means there is no mono-causal explanation or application of the concept. Some of these explanations and usages are outside the scope of this study, while others gave a general overview of the concept. For example, Friedmann, a sociologist, exploring the concept of empowerment (based on his theory of ‘Alternative Development’) identified three kinds of empowerment: social, political and psychological. Information, knowledge, skills, financial resources and participation in social organizations constitute social power, while political power entails access to decision-making processes affecting one’s future, including participation in voting and collective action (1992). On the other hand, psychological power is associated with an individual’s self-confidence and a sense of potency which is generated by social and political participation in society. In other words, the individual’s position in the social and political field controls her psychological power. Friedmann’s theory was rather silent on household power imbalance, especially between family members.

Further, in a counselling context (in relation to ethnic and gender differences), Ellen McWhirter (1991) identifies empowerment as the process by which people, organizations, or groups who are powerless become aware of the power dynamics at work in their life, develop the skills and capacity for gaining some reasonable control over their lives and exercise this control without infringing upon the rights of others. Following McWhirter’s (1991: 222) definition of empowerment, it becomes apparent that empowerment has a specific focus in women’s development in the developing countries. According to her, a process whereby women become able to organize themselves to increase their own self-reliance, to assert their own self-reliance, to assert their independent right to make choices and to control resources, will assist in challenging and eliminating their own subordination in the households.

Empowerment, according to the World Bank, is the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes. Central to this process are actions which both build the individual and collective assets of the poor and improve the efficiency and fairness of the organizational and institutional context that govern the use of these assets (World Bank Poverty Analysis 2003). Furthermore, the World Bank 2003 Annual Report and other World Bank reports since the early 1990s, recognize that empowerment is very vital to overall progress in development as it “ensures that all people have the ability to shape their own lives by providing opportunity and security and fostering effective participation and social inclusion” (The World Bank Annual report 2003: 12).⁹ Nonetheless, in the late 1980s and

⁹ http://www.worldbank.org/html/extpb/2003/download_report.html. Accessed on 25 March 2009.

early 1990s, some commentators found the World Bank shifting slightly to a revised neo-liberal model, stressing market-friendly state intervention and good governance (see Peet and Hartwick 1999). Gradually the concept of empowerment, especially through microcredit schemes became the catchphrase for every women's development programme initiated by the World Bank in the developing countries.

In its written statement, the World Bank has maintained its commitment to a gender mainstreaming strategy, but evidence emerging from developing countries indicates its policies do not achieve this. The World Bank has been criticized for paying only lip service to women's issues by different quarters, especially the feminist organizations who maintain that the World Bank's development programmes mainly support male interests. As Marina Lazreg (2002: 125) has noted, "the World Bank is subsuming the concrete under the abstract, practice under theory, resulting in the blurring, if not the obliteration of the difference, or the often noted lack of fit between theories and practices of development". Therefore, the question is: "How does the World Bank plan to challenge the existing socio-cultural practices or patriarchal structures that are at the root of women's disempowerment while in the pursuit of the "efficiency approach?" (sought to increase women's productivity in order to enhance their quality of lives). And how empowering are World Bank policies and programmes when they are implemented in the form of 'power-over'?

With the increasing dominance of the 'financial sustainability paradigm' by institutions like the World Bank, the UN and other international donors, definitions of empowerment have become diluted to mean insignificant increases in individual income and 'self-confidence'.

3.4 Empowerment: Feminist Understanding

The meaning of empowerment can be seen to relate to the user's understanding of power. In fact, the idea of empowerment is increasingly employed as a tool for understanding what is needed to transform the condition of poor (especially women) or underprivileged people (see Sen and Grown 1987). As Rowlands (1999:144) noted, in this context, there is broad agreement that empowerment is a process; that it involves some degree of personal development; but it is not necessarily sufficient in itself; it also involves moving from insight to action.

Indeed, many feminists, especially those who are categorically classified as Western feminists, uphold the assumption of empowerment through speech (giving voice). These feminists (especially those within the WID fold with the earlier equity approach; see Pillai, Asalatha and Ponnuswamy 2009) argue that cultivating women's voice endorses their creativity and promotes more active and collaborative improvement in their lives. Thus, they encourage poor women to engage in dialogue across differences, and to apply knowledge which is accumulated through interactions to address issues that

disempowered them. Marianne Marchand, for example, in her 1995 book, draws attention to the significance of “witness accounts” as a positive way for women to express their “feelings” about development. These interpretations of empowerment are concerned with the processes by which people become aware of their own interests and how these relate to those of others, in order for both to participate from a position of greater strength in decision-making and to actually influence such decisions. In contrast, Marnia Lazreg (2002: 127) argues that: “Encouraging voice evinces a desire for power, a will to power, the power to carve out spaces for others by convening them to talk about themselves under the fiction of polyphony and multiple authorship which are meant to aid local women to acquire voice.”

Thus, building on Bourdieu’s theoretical vocabulary, Lazreg (2002: 124-125) argues that ideas and theories of development belong to a system of relations between individuals and groups representing ‘force’ that position themselves for a struggle over their relevance, legitimacy and/or practical applications. This means that whoever engages the field of development from the perspective of gender must also critically engage their own interest as part of the force that sustains it and reproduces it. “The implication being that these women are solicited, cajoled, encouraged to speak because of a need to create discursive spaces which allow women (especially in the developing countries) to be heard”. Importantly, Lazreg questioned the abilities of some feminists to transform ‘development-as-usual’ by uncovering its simplicity using a totalising, evolutionary and patronising view of peoples of the developing countries. The ‘giving voices’ to women presumes that these women were/are mute; yet, these women have always spoken about their misery or happiness. Although these stories often attract advice, and sometimes counselling, they neither change the home front nor contribute to women’s empowerment. Indeed, Lazreg lamented the transformation of women’s lives into a discourse, and the indignities of making other women speak for ‘us’. She (2002: 27,28) notes that this form of analysis cannot account for women’s poverty and struggles to survive, pointing to the limits of discourse analysis and its inability to resolve the view that female subjectivity is socially constructed.

There is no doubt that the approach of this group of feminists (that is, those classified as western feminist) that concentrate on voice as a means to empowerment, among other things, rests on the reduction of the structural complexity of development to individuals’ feelings and opinions. Lazreg maintains that this confessional mode of empowerment is “elliptically” meant to increase women’s participation in the identification of their needs, so that development policies/programmes/projects are better targeted. She argues that assumptions that women’s speech is empowering render them interchangeable or homogenous. Besides, what happens if women refuse to be given a voice, or have a discordant voice? The question is, how and why is giving voice empowering? Empowerment is thus more than simply opening up access to decision-making or voice: it must also include the process that leads people to perceive themselves as able and entitled to occupy that decision-making space and, importantly, it meets and overlaps with the other categories of ‘power to’ and

‘power within’ (see also Rowlands 1999).

Further, some groups of feminists have argued that empowerment corresponds to women challenging existing power structures which subordinate them. For instance, according to an article in the *Oxfam Handbook of Relief and Development*: “Empowerment involves challenging the forms of oppression that compel millions of people to play a part in their society on terms which are inequitable, or in ways which deny their human rights.” (Eade and Williams 1995: 8).

In contrast, some feminists from the developing countries (Kabeer 1997, Lazreg 2002, Izugbara 2004) have argued against these sweeping generalizations of women’s oppression, and the need to liberate women from “Themselves”, their men, their culture and their former colonizers to be more or less ‘like Us’. The implication here is that women in the developing countries are positioned “as a symptom of the over-determined effects and resistances to multiple oppressions and exploitative processes, hence the role of the feminists as liberators” (Lazreg 2002: 125). Furthermore, there is no doubt that when feminists in the North involve themselves in the cause of women in the South, they can be open to accusations of cultural imperialism, especially if they suggest that women in cultures other than ‘our own’ are disadvantaged or oppressed by the elements of their culture. There is a need to change or transform such culture to accommodate or protect women’s interest, but based on the fact that feminists in the North are a product of western social history their solutions are not always appropriate in this non-western context and are thus perceived as patronizing. Claims of gender equality are historically embedded in a moral order that is constructed predominantly in terms of equality, individual rights and personal choice. However, DAWN stresses the need for economic and social change, empowerment of women, and progressive changes in public-private relations to benefit women (Sen and Grown 1987: 2). Furthermore, Usha Menon, an anthropologist, points out that this paradigm (equality, individual rights and personal choice) can appear to be alien and irrelevant to women who adhere to a different moral order that emphasizes self-control, self-refinement, and duty to the family (Menon 2000: 77).

Empowerment according to DAWN is essentially a radical transformation of the life and livelihood of the poor and of the marginalized members of human society, especially women. Srilatha Batliwala (1995) has made a detailed analysis of women’s empowerment programmes, based on her analysis of Integrated Rural Development (IRD) in India. Women’s empowerment, she argues, is the process, and the outcome of the process, by which women gain greater control over material and intellectual resources, and challenge the ideology of patriarchy and gender-based discrimination against women in all the institutions and structures of society. Unlike Oxfam, Batliwala stresses that empowerment is a spiral, not a cycle or linear, which leads to greater and greater changes. These changes are consciousness-raising, problem identification, action for change and analysis of that action whose outcome leads to higher levels of consciousness and more effective strategies.

In other words, the empowerment spiral transforms every person involved: the individual (including the change agent), the collective, and the environment although not necessarily at the same pace or depth. By this definition, therefore, empowerment cannot be a top-down or one-way process, nor merely a change of consciousness or equality, but a visible manifestation of that change which the world around is forced to acknowledge. Batliwala argues that empowerment therefore means making informed choices within an expanding framework of information, knowledge and analysis of available options. After all, choices can only be made within the menu of known or experienced possibilities (for example; being able to trade or farm without restrictions, sell or purchase directly or indirectly from primary users or sellers). Empowerment is thus a process which must enable women to discover new possibilities, new options and a growing repertoire of choices.

Likewise, Caroline Moser (1989: 181) addresses empowerment as the control of resources; but she pays more attention to the individual's level rather than the group's level. The focus here is on women's right to make choices and their capacity to control and be in charge of their life. Moser has also argued that empowerment is the capacity for women to increase their own self-reliance and internal strength. In addition, Moser (*ibid.*) recognizes the significance for women to determine choices in their lives and to influence the direction of change through ability to gain control over material and non-material resources.

In sum, DAWN explains that it is the experiences lived by poor women throughout developing countries in their struggle to ensure the basic survival of their families and themselves that provides the clearest lens for an understanding of the diversity of empowerment and development processes. DAWN affirms that it is their aspirations and struggles for a future free of the multiple oppressions of gender, class, race and nation, which can form the basis for the new visions and strategies (Sen and Grown 1987: 9-10). Accordingly, the perspective of poor women is grounded in their social location and is regarded as centred on the problems of poverty and inequality. The group (DAWN) further stresses that empowerment entails a critical reflection and conceptualization of the southern feminist perspective, thereby rejecting the monolithic viewpoint of Western feminists, while affirming heterogeneity and diverse feminisms.¹⁰ Nonetheless, DAWN recognized the common opposition to gender oppression. Accordingly, empowerment represents the transformation of power relations throughout society, increased wellbeing, community development, self-sufficiency, expansion of individual choices and capacities for self-reliance. Overall, it goes without saying that 'voice' remains an important part among other factors of empowerment. However, it should not be made to take precedence over resources and other substantial issues pointed out by DAWN. As Parpart (2002:50)

¹⁰ For example, Chandra Mohanty (1989) contests an inclination to reduce the heterogeneity of developing countries women into a monolithic subject, a habit that is conceived of as a discursive colonization.

clearly states: “Ironically, giving people voice does not always empower the poor, especially women... The power associated with gossip and information, the ability to decide when, where and with whom it will be shared, reminds us that giving ‘voice’ to women (or men), especially in public, is not always empowering... Moreover seeking the ‘voices’ of Third world women has too often become a means for building the careers of development ‘experts’ rather than an empathetic attempt to bridge cultural and material divides.”

3.5 Empowerment: ‘(Family-bound) Personal Autonomy in family Framework’

Having explored the different understanding of the concept of empowerment, let us now illustrate some decisive factors that enhance or mar empowerment and its relation to DAWN’s perception.

The illustrations given in the Table (4.2) below are some of the criteria for empowerment or disempowerment that are used in the empirical analysis of most of the studies in the context of developing countries. These illustrations are not definite, because empowerment is ultimately driven by complexity. Empowerment can be attained through one or many ways. In fact, it is an ongoing process whereby one is empowered by her gradual development actions. The essence is to be able to gain ability, informed authority and agency to make decisions and implement changes at a higher level than previously allowed or thought possible. The key issues arising from this illustration are:

Table 4.2: Some criteria for empowerment

Disempowerment	Empowerment
Limited personal mobility	Freedom of personal mobility
Having to get permission from spouse/‘household head’ before taking loans	Free to make choices in taking loans
No financial security (especially at old age or widowhood)	Adequate financial security
Having only partial decision-making power	Household joint and equal decision making
Limited or lack of legal rights and privileges	Equal legal rights and privileges in relation to inheritance
Limited or lack of political and socio-cultural rights	Equal political and social-cultural

- (i) A substantial degree of independence or freedom especially from husband; and
- (ii) Adequate options to make political and socio-economic choices

Both are major characteristics of personal autonomy and a reflection of DAWN's perception of empowerment, which centres on women's 'personal autonomy'. This perception of DAWN is in union with the above illustration (Table 4.2), but it stresses a divergent dimension of personal autonomy. In essence, the ideal of personal autonomy as envisaged in the empirical studies is the vision of people controlling, to some degree, their own destiny, fashioning it through successive decisions throughout their lives as specified in the above Table. This form of personal autonomy is a shift from DAWN or WID's understanding of absolute personal autonomy. This is because in the developing world, women's crucial economic contributions do not diminish men's status as household heads; as wives, women still show deference to their husband and see to most domestic needs of the family. Economic contributions do elevate their position and provide them with leverage in many household's decision-making. What is more, though many of these women value the variety of freedom associated with economic contribution, ironically they maintain that *their husbands are the crowns on their head*.

While the above Table is necessarily a simplified one, it foregrounds the basis on which most women participate in economic activities or even in microcredit schemes. It connotes the idea of empowerment as understood by the developing world women. In part it forms the basis of the definition of empowerment in this study. Thus, perceptibly, personal autonomy does not stand aloof from DAWN's suggestion. It is embedded in the notion of 'family'. This version of empowerment places emphasis on the wellbeing of women and their families, especially children's future rather than simply individual's achievements: say, unrestricted personal mobility (which is said to enhance their economic participation) separately from their husbands especially during the early stage of their marriage; freedom to make choices; and a degree of financial security in the event of husband's death. Further, here the financial security includes the assurance that family properties and capital are not acceded to in-laws or other relatives of the husband on his death. Empowerment at this level is not embedded in individualistic motives of these women. Indeed, accomplishments are often located in the wellbeing of their children. It also suggests economic gains allow them to help and provide for their children, contribute to their lineages and maintain a strong financial independence from their husband.

In view of this, empowerment here is seen as the power (that is, 'power within') to control one's life; to take decisions or make choices which influence one's life as well as that of their family. That is, power that ensures the wellbeing of their family and protects them from the overbearing dominance of husband and to some extent society. This form of empowerment,

although different from the mainstream definition, nonetheless exhibits many characteristics of virtuous spiral as described by Linda Catherine Mayoux (2006; discussed below). These include increased status and changing roles for women, income under women's control, increased wellbeing of children, women's participation in decisions about saving and credit use, and their ability to negotiate change in gender relations.

3.6 Microcredit and Women's Empowerment

From the early 1970s women's movements in a number of countries became increasingly interested in the degree to which women were able to access poverty-focused credit programmes and credit cooperatives. In India organizations like Self-Employed Women's Association (SEWA) among others with origins and affiliations in the Indian labour and women's movements identified credit as a major constraint in their work with informal sector women workers

The problem of women's access to credit was given particular emphasis at the first International Women's Conference in Mexico in 1975 as part of the emerging awareness of the importance of women's productive role both for national economies, and for women's rights. This led to the setting up of the Women's World Banking network and production of manuals for women's credit provision

Other women's organizations world-wide set up credit and savings components both as a way of increasing women's incomes and bringing women together to address wider gender issues. From the mid-1980s there was a mushrooming of donor, government and NGO-sponsored credit programmes in the wake of the 1985 Nairobi women's conference (Mayoux, 1995a). The 1980s and 1990s also saw development and rapid expansion of large minimalist poverty-targeted microfinance institutions and networks like Grameen Bank, ACCION and Finca among others. In these organizations and others evidence of significantly higher female repayment rates led to increasing emphasis on targeting women as an efficiency strategy to increase credit recovery. A number of donors also saw female-targeted financially sustainable microfinance as a means of marrying internal demands for increased efficiency because of declining budgets with demands of the increasingly vocal gender lobbies.

The World Summit for Social Development, held in Copenhagen in March 1995, underlined the importance of improving access to credit for small rural or urban producers, landless farmers and other people with low or no income, with special attention to the needs of women and disadvantaged and vulnerable groups.¹¹ The General Assembly, in its resolution 52/194 of 18 December 1997, noted that in many

¹¹ <http://www.un.org/esa/socdev/wssd/>. Accessed on 25 March 2009.

countries microcredit programmes have proved to be an effective tool in freeing people from poverty and have helped to increase their participation in the economic and political processes of society. Among other provisions, the Assembly called upon the relevant organs, organizations and bodies of the United Nations system, as well as relevant international and regional financial institutions and donor agencies involved in the eradication of poverty, to explore including the microcredit approach in their programmes as a tool for the eradication of poverty. According to the UN Secretary General's report on the role of microcredit in the eradication of poverty submitted to the General assembly at its fifty-third session in 1998, "Several factors have led to increased interest in microcredit in promoting growth with greater equity. There has been a growth in the recognition of the importance of empowering all people by increasing their access to all the factors of production, including credit. In addition, the value of the role of non-governmental organizations in development is receiving more attention."¹²

The trend was further reinforced by the Micro Credit Summit Campaign that started in 1997 which had 'reaching and empowering women' as its second key goal after poverty reduction (RESULTS 1997).¹³ Microfinance for women has recently been seen as a key strategy in meeting not only Millenium Goal 3 on gender equality, but also Poverty Reduction, Health, HIV/AIDS and other goals.

Hence, it is in that context that microcredit has recently assumed a certain degree of prominence. Building on the assumption that all economies rely upon the financial intermediary function to transfer resources from savers to investors, it was recognized by this report that the latent capacity of the poor (especially women) for entrepreneurship would be encouraged with the availability of small-scale loans that would introduce them to the small-enterprise sector. This could allow them to be more self-reliant, create employment opportunities and, not least, engage women in economically productive activities. Therefore by providing opportunities for self-employment, many studies (for example, Kabeer 1998, Iheduru 2002, Yunus with Jolis 2003) conclude that microcredit schemes have significantly increased women's security, autonomy, self-confidence and status within the household. In this light, these studies argue that women who have gained confidence through microcredit are able to make good livelihood and household decisions, have control over resources and be able to use larger loans effectively to increase their incomes and make very good long-term clients, being capable of paying the interest rates needed. Summing up the relationship between microcredit and women's empowerment, Yunus (2003:88-89) notes: "Giving the woman control of the purse-strings was the first

¹² <http://www.gdrc.org/icm/un-report.html> 27 March 2009.

¹³ RESULTS is an all volunteer international grassroots citizen's advocacy organization with a small staff in Washington, D.C. and branches in six other countries. Its purpose is to create the political will⁵ to end hunger and severe poverty and to empower individuals to have breakthroughs in exercising their personal and political power. Since 1985, this organization has played a major role in every stage of development of microfinance. RESULTS was founded by Sam Daley-Harris, a former music teacher from Florida.

step in giving her rights as a human being within the family unit... A poor women in our society is totally insecure... So given any opportunity at all, a poor woman in our society wants to build up her security. Her financial security.”

In a similar study in Bangladesh, Simeen Mahmud re-assesses the effect of microcredit programme participation on women’s empowerment by applying an analytical framework; Mahmud recognizes the conceptual shift in emphasis in the definition of empowerment through microcredit, from notions of the greater well-being of women to notions of women’s choice and active agency in the attainment of greater well-being (Mahmud 2003: 585).

Generally, since the 1990s, a combination of evidence of high female repayment rates and the rising influence of gender lobbies within donor agencies and NGOs has led to increasing emphasis on targeting women in microcredit programmes. The common assumption (Yunus 2003, Mayoux 2002, Iheduru 2002, Kabeer 1997) of the beneficial use of microcredit is that increasing women’s access to the schemes will in itself increase:

- (a) Economic empowerment (increased income, control over income and access to resources; decreasing default, as women are more able to repay);
- (b) Well-being (women have more skills (e.g. literacy), time (less time lost through ill health of themselves and children, ability to afford labour-saving devices) and resources to contribute to the programme and to groups); and
- (c) Social and political empowerment that enhances economic empowerment and wellbeing and enables women to be more active in their program involvement (because of decreased restrictions on their movements and contacts with men, greater organizational skill and network contacts).

Moreover, in assessing women’s empowerment in microcredit activities, Kabeer (1998, 1999) emphasizes the relevance of particular issues which demonstrate women’s involvement in production and management outside the homestead, such as control over income, participation in decision-making processes, women’s freedom of mobility and market accessibility. She points out that women’s access to and control over assets have a significant result on household decision-making and the family’s wellbeing. It is now widely acknowledged that in the process of empowerment, access to and control over resources are the most vital indicators of development sustainability and wellbeing.

Further, (as already discussed in Chapter 2), Lindy Mayoux in her 1997 Paper prepared for the Microcredit Summit in Washington made a distinction between women’s ‘practical needs’ (economic empowerment) and ‘strategic gender needs’ (socio-political empowerment).

She maintains that while women's practical needs (for example, food, health, water, fuel, child care, education, improved technology) have to be met, they cannot be an end in themselves; mobilizing and organizing women to fulfil their long-term strategic interests is essential. Mayoux (2006) argues that women's access to savings and credit offers them a large economic role in decision-making through the choices they make concerning savings and credit.¹⁴ Ability to exercise control over these economic issues enhances women's well-being and the household's security. The access to saving and credit creates economic empowerment (practical gender needs) for women. In addition, a combination of women's microenterprise activities, increase in income generation, greater control over income will advance or increase wage employment, mobility and networking, status and ability to negotiate gender relations. Wider movements for social, political and legal changes strengthen these changes, culminating in social and political empowerment (strategic gender needs).

Support for targeting women in microfinance programmes comes from organisations of widely differing political perspectives. There has recently been an apparent convergence of policy and terminology and common concerns with sustainability, participation and empowerment as donor agencies and NGOs have attempted to address their critics, and activists have become engaged in constructive dialogue. Mayoux (2006), however, identifies, underlying the current apparent consensus, three contrasting 'paradigms' with different underlying aims and understandings and different policy prescriptions and priorities in relation to both microfinance itself and to gender policy: (i) the feminist empowerment paradigm, (ii) the poverty alleviation paradigm and (iii) the financial self-sustainability paradigm.

Feminist Empowerment Paradigm

The feminist empowerment paradigm did not originate as a Northern imposition, but is firmly rooted in the development of some of the earliest microfinance programmes in the South, including SEWA in India. It currently underlies the gender policies of many NGOs and the perspectives of some of the consultants and researchers looking at gender impact of microfinance programmes (e.g., Chen 1996, Johnson 1997).

Here the underlying concerns are gender equality and women's human rights. Women's empowerment is seen as an integral and inseparable part of a wider process of social transformation. The main target group is poor women and women capable of providing alternative female role models for change. Increasing attention has also been paid to men's role in challenging gender inequality.

¹⁴ http://www.genfinance.info/Documents/Mayoux_Backgroundpaper.pdf Accessed on March 28, 2009.

Micro-finance is promoted as an entry point in the context of a wider strategy for women's economic and sociopolitical empowerment which focuses on gender awareness and feminist organization. As developed by Chen (1996) in her proposals for a subsector approach to microcredit, based partly on SEWA's strategy and promoted by UNIFEM, microfinance must be:

- (a) part of a sectoral strategy for change which identifies opportunities, constraints and bottlenecks within industries which if addressed can raise returns and prospects for large numbers of women. Possible strategies include linking women to existing services and infrastructure, developing new technology such as labour-saving food processing, building information networks, shifting to new markets, policy level changes to overcome legislative barriers and unionisation.
- (b) based on participatory principles to build up incremental knowledge of industries and enable women to develop their strategies for change (Chen, 1996).

Economic empowerment is however defined in more than individualist terms to include issues such as property rights, changes in intra-household relations and transformation of the macro-economic context. Many organisations go further than interventions at the industry level to include gender-specific strategies for social and political empowerment. Some programmes have developed very effective means for integrating gender awareness into programmes and for organizing women and men to challenge and change gender discrimination. Some also have legal rights support for women and engage in gender advocacy. These interventions to increase social and political empowerment are seen as essential prerequisites for economic empowerment.

Poverty Reduction Paradigm

The poverty alleviation paradigm underlies many NGO integrated poverty-targeted community development programmes. Poverty alleviation here is defined in broader terms than market incomes to encompass increasing capacities and choices and decreasing the vulnerability of poor people. The main focus of programmes as a whole is on developing sustainable livelihoods, community development and social service provision like literacy, healthcare and infrastructure development. There is not only a concern with reaching the poor, but also the poorest.

Policy debates have focused particularly on the importance of small savings and loan provision for consumption as well as production, group formation and the possible justification for some level of subsidy for programmes working with particular client groups or in particular contexts. Some programmes have developed effective methodologies for poverty targeting and/or operating in remote areas. Such strategies have recently become a focus of interest from some donors and also the Microcredit Summit Campaign.

Here gender lobbies have argued for targeting women because of higher levels of female poverty and women's responsibility for household wellbeing. However although gender inequality is recognized as an issue, the focus is on assistance to households and there is a tendency to see gender issues as cultural and hence not subject to outside intervention.

Although the term 'empowerment' is frequently used in general terms, often synonymous with a multi-dimensional definition of poverty alleviation, the term 'women's empowerment' is often considered best avoided as being too controversial and political. The assumption is that increasing women's access to microfinance will enable women to make a greater contribution to household income and this, together with other interventions to increase household well-being, will translate into improved well-being for women and enable women to bring about wider changes in gender inequality.

Financial Sustainability Paradigm

The financial self-sustainability paradigm (also referred to as the financial systems approach or sustainability approach) underlies the models of microfinance promoted since the mid-1990s by most donor agencies and the 'Best Practice' guidelines promoted in publications by USAID,¹⁵ World Bank,¹⁶ UNDP¹⁷ and CGAP.¹⁸

The ultimate aim is large programmes which are profitable and fully self-supporting in

¹⁵ The United States Agency for International Development (USAID) is the United States federal government organization responsible for most non-military foreign aid. An independent federal agency, it receives overall foreign policy guidance from the United States Secretary of State and seeks to "extend a helping hand to those people overseas struggling to make a better life, recover from a disaster or striving to live in a free and democratic country. USAID's origins date back to the Marshall Plan reconstruction of Europe after World War II and the Foreign Assistance Act. In 1961, an executive order established USAID by consolidating U.S. non-military foreign aid programs into a single agency.

¹⁶ The World Bank is an international financial institution that provides financial and technical assistance to developing countries for development programs (e.g. bridges, roads, schools, etc.) with the stated goal of reducing poverty. The World Bank comprises two institutions: International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA).

¹⁷ The United Nations Development Programme (UNDP) is the United Nations' global development network, an executive board within the United Nations General Assembly. Headquartered in New York City, the UNDP is funded entirely by voluntary contributions from member nations. The organization has country offices in 166 countries, where it works with local governments to meet development challenges and develop local capacity. Additionally, the UNDP works internationally to help countries achieve the Millennium Development Goals (MDGs). UNDP also publishes an annual Human Development Report to measure and analyze developmental progress.

¹⁸ The Consultative Group to Assist the Poor (CGAP), headquartered in Washington, D.C., is a consortium of 33 public and private development agencies working together to expand access to financial services for the poor in developing countries. CGAP was created in 1995 by these aid agencies and industry leaders to help create permanent financial services for the poor on a large scale (microfinance).

competition with other private sector banking institutions and able to raise funds from international financial markets rather than relying on funds from development agencies. The main target group, despite claims to reach the poorest, is the 'bankable poor': small entrepreneurs and farmers. This emphasis on financial sustainability is seen as necessary to create institutions which reach significant numbers of poor people in the context of declining aid budgets and opposition to welfare and redistribution in macro-economic policy.

Policy discussions have focused particularly on setting of interest rates to cover costs, separation of micro-finance from other interventions to enable separate accounting and programme expansion to increase outreach and economies of scale, reduction of transaction costs and ways of using groups to decrease costs of delivery. Recent guidelines for CGAP funding and best practice focus on production of a 'financial sustainability index' which charts progress of programmes in covering costs from incomes.

Within this paradigm gender lobbies have been able to argue for targeting women on the grounds of high female repayment rates and the need to stimulate women's economic activity as a hitherto underutilized resource for economic growth. They have had some success in ensuring that considerations of female targeting are integrated into conditions of micro-finance delivery and programme evaluation.

Alongside this focus on female targeting, the term 'empowerment' is frequently used in promotional literature. Definitions of empowerment are in individualist terms with the ultimate aim being the expansion of individual choice or capacity for self-reliance. It is assumed that increasing women's access to microfinance services will in itself lead to individual economic empowerment through enabling women's decisions about savings and credit use, enabling women to set up microenterprise, increasing incomes under their control. It is then assumed that this increased economic empowerment will lead to increased wellbeing of women and also to social and political empowerment.

Mayoux (2006) argues that these paradigms do not correspond systematically to any one organizational model of microfinance. Microfinance providers with the same organizational form e.g., village bank, Grameen model or cooperative model may have very different gender policies and/or emphases and strategies for poverty alleviation. Although women's empowerment may be a stated aim in the rhetoric of official gender policy and program promotion, in practice it becomes subsumed in and marginalised by concerns of financial sustainability and/or poverty alleviation.

3.7. Microcredit and Empowerment: The Promise

Some evaluations paint a positive picture of the impact of credit programs on women's lives (Kabeer 2001). Access to savings and credit can initiate or strengthen a

series of interlinked and mutually reinforcing ‘virtuous spirals’ of empowerment (Mayoux, 2000; 2006).

The first set of assessments point out that women can use savings and credit for economic activity, thus increasing incomes and assets and control over these incomes and assets (Mayoux, 2000; 2006). Rahman (1986) established that “active” women loanees had higher consumption standards and a role in household decision-making, either on their own or jointly with their husbands, than ‘passive’ female loanees. Both in turn had significantly higher consumption standards and were more likely to partake in household decision-making than women from male loanee households or from households who had not received credit. Similarly, Self-help groups through microcredit have an important role in lessening the vulnerability of poor by creating assets, income and consumption smoothing, providing emergency assistance, and empowering and making women confident by giving them control over assets and increased self-esteem and knowledge (Zaman 2001). A World Bank study found that a 10 per cent increase in borrowing had led to an increase in women’s non-land assets by 2 per cent for loans from the Grameen Bank and 1.2 per cent for loans from the Bangladesh Rural Advancement Committee (BRAC) (World Bank 1998). In India, microcredit studies done on groups dealing with dairy farming have noted positive profit levels and short payback periods for loans (Lalitha and Nagarajan 2002). During the South East Asian economic crisis, self-help groups proved to be important cushions and safety nets; a high proportion of the funds made available for self-help micro credit schemes were utilized by women, facilitating them to meet the subsistence requirements of their families during those hard economic times (ESCAP 2002).

Another group of evaluations have tried to establish that economic contribution may increase their role in economic decision making in the household, leading to greater wellbeing for women and children as well as men (Mayoux, 2000). A study by Pitt and Khandker (1995) in exploring the impact of female membership of credit programs found that women's preferences carried greater weight (compared with households where either men received the loans or in households where no loans had been received) in determining decision-making outcomes including the value of women's no land assets, the total hours worked per month for cash income by men and women within the household, fertility levels, the education of children as well as total consumption expenditure.

Studies also have found that women’s increased economic role may lead to change in gender roles and increased status within households and communities (Mayoux, 2000; 2006). Hashemi, Schuler, and Riley (1996) explored the impact of credit on a number of indicators of empowerment: (i) the reported magnitude of women's economic contribution; (ii) their mobility in the public domain; (iii) their ability to make large and small purchases; (iv) their ownership of productive assets, including

house or homestead land and cash savings; (v) involvement in major decision-making, such as purchasing land, rickshaw or livestock for income-earning purposes; (vi) freedom from family domination, including the ability to make choices concerning how their money was used, the ability to visit their natal home when desired and a say in decisions relating to the sale of their jewellery or land or to taking up outside work; (vii) political awareness such as knowledge of key national and political figures and the law on inheritance and participation in political action of various kinds; and finally, (viii) a composite of all these indicators. They found that women's access to credit was a significant determinant of the magnitude of economic contributions reported by women; an increase in asset holdings in their own names; an increase in their purchasing power; their political and legal awareness and their composite empowerment index. BRAC loanees report significantly higher levels of mobility and political participation. Grameen members reported higher involvement in “major decision-making”. The study also found that access to credit was associated with an overall reduction of the incidence of violence against women; women's participation in the expanded set of social relationships as a result of membership of credit organizations rather than increases in their productivity *per se* were responsible for reductions in domestic violence.

Other empowering aspects noted in studies are cognitive in nature. The IFAD gender mainstreaming review has reported gains in self-confidence and self-esteem amongst the women, enhanced capacity to articulate their needs and an increased respect in the household (FAO, 2002). Women's groups have emerged as a dynamic, articulate constituency enabling women to work together in collective agency (Krishnaraj and Kay 2002). Self-help groups have facilitated the formation of social capital, where people learn to work together for a common purpose in a group or organization (Putnam 2000). Larence (2001) has found from a village level investigation of Bangladesh's Grameen Bank that center-meeting norms enable women to establish individual identities and the group interaction at regular center-meetings facilitate collective identity.

There can be a synergistic convergence of inputs (micro insurance, health services, non-formal education and inputs on nutrition) in 'Micro credit plus' programs. A few attempts to link micro credit with HIV/AIDS programmes have been reasonably successful (UNDP 1999). The newly set up pension fund of the Grameen Bank II is apparently quite successful (Yunus 2002).

As Mayoux (2000) puts it, these virtuous spirals are potentially mutually reinforcing in that both improved well being and change in women's position may further increase their ability to increase incomes and so on. This process of empowerment may be further reinforced by group formation focusing on savings and credit delivery as women can access wider information and support networks for economic activity;

groups can support women in disputes within the household and community and groups can link to wider movements for change in women's position.

3.8. Empowerment and Microcredit: The Practical Difficulties

Obviously an empowerment process is one which tackles both the condition and position of women – a process in which questions about the structures of power, and within these, the questions of gender subordination, are continually raised and explored (Batliwala 1995). As Rowlands (1999:144) explains: “Through all these definitions runs the theme of understanding: if you understand your situation, you are more likely to act to do something about it.” Because of the acute poverty and overwhelming work burden of poor women, there is a genuine dilemma for most empowerment activists: should they respond to women's immediate problems (‘condition’: that is, the gender needs), or take the longer route of raising their consciousness about the underlying structural inequalities which have created these problems (‘position’ which is the strategic gender interest)? Certainly, the implementation and means of achieving women's empowerment has remained an unresolved element of the approach. For example, Parpart (2002:43) observed that while some scholars called for women-centred, grassroots development to empower women, the preoccupation with women's role in the economy went largely unquestioned.

In practice, however, there are possibilities that where there is an increase in income from women's economic activities, there may be no effective control by women over income going into the household and no material benefits for women themselves. Several studies have pointed out, for instance, that men may control women's income or expect women to use all their income for predetermined household expenditure. This allows men to use their own income for their own personal expenditure instead of contributing to the household. In fact, men may be very supportive of women's microcredit and other income generation activities for this very reason.

Taking a critical look at the structural dynamics in promoting microcredit provision, Mayoux (2000) asserts that these programmes targeting women are often promoted as a component of packages to absorb the shock of structural adjustment programmes and globalization. These economic changes mean new social policy prescriptions, which seriously disadvantage women, decrease public sector availability of complementary services and remove any existing welfare nets for the very poor. Hence, the assumptions of automatic beneficial impacts of microfinance can thus at worst be used as a pretext for withdrawing support for other empowerment and poverty alleviation measures.

In general terms, the argument for and against the role of microcredit schemes in women's economic empowerment is evenly divided.

3.9. Empowerment Process and the Role of Outside Agencies

Often the role of outsiders or agencies in the development setting is important for identifying the specific empowerment process. However, empowerment is a process that cannot be imposed by outsiders (although appropriate external support and intervention enhances and encourages this process). This is because empowerment is essentially a bottom-up process rather than a top-down strategy. Therefore, the assumption that planners can identify women's needs runs contrary to the empowerment objectives, which imply that women themselves formulate and decide what these interests are (Wieringa 1994). Such planners or advisers may suggest a top-down approach, and yet women may define their interests differently from the planners/advisers.

Indeed since most agents are trained to work in ways that disempowered – and which tell others what they should do or think – it requires conscious and sustained efforts to modify that pattern of behaviour and to clarify mutual expectation (Rowlands 1999:147). Lazreg (2002: 134), therefore, attributes the failure to achieve any meaningful women's empowerment in the developing countries to the fact that experts or agencies find themselves having to argue against improving the material life of rural women for fear of upsetting the 'balance' between men and women and thus, arousing the anger of men. For example, Izugbara (2004) observed that interviews with credit field staff in Nigeria suggest that women participants were blatantly discouraged from thinking that the aim of the programme was to 'promote gender equality'. What this means is that 'gender experts have been transformed into the surrogate micro-managers and distributors of dwindling aid, recommending who should get what in the name of social stability, family harmony, gradual change, empowerment, mainstreaming, etc.' (Lazreg 2002:135). This is even more appalling because most women's organizations are not free from social, political and legal restrictions and limitations. In fact, these organizations maintain a bureaucratic structure within the hierarchical system, which is not egalitarian, and therefore do not keep to the democratic process at all times (Staudt 1997: 311).

3.10. Microcredit and Empowerment: A Critique

A review of the literature raises questions about the degree to which women keep a control over assets acquired as a result of loans from SHGs. Research (Goetz and Sen Gupta 1996; Mayoux 1998) shows that only a minority of women receiving credit from poverty-oriented microfinance programmes are controlling their loans; many women are merely 'post-boxes': passing on the full amount of their loans directly to their husbands, sons or sons-in-law, with little or no access to the income generated and receiving back only enough money to make weekly loan repayments. Goetz and Sen Gupta (1996) found that, on average, only 37 per cent of loans provided by four different Bangladeshi credit organizations were either fully or significantly controlled by women, where significant control does not include control over marketing, and

may thus imply little control over the income generated. The figures for BRAC were even lower, with only 28 per cent of loans controlled by women.

Kabeer (1998) distinguishes between women as marginal, joint or primary decision makers, using a matrix, which considers women's role in decision-making regarding the use of the loan, participation in running the business, and the use of profits. She writes that it is important to acknowledge this complexity in household gender relations, and to reflect on the mix of structural, individual and programme factors which influence the degree of control women are able to take over their loan.

Rahman's (1999) research is a study of Grameen Bank lending to women in Bangladesh as well. Rahman questions the degree to which microfinance benefits women and explains that women in Bangladesh are often unable to use loans by themselves in the structure of patriarchy and the rural market economy. The absence of investment opportunities for rural women and the lack of control by the lending institution as to how loans are used and by whom lead women to pass on their loans to others (generally men) and lose control of their loans altogether. "The figure shows that men are users (persons who control and use the loan and arrange for installments) of more than 60% of women's loans. The study also shows that approximately 78% of total loans approved in the village are actually used for different purposes than sanctioned by the project". "In all five loan centres in the study village, I discovered that one or two influential members had real control over the decision making process of the centre ... Perpetuation of such power relations in the loan centres is contradictory to Grameen Bank ideology".

Gibbons (1999) also specifically addresses the work of Rahman: "There is of course a flip side to this miracle story. Aminur Rahman (1999) who suggests, from his village-level observations in Bangladesh, that the Grameen Bank prefers women more for strategic reasons in relation to investment and recovery of loans than for the benefit of the women themselves has described it most fully, because they are more compliant and easier to discipline than the men. Moreover as the honour of their wives (and themselves) is at stake in repayment the husbands also pressure their wives to repay as required. Thus poor women are pressured from both sides, and some describe this as intolerable."

Ackerly (1995) noted that underpinning most credit interventions in Bangladesh was an implicit model of the empowered woman and concluded that women's access to the market was the primary route for their empowerment knowledge which comes through market access and warned against the likelihood of overwork, fatigue and malnutrition were loans used to promote women's labour involvement without also promoting their market access.

Montgomery and Hulme (1996) found that only 9% of first-time female borrowers were primary managers of loan-funded activities, while 87% described their role in terms of 'family partnerships'. By contrast, 33% of first-time male borrowers had sole authority over the loan-assisted activity, while 56% described it as a family partnership. They also found that access to loans did little to change the management of cash within the household for either female or male loanees. Interpreting reports of 'joint' management as disguised male dominance in decision-making, the authors concluded that access to loans had done little to empower women.

Kabeer found that many women continue to register land and productive assets in their husband's name, because of inheritance laws: assets will be inherited by sons if registered in the husband's name, and by daughters if registered in the wife's name (Kabeer 1998). This raises questions about any assumed automatic links between credit and transformation in gender relations but also reflects the extreme dependence of women on husbands and sons for physical security, particularly in old age. BRAC research shows that, in most cases, the husband's income and other livelihood activities are essential if members are to meet their weekly instalment payments (Matin and Rab 1997).

These findings also raise serious questions about the impact of microfinance on poverty alleviation. Using Khandker's data, Morduch (1998) found that the income effect was due to mistargeting of the microfinance programme and that the perceived increase in incomes was due solely to those already above the poverty line who had managed to access the programme. Kabeer (1998) finds that microfinance has been effective in increasing incomes and assets, although certainly not in the poorest households.

While the exclusion of the poorest is acknowledged in some research (Hulme 2000), it is rarely admitted by NGO staff and donors. The overriding concern with repayment rates puts further pressures on groups to exclude those likely to experience greatest problems, *i.e.*, the poorest (Hulme and Mosley 1996; Montgomery 1996; Noponan 1990). As microcredit is made available to groups, based on collective collateral, the process of group formation often precludes the very poor, who are perceived as being poor credit risks (Krishnaraj and Kay 2002; FAO 2002). In some cases increased funding for large organizations has led to the squeezing out of smaller organizations in the same area who may have been challenging gender subordination on a wider basis (Arn and Lily 1992; Ebdon 1994).

Rahman (1999) points out that the empowering influence of microfinance is not always associated with improvements in women's lives, and credit as a debt for the household constitutes a risky strategy. Rahman points out a number of issues with relationships in the single village he studied which had Grameen Bank operations. For

example: “Out of 120 women borrowers, 18% claim a decrease and 70% emphasize an increase in violence and aggressive behaviour in the household because of their involvement with the Bank.” Goetz and Sen Gupta (1996) also report increases in household tensions and domestic violence where women need to ask their husbands for loan installments. However, Schuler *et al.* (1996) suggests that group-based credit programs can reduce men's violence against women by making women's lives more public. The problem of men's violence against women is deeply rooted, however, and the authors argue that much more extensive interventions will be needed to significantly undermine it.

The negative Impacts of microfinance cited by International Labor Organization (2004) are: (i) Increased workloads; (ii) Higher social pressure to ensure loan repayment; (iii) Women often employ daughters and daughters-in-law as unpaid employees thereby increasing their workload; (iv) Participation in credit schemes can lead to indebtedness that is unmanageable, simply because there are no sufficiently profitable income-earning activities in which to invest. In this situation, women may end up being even more dependent than they were before.

Some argue that micro-finance programmes divert the attention of women from other more effective strategies for empowerment (Ebdon 1995). Evidence suggests that even in financially successful microfinance programmes, *actual* contribution to empowerment is often limited (Mayoux, 2000): Most women remain confined to a narrow range of female low-income activities, and many of them have limited control over income and/or what little income they earn may substitute for former male household contributions, as men retain more of their earnings for their own use; women often have greater workloads combining both production and reproductive tasks; their expenditure decisions may continue to prioritise men and male children, while daughters or daughters-in-law bear the brunt of unpaid domestic work. Where women actively press for change, there increase tensions in the household and the incidence of domestic violence. They remain marginalized in local and national level political processes. This is not just a question of lack of impact, but may also be a process of disempowerment.

Kabeer, in analysing the extent of seemingly conflicting results, argues that both the positive and the negative sets of findings are valid. She makes the point that the different conclusions reflect the different assumptions of power relations in households that inform each of the studies: “in the final analysis, the plausibility of one or other set of conclusions about the transformatory impact of credit for women will rest on the credence attached to the models of power which inform the analysis” (Kabeer 2001). She goes on to argue that while many microfinance programmes are often loaded with unreasonable expectations, purposive interventions can direct resources to women which may lay the groundwork for them to tackle other aspects of injustice in

their lives.

4.4. Methodological Issues: Measuring empowerment

A critical issue in the choice of methodology in any study on measuring empowerment arises from the multi-dimensional conceptual perspectives. Although women's empowerment is generally acknowledged as a vital aim of development, the concept is shrouded in diverse interpretations and the standards and yardsticks for logically measuring changes in empowerment are not uniformly accepted. According to Kabeer (1999), empowerment cannot be reduced to a single aspect of process or outcome. In particular, empowerment lies in the ability to make and carry out significant decisions/choices affecting one's own life and the lives of others – it is all the more individual and intimately personal. These choices definitely vary across class, time and space. Thus there are measurement problems in capturing social change because of the unpredictability of human nature. Moreover, impacts on empowerment as perceived by outsiders might not necessarily be those most valued by women themselves. As the adage goes, 'Not everything that can be counted counts and not everything that counts can be counted'. It goes without saying that a consideration of the significant qualitative aspects of empowerment plays a crucial role in selecting a methodology for studying women's empowerment through their participation in Self Help Groups.

However, it is significant to note that the concept is *not* entirely unamenable to quantification. A large number of studies (for example, Balk 1994; Basu 1992; Hashemi, Schuler, and Riley 1996; Mason and Smith 2003; Pillai and Alkire 2007) have attempted to measure empowerment through sample survey questions that have asked the respondents to report on different aspects of their empowerment. Surveys can cover a large number of individuals in a large number of households and communities and elicit information on many aspects of empowerment. This helps us aggregate the data and carry out quantitative analysis. Though the method is beset with the usual problems of measurement in sample surveys, such as the difficulty of conducting interviews privately, interviewer effects, respondent inattention that gives rise to random measurement error, and so on, it is possible to minimize these errors.

The present study trusts in the complementarity of the two approaches and hence makes better use of both the methods.

4.1. The Qualitative Analysis: The Personal Narrative

One striking observation is that studies on gender have rarely looked at the lives of ordinary women, eking out a livelihood in very unfavourable conditions and living in *silent* poverty. Their silence is an eloquent mask for their suppressed sorrows and sobs, for their very existential angst. According to Pirani (1992), 'silence is that powerful and restrictive

protection particularly enforced by our patriarchal society, that hides so many truths, so many *her stories*'. Their experiences of silence are a wealth of information. New kinds of knowledge and truths can be created from these experiences by using a method that calls for connection, meaning-making, and relationship, rather than distance, logic, and objectivity (Miller and Stiver 1997). Thus it goes without saying that 'women's experiences are valuable and need to be recorded.' (Gluck and Patai 1991). Principles of feminist inquiry (Guerrero 1999; Thompson 1992) include a sense of connectedness and equality between researcher and the researched and explicitly acknowledge and value *women's ways of knowing*, including integrating reason, emotion, intuition, experience, and analytic thought.

Martin Buber (1923) draws a distinction between "*I – It*" and "*I – Thou*" relationships: An *I – It* relationship regards other human beings from a distance, from a superior vantage point of authority, as objects or subjects, things in the environment to be examined and placed in abstract cause-effect chains. On the other hand, an *I – Thou* perspective acknowledges the humanity of both the self and the others and implies relationship, mutuality; and genuine dialogue.

We therefore adopt in this study the personal narrative method to give voice to women's *silence*: thus, we rely on in-depth open ended interviews and direct observation for the qualitative part of the research, which would give insights about women's experiences, perspectives, knowledge, views, opinions, and understanding, an approach in line with what Michael Cernea (1991) has called '*putting people first*'. In-depth interviewing communicates respect to respondents by making their ideas and opinions (stated in their own terms) the important data source for evaluation (Kushner 2000): "I will be arguing for evaluators approaching programs through the experience of individuals rather than through the rhetoric of program sponsors and managers. There is always a risk, that evaluators lose contact with people; and a danger that in our concern to report on programs and their effects we lose sight of the pluralism of programs. So my arguments will robustly assert the need to address "the person" in the program."

4.2. The Quantitative Analysis: The Empowerment Index

As noted above, sample surveys are used to objectify the subjective aspects of empowerment of women through their reported self-perception in multidimensional space. Empowerment is defined in terms of freedom or power of choice or decision making in the relevant spheres; below we give a set of model questions:

i) Economic Decision Making

The scale was created by summing six items. Range: 0 - 6.

ii) Family Size Decision Making

The scale was formed by summing two items. Range: 0 - 2.

iii) Freedom of Movement

The scale was formed by summing five items. Range: 0 - 5.

iv) Interpersonal Coercive Control Items

The scale was formed by summing two items. Range: 0 - 2.

Such complementary use of multiple (qualitative and quantitative) methods is probably the best approach, albeit an expensive one (see Hashemi, Schuler, and Riley 1996 for an example). That is, make use of sample surveys to directly measure empowerment, its desired outcomes, *and* its possible causes, and do partial validation in selected settings through observational studies. One promising approach is to use subjective questions on how empowered individuals feel in relation to particular actors or settings. For example: "On the whole, how much do you think you control the decisions that are made within your household: very much, somewhat, very little, or not at all?" Or one can have the power ladder question for assessing perceived power: "Please imagine a nine-step ladder where on the bottom, the first step, stand people who are completely without rights, and on the highest step, the ninth, stand those who have a lot of power. On which step are you today?" (Lokshin and Ravallion 2002; 2005; based on Cantril 1965). Similarly worded questions have been shown to produce valid and reliable information on such dimensions as happiness, health, and empowerment vis-à-vis the state (Bradburn 1969; Cantril 1965; Case and Deaton 2003; Lokshin and Ravallion 2002). A multi-method study that includes such subjective ratings of empowerment as part of the survey, and collects observational data capable of providing validation, would be highly worthwhile.

5. Conclusion

We have seen that empowerment is generally conceived as a multidimensional process, which operates at different and interlinked levels and is based on an analysis of power relations. Power therefore is often related to our ability to make others do what we want, regardless of their own wishes or interests (see Weber, 1922). Usually as illustrated above, many social scientists associate power with influence, domination and control, and often treat power as a commodity or structure divorced from human action. Envisaged in this way, power can be viewed as unchanging or unchangeable. Nonetheless, power exists within the context of a relationship between people, families and communities. Besides, empowerment is a social process, since it occurs in relationship to others. By implication, since power is created in

relationships, power and power relationships can change. Therefore, the concept of empowerment also depends upon power that can expand, change or identify in a different medium. Thus, understanding power as zero-sum, as something that you get at somebody else's expense, reduces the complexity of power and empowerment for that matter. Empowerment as a process of change, then, becomes a meaningful concept. There is no doubt that empowerment has a broader meaning and can be perceived differently. An empowered woman is one who has control of the decision-making, which impacts on the day-to-day wellbeing of her family. This concept of empowerment is entirely different from individualistic personal autonomy as presented by the DAWN in the 1980s. We have further pointed out that these power relations function in different spheres of life (for instance in economic, social, and political spheres) and at different levels such as individual, household, community, and institutional.

Though the feminist theoretical analyses indicate that empowerment is a useful concept because it emphasizes the idea of women as active agents rather than passive recipients of development strategies, it is conceptually complex and methodologically challenging to measure and analyze, especially in the context of assessing the effectiveness of particular interventions. Although empowerment through income-generating activities has attracted various critiques, it cannot be discounted that in some cases microcredit stimulates or sustains an enterprise's growth. However, often women accessing microcredit schemes show little awareness and readiness to challenge gender inequality, patriarchy, and lack of control over their personal and community resources. As Izugbara (2004) pointed out, the empowerment that the scheme promotes rarely goes beyond marginal improvement in small areas of women's life, with its limited resources and within the conditions permitted by local patriarchal structures and institutions. The inherently complex and potentially conflict-ridden nature of empowerment itself means that any intervention, whether a microcredit scheme or other measures, will inevitably make only a limited contribution in isolation.

We have also put forward a methodological recommendation, to combine qualitative and survey-based approaches to measuring and analyzing women's empowerment in an attempt to overcome some of the shortcomings of each approach (difficulties of quantification and generalization versus measurement problems). A particular approach to measurement that, to our knowledge, is rarely tried and that would be worthy of testing is to employ subjective self-ratings of empowerment vis-à-vis different actors or groups (family, community, etc.). It may be easier for women – and men – to give interviewers an overall rating of how empowered or disempowered they feel in addition to reporting on such potentially sensitive or complex issues as whether they are excluded from important household decisions or subjected to beatings and intimidation by their husbands.

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