

**Enhancement of Women Participation in Politics through
Microcredit:
A Case Study on Siddhirgonj and Kapasia Thana of Bangladesh**



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Date: August 2025

ABSTRACT

Bangladesh continues to be one of the world's most densely populated nations. According to the United Nations Gender Development index Bangladesh is ranked 121st out of the total of 146 countries worldwide (UNDP: 2001, Human Development Report). Forty percent of its population lives below the poverty level. Among the poor, rural women remain disproportionately disadvantaged. This study examines the role of Grameen Bank (GB) and BRAC in improving the socio-economic conditions and awareness of rural women in Bangladesh through micro-credit programs. The research was conducted among rural poor households who were credit recipients from selected branches of GB and BRAC in Siddirgonj Thana, Narayangonj District, focusing on women with little or no cultivable land whose main source of income was manual labor. Using interviews and focus group discussions, the study explored how micro-credit was utilized and its impact on recipients' lives. Findings show that credit was successfully invested in small businesses, housing, agriculture, and children's education, leading to improved living standards, increased participation in family and community decision-making, greater political involvement at the local level, and enhanced awareness of rights and responsibilities. Micro-credit contributed to self-employment, higher household value, and stronger institutional capacity, enabling women to become more organized, self-confident, and empowered beyond traditional family roles. The repayment rate was highly satisfactory, with only six cases of default, though some women faced hardship when male family members misused the loans.

Acknowledgement

All praises to Allah. The Omnipresent, Omnipotent and Omniscient who has enabled author to complete this research work.

Micro-credit programs in Bangladesh have flourished to a great extent during in the 1990. Specially Grameen Bank, and BRAC have been playing a vital role for creating self-employment opportunities, creating self-confidence, increasing awareness among women in Bangladesh. The present study is an attempt to justify the general assessment about impact of micro-credit on women empowerment.

The researcher deems it a proud to express his sincere appreciation and gratitude to research supervisor Dr Dil Rowshan Zinnat Ara Nazneen Department of Political Science, University of Dhaka, whose untiring guidance; valuable suggestions, critical but constructive criticism helpful comments and continuous supervision have made the completion of this study possible. She also edited the thesis and offered valuable suggestions for its improvements.

The researcher remembers her indebtedness to Professor Dr. Dil Rowshan Zinnat Ara Nazneen, also the author's supervision. The Author is grateful to many persons like friends, family members specially author's husband.

The researcher also would like to thanks to the staff, all the Branch Manager of the selected branches for their hearty co-operation for respondents selection, data collection period in the selected study area and some administrative supports. She is specially indebted to the respondents for providing time, patience and attention.

Moreover, I have to remember this sincere and honest help of the students of the department of peace and Conflict studies. University of Dhaka for encouraging me to complete this study successfully and effectively. Hence I would like to express my thanks to the brother & sister students of department of Peace and Conflict studies, University of Dhaka.

I would like to express my gratitude to the intellectuals who have helped me to complete the study effectively, providing of their sincere support and suggestions.

Finally, once again I would like to express my deep gratitude to the almighty Allah for endless blessings.

Khodeza

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ABBREVIATIONS

ARC	After Receiving Credit
BBS	Bangladesh Bureau of Statistics
BRC	Before Receiving Credit
BARD	Bangladesh Academy of Rural Development
BRAC	Bangladesh Rural Advancement Committee
CDP	Credit Development Program
GB	Grameen Bank
IGA	Income Generating Activities
RDA	Rural Development Academy
MC	Micro-Credit
NGO	Non-Government Organizations
TK	Taka (Bangladesh Currency)

Chapter 1: Introduction

This chapter provides a comprehensive overview of the study. It presents the introduction of the study, the objectives, the rationale, the hypothesis, the research questions, the methodology, the research design, the rationale for selecting the study area, and the data collection tools.

1.1 Introduction

Women constitute nearly fifty percent of the global population, and in many developing regions their contribution to economic, social, and political development is immense. Yet, even today, women's status remains unequal compared to their male counterparts.

Bangladesh, as a least-developed country, is a prime example. Women represent almost half of the population, with approximately 80% living in rural areas (BBS, 2006). Despite their significant presence, women in Bangladesh traditionally hold a lower status than men in almost every sphere of socio-economic and political life. They face numerous cultural, social, and religious barriers that restrict their access to income-generating opportunities. As a result, Bangladesh reflects persistent gender-based segregation and inequality, with over 60 million people living below the poverty line—74% of whom are women (Khan, 1998).

Women in Bangladesh experience multiple layers of deprivation in both social and economic dimensions, shaped by entrenched patriarchal norms and structures. Most rural women play a vital role in managing agriculture, livestock, fisheries, biodiversity conservation, energy resources, and household livelihoods, yet their contributions remain largely unrecognized. In addition to their productive labor, they shoulder the primary responsibility for domestic tasks such as cooking, childcare, and collecting water. Their limited access to markets, education, healthcare, financial services, and participation in politics contributes to a cycle of low well-being and hampers broader national development (Parveen, 2005).

Empowerment of women is widely acknowledged as a critical precondition for reducing poverty and promoting human rights, as it establishes a foundation for sustainable social change (DFID, 2000). Empowerment is a multidimensional concept, varying across cultural and political contexts. In academic literature, it is described as both a process of gaining power and an outcome reflected in increased agency and choice (Dixon-Mueller, 1998). Empowerment enables women to gain greater control over material resources, knowledge,

and decision-making power, while challenging gender norms and resisting discrimination in all spheres of life (Batliwala, 1994). Kabeer (2002) defines empowerment as the expansion in people's ability to make meaningful life choices in contexts where such options were previously denied.

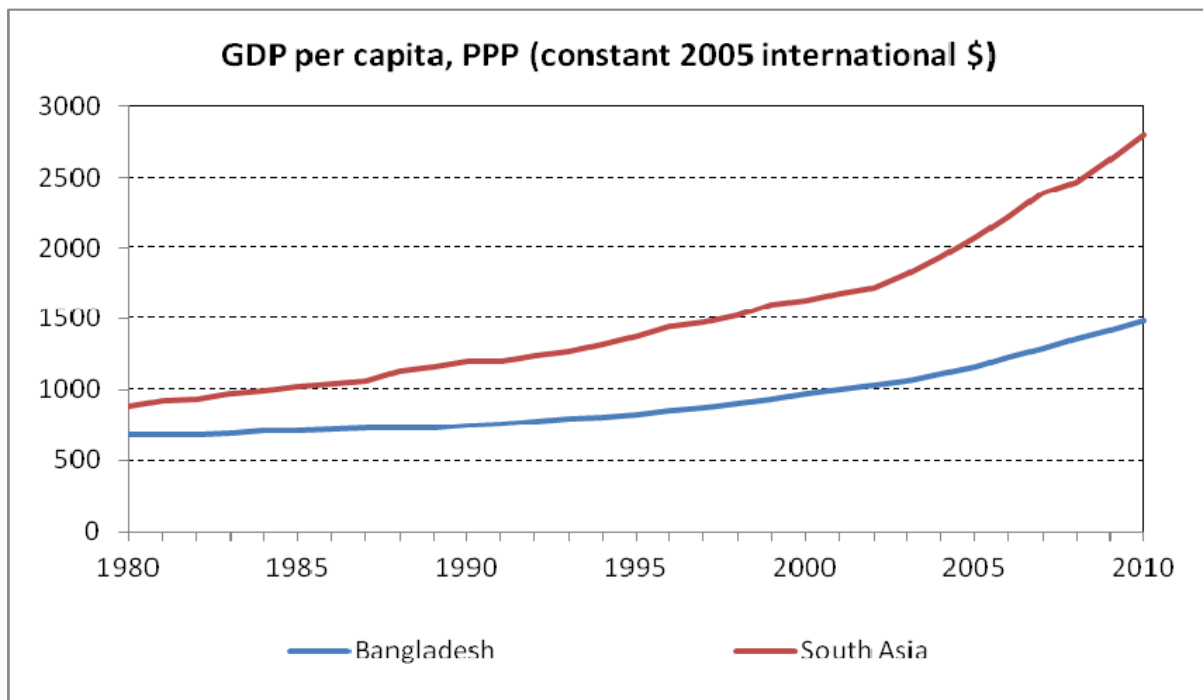
Micro-credit has emerged as a powerful tool for integrating marginalized women into socio-economic activities, decision-making, and poverty reduction. Micro-credit refers to small loans provided to individuals—often without collateral—engaged in entrepreneurial activities. It is a widely recognized and effective strategy for combating poverty, enabling those excluded from formal financial systems to access credit and build sustainable livelihoods (Microfinance Gateway, 2008). Women's participation in credit programs has been shown to increase household income, expand their decision-making roles, strengthen their social networks, improve their mobility, and enhance their control over reproductive choices (Banu et al., 2002; Basher, 2007; Webb et al., 2002; Pitt et al., 2003; Sukontamarn, 2007). Group savings and credit initiatives empower illiterate rural women to start small-scale enterprises, strengthening household resilience during crises, diversifying income streams, and improving their status in the community (Hashemi et al., 1996; Montgomery et al., 1996; Husain et al., 1998; Morduch, 1998).

Beyond economic empowerment, micro-credit has the potential to promote women's participation in civic and political life. Financial independence often builds confidence and encourages women to voice opinions, participate in local governance, vote independently, and even seek leadership roles. This demonstrates not only an economic transformation but also a shift in social and political dynamics at the grassroots level. However, research exploring the direct links between micro-credit, empowerment, and political engagement remains limited.

Recognizing this gap, the present study aims to explore these interconnections in depth, examining how micro-credit programs—particularly those offered by organizations like BRAC—impact women's lives beyond income generation. Specifically, it investigates how access to micro-credit influences decision-making, community involvement, and participation in political processes. The primary objectives are to: (i) assess rural women's access to financial resources; (ii) evaluate the extent of their economic and social empowerment; (iii) explore how empowerment translates into political participation; and (iv) examine the broader implications of micro-credit on gender equity and grassroots governance.

Figure 1: GDP per capita of Bangladesh and South Asia, 1980-2010 Source: Created by author based on World Bank (2012). Looking at life expectancy (see Figure 2 below), Bangladesh has basically caught up with South Asia by 1980, and has clearly overtaken South Asia since 1990. In Bangladesh, life expectancy at birth (combined for males and females) has increased from 41.9 years (in 1970) to 66period.

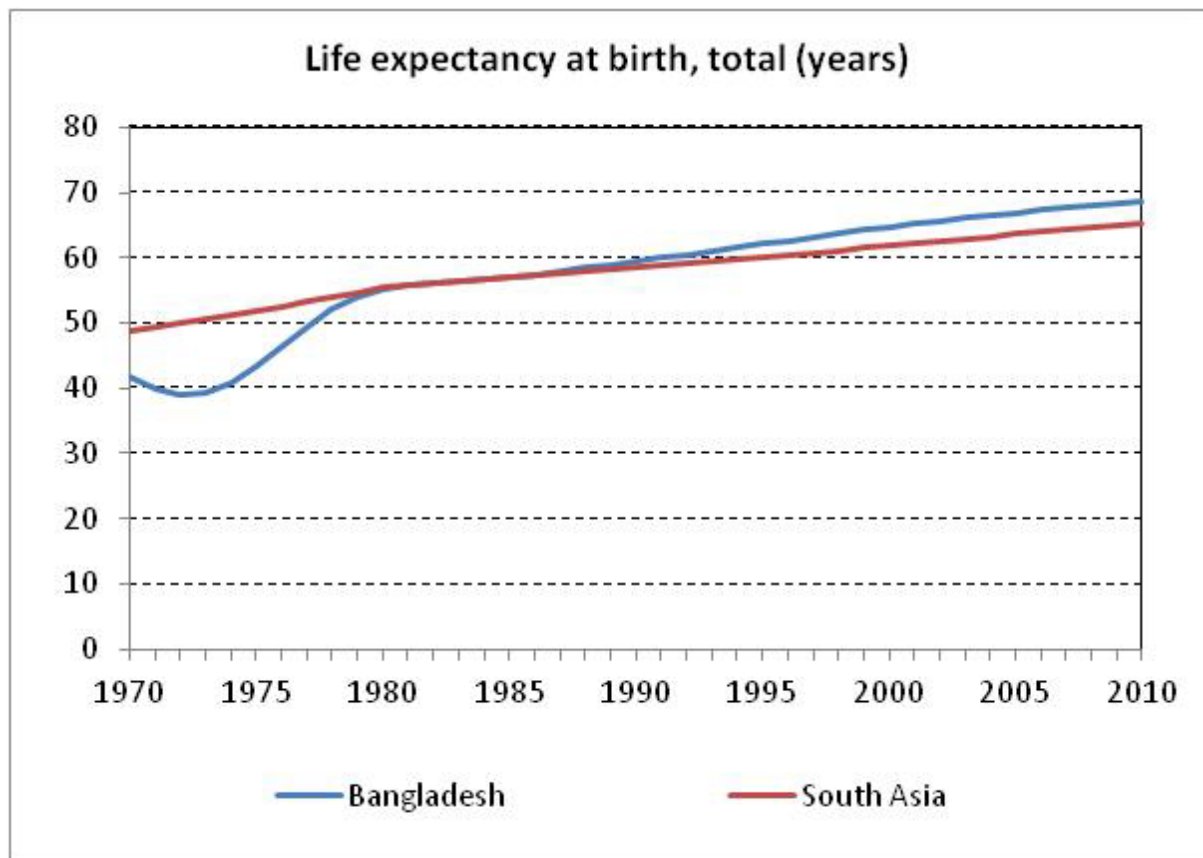
Figure 2: Life Expectancy in Bangladesh and South Asia, 1970-2010



Source: Created by author based on World Bank (2012).

Bangladesh has also made considerable progress in reducing maternal mortality. While the maternal mortality ratio was 870 deaths per 100,000 live births in 1990, in 2010 it decreased to 190. As Figure 3 shows, today, Bangladesh has a lower maternal mortality rate than that of the average South Asian country, and the ratio is even below that of India. Bangladesh's progress in increasing life expectancy and reducing maternal mortality are only two examples of Bangladesh's overall progress in social development.

Figure 3: Maternal mortality ratio (national estimate and/or modeled estimate, per 100,000 live births) in Bangladesh, India and South Asia, 1990-2010



Source: Created by author based on World Bank (2012 and 2013).

1.1 **Aim of research**: The central aim of this study is to investigate the role of microcredit as a strategic instrument for promoting women's empowerment and enhancing their active participation in politics. It examines how access to microfinance contributes to increased economic activities, greater control over income, and the development of vital skills, mobility, access to knowledge, and supportive networks that together elevate women's status within households and communities. These transformations are further strengthened through group formation and collective action, which can drive wider social and political change. While the financial self-sustainability and poverty-alleviation paradigms assume that social and political empowerment will emerge naturally from economic progress, this research also considers the feminist empowerment paradigm, which calls for explicit strategies to safeguard and advance women's individual and collective gender interests at household, community, and policy levels. In this context, the

study aims to provide deeper insight into how microcredit can function as a catalyst for both socio-economic advancement and meaningful political empowerment.

1.2 **Research objectives:**

- 1) The main objective of the study is to identify there of microcredit as a strategy for empowering women is politics in Bangladesh.
- 2) Assess Microcredit recipient's empowerment at the family as a decision maker after involving in the microcredit program.
- 3) To assess the role of microcredit organizations in empowering rural women in Bangladesh.
- 4) Reveal their community / political empowerment in community and union parishad meetings an election.
- 5) To measure the status of empowerment of rural women in the selected areas.

1.3 **Rationale of the Study:**

Micro-credit program plays an important role in socio-economic development of rural poor especially for women. This study will help the selected organizations to know about the impact of micro-credit on women empowerment. The result of this research work will help government, policy makers, practitioners, researchers, **NGO's** professionals to take accurate policy and programs for the betterment of the borrowers as well as can make the borrower conscious. It will also provide input for formulating effective policy and programs for the micro-credit recipients to identify the various problems related to microcredit and their effective solutions. It can be compared with other research works. In fact, this study will be helpful for further research in this field in future.

1.4 Hypotheses of the Study

A hypothesis is a tentative proposition, the validity of which must be tested through investigation. It is based on existing knowledge and aims to explain a phenomenon that can be verified empirically. According to Ghosh (1999), a hypothesis serves as the starting point for observation and collection of facts; when verified, it can contribute to theory building. Goode and Hatt (1952) define a hypothesis as a proposition that can be tested to determine its validity, whether or not it aligns with common sense.

Hypotheses:

1. Participation in microcredit programs increases women's ability to make decisions regarding household financial matters and family welfare.
2. Women engaged in microcredit programs experience an increase in income and diversification of income sources.
3. Participation in microcredit programs enhances women's awareness of their rights and strengthens their confidence to take part in community and local political activities.
4. Women beneficiaries of microcredit demonstrate greater autonomy in personal spending and ownership of assets.
5. Involvement in microcredit programs leads to improved attitudes toward, and participation in, social and political affairs at both family and community levels.

1.5 Research Questions:

The fundamental research question guiding this study is how does participation in microcredit programs, specifically those offered by Grameen Bank (GB) and BRAC, influence and enhance women's political participation and decision-making capacity in rural Bangladesh, with particular reference to the contexts of Siddhirgonj and Kapasia Thana?

Sub-questions:

1. In what ways has access to micro-credit affected women's control over household resources and financial decisions?
2. How has participation in micro-credit programs influenced women's involvement in family, community, and local political decision-making?
3. What impact has micro-credit had on women's ability to own assets, generate independent income, and pursue personal or family welfare goals?
4. How do micro-credit recipients perceive changes in their social status, confidence, and awareness of rights and responsibilities?

1.6 Methodology of the Study

Methodology plays a vital role in any research by providing a structured approach to collect, analyze, and interpret data in a reliable and valid manner. For this study, a mixed-methods approach was adopted, integrating both quantitative and qualitative techniques to achieve a comprehensive understanding of the research questions.

Scope and Type of Study:

The study focused on examining the impact of micro-credit on women's socio-economic and political empowerment in two rural areas of Bangladesh: Siddhirgonj in Narayanganj District and Kaptai in Gazipur District. Given the exploratory nature of the research, an exploratory design was employed to investigate areas where relationships among variables had not been clearly established.

Sample Size and Sampling Type:

A total of 230 respondents participated in the study. A purposive sampling technique was used to select micro-credit recipients from Grameen Bank (GB) and BRAC, as well as key informants such as household heads and local leaders who could provide insight into decision-making dynamics and political participation.

Methods Used:

To capture both measurable trends and deeper contextual insights, the study employed structured quantitative surveys alongside qualitative, in-depth interviews. The combination of these methods provided a more nuanced perspective than either could alone, allowing triangulation of findings.

Quantitative Surveys:

Structured questionnaires were administered to 230 women participants in micro-credit programs. These surveys gathered data on socio-economic characteristics, income patterns, asset ownership, decision-making roles within the household, and levels of engagement in community and political activities. The quantitative data offered a broad, statistically analyzable overview of trends and correlations.

Qualitative Interviews:

To complement the surveys, semi-structured interviews were conducted with selected respondents, including household heads (husbands, fathers, brothers, elder sons, or guardians)

and community leaders. These interviews explored attitudes toward women's decision-making power, their perceived barriers to political participation, and the influence of micro-credit programs on women's roles in both family and community contexts. These qualitative insights added depth to the numerical data, revealing underlying social and cultural dynamics that shape women's empowerment and political engagement.

Relevance of Respondent Groups:

- **Micro-credit Recipients (Women):** Primary participants whose socio-economic and political empowerment was being examined.
- **Household Decision Influencers:** Fathers, husbands, brothers, or guardians who play significant roles in household decision-making and whose perspectives provide context for women's autonomy.
- **Local Leaders:** Individuals who influence or observe community-level political participation and can comment on the broader social impact of micro-credit programs.

Respondent Categories Table:

Respondent Group	Method Used	Purpose of Inclusion
Women micro-credit recipients (GB & BRAC)	Quantitative survey and qualitative interview	To assess economic empowerment, decision-making roles, and political participation
Household heads (husband/father/guardian)	Qualitative interview	To understand household decision influence and barriers to women's empowerment
Local leaders/teachers/NGO staff	Qualitative interview	To capture community-level insights on women's participation and micro-credit impact

By clearly distinguishing between the quantitative and qualitative components, outlining the sample type, and presenting the respondent categories, this methodology provides a transparent and comprehensive account of how data was gathered and why each respondent group was significant to the research objectives.

1.7 Research Design

Research design provides an overall plan for a study and serves as a guide to the researcher. As Ghosh (1999) notes, a research design is not a rigid blueprint but a set of guideposts that keep the work on the right track.

For this study, an **exploration research design** was employed. Exploratory design is particularly suited to areas where limited research has been done or where the relationships among variables are not yet clearly defined. This study sought to examine the impact of micro-credit participation on rural women's socio-economic and political empowerment in Bangladesh—an area where many descriptive studies exist but where deeper insights, particularly regarding political participation, are still limited. The exploratory design allowed the researcher to combine structured quantitative measurement with open-ended qualitative inquiry to obtain a nuanced understanding of the phenomenon.

1.8 Rationale of the Selection of the Study Area

The study was conducted in **Narayangonj** and **Gazipur** districts. These areas were selected for several interrelated reasons. Firstly, both districts have a significant presence of micro-credit operations, with numerous branches of Grameen Bank (GB) and BRAC operating actively for many years. This made them ideal sites for examining the effects of micro-credit on a sufficiently large sample of women. Secondly, these districts are representative of rural Bangladesh, where the majority of women face economic marginalization and social barriers to participation in decision-making.

Furthermore, the researcher had prior familiarity with these areas through previous visits and personal networks. This familiarity facilitated better access to respondents, easier rapport-building, and greater reliability in the data collection process, as respondents were more willing to share personal opinions and experiences in a setting they perceived as trustworthy.

1.9 Selection of Respondents and Sample Size

The study population comprised women micro-credit recipients of Grameen Bank (GB) and BRAC, together with selected community stakeholders who influence or observe their participation in household and community affairs. An official list of active micro-credit recipients was obtained from five GB branches and five BRAC branches. From approximately 12,000 active beneficiaries, a sample of 200 women (around 2% of the total) was determined. These 200 respondents were selected through a simple random sampling method—20 beneficiaries from each branch—ensuring that the sample was both representative and free from selection bias.

To enrich and validate the data obtained from beneficiaries, additional respondents were included through purposive sampling:

- **20 local stakeholders** (Union Parishad chairmen, members, secretaries, schoolteachers, village elders, and traditional healers) were interviewed to gain contextual and political insights into community dynamics and decision-making processes.
- **10 NGO personnel** (branch managers and field officers from GB and BRAC) were interviewed to provide institutional perspectives on the implementation and outcomes of micro-credit programs.

In total, **230 respondents** participated in this study, representing a broad range of perspectives relevant to the research objectives and ensuring a comprehensive understanding of micro-credit's role in women's participation in both household and community contexts.

1.10 Distribution of Sample

To present a clear picture of the respondents, the categories and their numbers are shown below. This separation also illustrates how the study differentiated between quantitative and qualitative data sources:

Categories of Respondents	No. of Respondents (GB)	No. of Respondents (BRAC)	Total Respondents	Relevance
Micro-credit Beneficiaries (Women)	100	100	200	Main source of quantitative data on income, decision-making, and empowerment
Union Parishad Chairmen, Members, Secretaries, School Teachers, Aged Persons, Village Quacks	10	10	20	Provide qualitative insights on local governance and women's participation
NGO Personnel (Managers/Officers)	5	5	10	Provide organizational and operational perspectives
Total	–	–	230	–

Through this distribution, it becomes clear that the core of the study is grounded in the responses of micro-credit beneficiaries while being enriched by the perspectives of community leaders and NGO personnel.

1.11 Data Collection Tools and Analysis

Questionnaires:

The primary instrument for quantitative data collection was a structured questionnaire administered to the 200 micro-credit beneficiaries. The questionnaire included both closed-ended and open-ended questions to capture information as well as personal opinions. Because most respondents were not literate, the researcher and trained investigators conducted face-to-face interviews and completed the questionnaires on their behalf. A pilot test of the questionnaire with 40 respondents (20 from GB and 20 from BRAC) was conducted to refine the items, ensuring clarity and relevance.

Interviews:

Interviews were employed as a key research method to gain a comprehensive understanding of informants' perspectives on their lives, experiences, and situations in their own words. Primary data were collected through in-depth interview methods with key family decision-makers such as fathers, husbands, brothers, elder sons, and legal guardians, as these individuals often influence or directly make decisions regarding women's participation in micro-credit programs. A carefully designed interview guideline was followed to ensure consistency while allowing flexibility for respondents to elaborate on their views. In addition, interviews were conducted with household heads and local leaders to gather qualitative data, exploring attitudes toward women's decision-making, perceptions of their political engagement, and the barriers or opportunities created by micro-credit participation. These insights offered valuable depth to the understanding of how micro-credit contributes to women's socio-economic empowerment and fosters their involvement in political processes within the study areas.

Observation and Field Visits

Direct observation served as a key method for collecting primary data, with the researcher and her team conducting household visits to observe and survey respondents within their own environments. Before initiating each interview, the purpose of the study was explained clearly, and rapport was carefully established to encourage respondents to provide honest and accurate information. When respondents encountered difficulty in understanding any question, the researcher provided patient clarification to ensure informed answers. To maintain data integrity, individuals who participated in the pre-testing phase of the survey were excluded from the final sample. The data collection process proceeded smoothly

without major challenges, supported by the cooperation of respondents and assistance from local leaders, school teachers, and branch managers of both Grameen Bank (GB) and BRAC, which greatly enhanced the quality and reliability of the information gathered.

Focus Group Discussions (FGDs):

To validate survey findings and to gain broader insights, focus group discussions were held with Union Parishad representatives, teachers, village elders, and NGO staff. Discussions explored topics such as changes in women's confidence, participation in community meetings, and the challenges faced in translating economic empowerment into political empowerment.

Observation and Field Visits:

The researcher conducted field visits and observations to gain a first-hand understanding of the living conditions of respondents, the nature of their small businesses, and their engagement in community activities. These observations were invaluable in contextualizing both survey and interview data.

- **Secondary Data:**

In addition to primary data gathered through surveys and interviews, this study made extensive use of secondary data to strengthen the methodological framework and contextualize the findings. Secondary data refers to information that has been previously collected and analyzed by other researchers or institutions. Utilizing such data offers several advantages, including reduced cost and time as well as access to populations and materials that may otherwise be difficult to reach (Punch, 1998).

For this research, secondary sources were used to build the theoretical foundation, guide the interpretation of primary data, and situate the results within broader scholarly and policy debates on micro-credit and women's empowerment. The materials reviewed included books, peer-reviewed journal articles, organizational reports, official records, and policy documents. These resources provided both theoretical insights and comparative perspectives, enriching the overall analysis.

To ensure comprehensive coverage, relevant materials were collected from a variety of repositories and institutions, including:

- Library of the Department of Political Science, University of Dhaka
- Central Library, University of Dhaka
- Ekushey Book Fair, Dhaka (2015–2016)
- Library of Women for Women, Dhaka (a research and study group)
- Library of the Department of Women and Gender Studies, University of Dhaka
- BRAC Library, Mohakhali, Dhaka
- Grameen Bank Library, Mirpur, Dhaka
- Reputable academic and organizational websites

Data Analysis:

Quantitative data were coded and analyzed using **SPSS** software. Descriptive statistics and cross-tabulations were employed to identify trends and test the study's hypotheses.

Qualitative data from interviews and FGDs were transcribed and analyzed thematically, allowing the researcher to capture nuanced views and integrate them with statistical findings.

By revising the methodology to clearly state the scope, type of study, methods used, sampling approach, and respondent categories, and by distinguishing clearly between **quantitative surveys** and **qualitative interviews**, the research methodology now provides a transparent and academically robust framework. This approach strengthens the validity of the findings and ensures that the analysis directly addresses the study's core objectives—particularly the political participation and empowerment of poor micro-credit-receiving women in rural Bangladesh.

- **Respondents:**

It was difficult to reach the beneficiary women without assistance from Grameen Bank (GB) and BRAC staff. The researcher's access to participants often depended on the support and coordination provided by these organizations.

- **Limited availability of beneficiaries:**

Women beneficiaries were generally available only during weekly group meetings. Outside these meetings, most were occupied with family responsibilities and childcare, making it challenging to conduct interviews or follow-up discussions at other times.

- **Expectations of financial support:**

Some rural women initially expected financial assistance from the study to address their personal problems. Although the purpose of the research was later clarified and accepted, this expectation increased the time required for interviews and completion of questionnaires.

- **Geographical and demographic scope:**

The study was confined to female micro-credit recipients in Siddirgonj (Narayanganj District) and Kapasia (Gazipur District). This limited scope may affect the generalizability of the findings to other regions or populations.

- **Language and comprehension challenges:**

Certain respondents had difficulty understanding some of the questionnaire items. To address this, the data collector explained questions in the local language. However, such explanations might have unintentionally influenced the responses through the researcher's own values or interpretations.

- **Logistical and environmental constraints:**

The researcher faced several practical challenges related to accommodation, transportation, and communication in the study areas. Additionally, extreme weather conditions occasionally disrupted fieldwork and slowed the data collection process.

In summary, while these limitations affected the ease and scope of data collection, every effort was made to minimize their impact through careful planning, clear communication with respondents, and methodological rigor.

Chapter 2: Conceptual Framework

2.1 Microcredit and Microfinance Institutions (MFIs)

Microcredit refers to the provision of very small loans to individuals—particularly those living in poverty—to start or expand small enterprises. Its purpose is to improve earning capacity, raise living standards, empower borrowers (especially women) by enabling them to make economic decisions, and contribute to poverty alleviation.

Traditionally, poor people have been excluded from formal banking systems due to four major constraints:

- Lack of collateral or guarantees.
- Limited repayment ability.
- Low levels of education, experience, and financial knowledge.
- High administrative costs and low profits associated with small loans.

Microcredit emerged as a response to these barriers, offering collateral-free finance through specialized institutions known as Microfinance Institutions (MFIs). MFIs are designed to provide small loans and related services to individuals who lack access to commercial credit, aiming to promote income generation and sustainable development.

Microcredit is viewed as an instrument for empowering women in Bangladesh. It builds entrepreneurial capacity, generates employment, builds trust within groups, and supports borrowers during financial difficulties. As Kofi Annan remarked, “Microcredit is a critical anti-poverty tool—a wise investment in human capital. When the poorest, especially women, receive credit, they become economic actors with power to improve not only their own lives but also those of their families, communities, and nations.”

Modern microcredit took root in Bangladesh in the 1970s, pioneered by Professor Muhammad Yunus through an experimental project in rural areas. His initiative evolved into the Grameen Bank in 1983, later earning him the Nobel Peace Prize in 2006. Today, leading MFIs in Bangladesh—such as Grameen Bank, BRAC, ASA, and Proshika—reach millions of rural households with financial services. Microcredit’s global significance was acknowledged by the United Nations, which declared 2005 the International Year of Microcredit.

Microcredit loans are typically short-term (six months to a year) with weekly repayments, enabling borrowers to manage cash flow effectively. Microfinance programs have been shown to have greater impact on extreme poverty than moderate poverty (Khandker, World Bank). However, scholars caution that microcredit is not a “magic bullet” for poverty and gender inequality; rather, it is one important strategy among many.

2.2 Strategy and Its Relevance

The term strategy originates from the Greek word *strategia*, meaning “the art of the general.” Historically, it referred to planning and conducting military operations. In management and development contexts, strategy refers to the art of projecting and directing actions to achieve long-term goals.

Classical definitions include:

- Clausewitz: Strategy is the art of using battles to achieve the object of war.
- Moltke (as cited by Liddell Hart): Strategy is the practical adaptation of available means to attain desired ends.
- Liddell Hart: Strategy is “the art of distributing and applying means to fulfill the ends of policy.”

In organizational and development settings:

George Steiner (1979) notes that strategy encompasses the fundamental decisions and actions top management takes to achieve an organization’s mission. Henry Mintzberg (1994) highlights that strategy can be viewed as:

- A plan (a roadmap from one state to another),
- A pattern (consistency in behavior over time),
- A position (offering specific products/services in specific markets),
- A perspective (an overarching vision or philosophy).

In the context of women’s empowerment in Bangladesh, strategy refers to the frameworks, guidelines, and action plans MFIs adopt to achieve development goals. Microcredit strategies bridge policy and practical actions—translating broad objectives like poverty alleviation and gender equality into tangible programs that directly impact rural women.

2.3 Empowerment

The World Bank (2009) defines empowerment as “the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes.” This involves both strengthening individual assets and improving the institutions that shape how those assets are used.

In Bangladesh, empowerment means enabling women to make meaningful choices for self-development and providing them with equal access to resources, opportunities, and decision-making power. In this study, empowerment focuses on:

- Political participation and leadership roles,
- Decision-making within the family,
- Economic freedom (ability to make purchases, control income),
- Greater status within society.

Dimensions of empowerment:

1. Economic empowerment: Access to savings and credit allows women to play a greater role in household financial decisions. Investment in income-generating activities leads to greater financial independence, which supports both household and personal welfare.
2. Increased well-being: With control over credit and spending, women increase household expenditure on health, education, and nutrition, leading to improved well-being for themselves and their children.
3. Social and political empowerment: Economic empowerment often leads to increased mobility, knowledge-sharing, group formation, and participation in community decision-making. Over time, these collective actions strengthen women’s voices in local governance and policy discussions.

Empowerment frameworks:

- Moser (1989): Empowerment is the capacity to increase self-reliance, influence decision-making, and control resources.
- Oakley et al. (1997): Empowerment arises from increased access to economic resources and control over material and non-material assets.
- Mayoux (2001): True empowerment requires not only access to credit but also structural changes to gender relations at household, community, and institutional levels.

In short, empowerment in this study refers to the freedom and capacity of women to control resources, make independent decisions, and actively participate in both household and community development.

2.4 Flat or Base Rate of Interest

Microfinance institutions charge a nominal interest rate when loans are disbursed and repayment schedules are set. For example, Grameen Bank charges around 10% (Tk.100 for a Tk.1,000 loan), while BRAC charges around 15%.

Flat Rate Method:

$$RI = \frac{TAI}{TAL} \times 100$$

Where RI = Rate of Interest, TAI = Total Amount of Interest,

TAL = Total Amount of Loan.

While interest rates are often debated, they are crucial for covering operational costs and ensuring program sustainability. However, as borrowers gain economic power and participate in group meetings, they often advocate for fairer interest policies, reflecting the link between financial empowerment and collective action.

Chapter 3: Review of Literature

3.1 Introduction

This section introduces the purpose of the literature review, summarizing themes and relevance. The aim of this chapter is to discuss the available literatures related to utilization, control, spreading over income generating activities (IGAs), reducing poverty and improving the living standard and repayment of micro-credit and also to find out the implications with the present study. The researcher had tried to study the relevant books, journals, essays and reports to conduct the study. The researcher could not collect all the research reports due to some unavoidable limitations.

3.2 Historical Context of Microcredit

It has often been postulated that if women had opportunities for gainful work outside the household, this would render their contributions to the household more visible, and concurrently reduce their economic dependence on their husbands (Kamal, et al., 1992). In fact “money going through a woman in a household brings more benefits to the household than money entering the household through a man” (Yunus, 1991). Some studies showed the significant positive correlations between microcredit and women’s eco...

In addition to these findings, recent scholarship argues that microcredit has ripple effects on broader community development. For example, Khandker (2005) notes that when women invest in IGAs, the benefits extend to improved nutrition and schooling in their communities. In Sri Lanka, Fernando (1997) observed that households involved in microfinance programs were more likely to participate in community projects such as sanitation drives and road maintenance.

3.3 Conceptual Framework of Empowerment

A large number of studies have so far been conducted on impact of micro-credit on poverty alleviation in rural sector of Bangladesh. Most of which were limited in nature, volume of loan utilization and repayment. The aims of this chapter is to review some of the post and contemporary studies particularly concerned with utilization, control, repayment, spreading over income generation activities, impact on poverty alleviation and empowerment of women to examine the relevancy of the study. (Kabber, 1998)

To expand this perspective, studies in Africa (Ellis & Biggs, 2001) emphasize that microcredit programs can serve as entry points for broader development policies. For instance, women's microcredit groups in Tanzania often transition into cooperative farming associations. In Latin America, Rhyne and Otero (2006) found that microcredit recipients formed informal childcare networks, allowing mothers to engage more effectively in economic activities.

3.4 Microcredit and Women's Economic Roles

These group-based meetings also promote social empowerment by providing an opportunity for instilling a greater sense of awareness of social and political issues. In fact, MFP's operating from an integrated approach, such as BRAC, are likely to use these meetings to raise critical consciousness (Hashemi et al., 1996) which has been recognized to promote personal empowerment (Batliwala 1994). This is supported by Schuler's et al. (1997) study, which indicates by providing opportunities for frequent interac...

Furthermore, literature from India shows similar patterns. Holvoet (2005) reported that women in Self-Help Groups not only managed loans but also engaged in collective action for village infrastructure improvements. This demonstrates that microcredit groups can evolve into platforms for broader community development and advocacy.

3.5 Microcredit and Poverty Alleviation

More specially, it has been noted that when women members play leadership roles, as group leader and for center leaders, they experience an increased sense of self-confidence and self-worth (Ackerly, 1995). Similarly, in programs where credit groups are federated at a spatially higher level, group meetings are significantly more empowering for women as they provide an enhanced status and greater bargaining power in local communities. These meetings bring together women who previously did not know each other.

Adding to this, Karim and Osada (1998) argue that federated structures create opportunities for lobbying for gender-sensitive policies at the local government level. Leadership training within these structures equips women with public speaking skills and confidence, which often lead them to contest local elections.

3.6 Leadership and Federated Structures

Todd (1996) in his study “Women at the Center: Grameen Bank Borrowers after One Decade” found that 10 of 40 women in the sample were passing on all or most of their loans to male family members under circumstances that gave little control over the use of this capital. On the other hand, the loss of control over financial resources does not necessarily mean that women are worse off in terms of increased social and economic opportunities.

Studies from Nepal (Simkhada, 2004) and Ethiopia (Gemtessa, 2005) further indicate that women who mediate loans still gain status as decision influencers within their families. Over time, this mediation can translate into greater direct control as they build trust and credibility in managing finances.

3.7 Control Over Loans and Household Dynamics

Schuler and Hashemi (1994) in their Study on “Credit programs, women’s empowerment and contraceptive use in rural Bangladesh”, studies in family planning confirms improvements in women’s physical mobility, economic security, ability to make own purchases, freedom from family domination and violence, political and legal awareness and public participation, as a result of a more stable integration into microfinance circuits. It suggests that women participants in credit programs become more conscious of the...

Mayoux, L. (2006) in Women’s Empowerment through Sustainable Micro-finance: Rethinking “Best Practice” argued that women’s access to micro-credit services has significantly increased over the past two decades. By enhancing women’s ability to earn an income, these programs have the potential to initiate a series of virtuous spirals of economic empowerment and increased well-being for women and their families. However, it challenges assumptions about the automatic benefits of micro-credit for women.

3.8 Empowerment Indicators and Social Change

Prof. Dr. Hosne-Ara Begum in her Study “Empowerment of women in Bangladesh: RUSS Experience” mentioned micro-credit and micro-finance are major tools for enhancing economic situation of women that enable them to access markets, ensure freedom of choices and reasonable participation in policymaking in every sphere of individual, family and social life. Micro-credit is a major tool of women’s self-employment generation as well as mainstreaming in development processes.

In a study Pramanik P. Chandra (2001) observes that in terms of amount of credit disbursement, Grameen Bank (GB) was at the highest position (41.64%) followed by Thanga Mara Mohila Sobuj Songha (TMSS) (28.48%). Most of the credit was distributed for IGAs and the nature of IGAs was found to be very much alike except for the housing loan of Grameen Bank (GB). It also shows that a large majority (66.18%) reported using their loan for the right purposes partially, while 29.41% ensured full utilization of their loans.

3.9 Repayment Patterns and Utilization Challenges

Ahmed F. Fahmida in her Study on “Micro-credit as a Tool for Women Empowerment: The Case of Bangladesh” opined that the impact of micro-credit has been very positive. The study shows that it has increased family income and quality of life, promoted saving habits among poor women recipients, and raised awareness and empowered women to contribute to various socio-economic activities. This study also shows that a survey conducted in 1993 by ASA (A non-government organization) among 1200 women micro-credit ...

Additional literature from Pakistan (Akram & Hussain, 2011) supports these findings, showing that microcredit recipients improved their children’s school attendance and community participation. In Vietnam, Nguyen (2012) found microcredit linked to improved nutrition and diversified household income.

3.10 International Perspectives

Ms. Kejela Gemtessa in her “Women Empowerment through Delivery of Microfinance Services in Ethiopia” (2005) stated that microfinance services brought significant changes in the level of women clients’ participation in decisions such as receiving loan, loan utilization, saving, and repayment. Participation in the microfinance service has improved women clients’ income. Furthermore, women clients expanded their economic activities horizontally and vertically compared to the non-clients. The women clients ...

One study (Islam, S. M. Fakhru and M. Jahangir Kabir, 2005) observes that micro-credit recipients received credit from the bank and successfully utilized those credit in different enterprises of crops, livestock and cottage industries. This study shows that the project played a significant role in poverty alleviation in terms of bringing remarkable changes in asset holding, family employment and income, and the livelihood of the rural poor. It also shows some changes in the quality of life of rural poor in...

3.11 Microcredit and Political Participation

Sarkar, S. (2000) suggests that out of total respondents, 95.10% received loans for undertaking different IGAs. It also shows that the loan was utilized by husband, respondent herself, and other family members. This study also shows that a great majority (76.47%) gave a negative reply regarding support services for proper utilization of loan. Finally, this study shows that a great majority of the respondents (88.9%) expressed positive opinions about their development in terms of employment, income, purchasing power.

Another Study (Pramanik, P. Chandra, 2000) observes that a good number of respondents (41%) were found not to repay their loan on time and their overdue loan in terms of principal amount stood at a range from Tk. 1001 to Tk. 2000. As a reason behind overdue loan, 75% of the respondents expressed that agricultural loan was not repaid in time with a view to getting benefit of exemption and 100% KSS managers mentioned that the loanee people waited for government declaration in favor of exemption.

3.12 Policy Environment and Support Structures

This study also shows that out of 11 only one TCCA (Thana Center for Cooperative Association) was competent to recover all the dues (100%) from its primary societies while others could not. As all the primary societies of TCCAs were not able to repay their loan in scheduled time, the TCCAs were compelled to cover up the shortage from their own fund at the time of repayment with an intention to avail the benefit of exemption. As a result, in the study areas the TCCAs got an exemption benefit of Tk. 288.50.

Sabharwal in “From the Margin to the Mainstream: Micro-Finance Programs and Women’s Empowerment: The Bangladesh Experience” (2005) mentioned that BRAC has a strong effect on women’s mobility and involvement in political campaigning and protests, while Grameen Bank has a strong influence on women’s economic contribution in the household. Thus, micro-credit adopting an integrated approach refers to a minimalist package of intervention, furthering the chances for credit to become an empowering means by ...

3.13 Longitudinal Impacts and Sustainability

Explores long-term effects and sustainability debates.

Naz (2006) found out that there have been changes in the lives of the 40 borrower women on whom she has conducted her research. It may be argued or objected that there has not been complete fulfillment in all the aspects of empowerment, but it cannot be denied that there was a significant transformation from a very backward, illiterate and downgraded status among these 40 borrower respondent women towards improvement in every aspect (personal, cognitive level, household level decision-making, bargaining...

Review of some of the available literature on this study suggests that there are some positive impacts of micro-credit on the beneficiaries. But in some cases it has some negative impacts especially in case of loan disbursement. Utilization of loan and repayment of credit is not always satisfactory. Though their ultimate goal is the same—that is, alleviation of poverty and empowerment of women. Involvement of multiple credit agencies such as Grameen Bank, BRAC, ASA, TMSS etc. has come under criticism bec...

3.14 Synthesis and Research Gap

To further contextualize microcredit, it is important to note its alignment with global development goals. The United Nations Sustainable Development Goals (SDGs), particularly Goal 5 on gender equality and Goal 1 on poverty reduction, highlight microfinance as a key instrument for achieving these objectives. Programs in Bangladesh are often cited in UN reports as exemplary models for integrating gender empowerment with poverty alleviation.

3.15 Conclusion

The Government of Bangladesh has also incorporated microcredit into its national development plans. Policies emphasize collaboration between governmental and non-governmental organizations to reach underserved rural populations. Studies by Rahman (2002) suggest that these policies have led to a diversification of IGAs beyond traditional crafts, including small-scale agro-processing and fisheries.

In terms of theoretical insights, feminist economists such as Sen (1999) and Nussbaum (2000) argue that empowerment through microcredit should be evaluated not just by income but by capabilities—what individuals are able to do and be. This perspective encourages looking at health, education, and social participation alongside financial indicators.

Methodologically, the literature reviewed employs diverse approaches. Large-scale surveys, such as those by Pitt and Khandker (1998), provide statistical evidence on income and education. Qualitative case studies, such as Todd (1996), offer nuanced insights into family dynamics and social change. Mixed-method studies (Hashemi et al., 1996) blend both approaches, enhancing the reliability of findings.

Further examples from Africa illustrate microcredit's adaptability. In Ghana, Osei (2007) found that women's access to credit significantly increased their ability to contribute to household decisions and pay school fees. In Nigeria, Okafor (2010) reported that women formed informal savings groups to complement formal microcredit, enhancing resilience during economic downturns.

In Latin America, studies by Gonzalez (2008) describe how women-led cooperatives used microcredit to enter export markets for handicrafts, increasing both income and political visibility. These cases demonstrate that microcredit can foster empowerment in varied cultural contexts.

In Bangladesh, microcredit also intersects with social entrepreneurship. Many women borrowers use credit to launch enterprises that provide local services—such as tutoring, tailoring schools, or mobile phone services—creating employment for others in their communities. This multiplier effect is emphasized by Chowdhury and Bhuiyan (2001), who argue that microcredit supports local economic ecosystems.

Critics, however, caution that microcredit is not panacea. Karim (2011) highlights cases where high repayment pressure led to stress and even asset depletion. This has led to calls for more flexible repayment schedules and stronger regulatory frameworks to protect borrowers from exploitative practices.

Another area of emerging literature involves digital microfinance platforms. In recent years, organizations in Bangladesh and elsewhere have experimented with mobile banking for loan disbursement and collection. According to Alam and Rahman (2018), such platforms reduce transaction costs and improve transparency, though they also require digital literacy training for borrowers.

Combining these insights, it is clear that microcredit's impact on women's empowerment is both profound and complex. While many studies document increased income, improved decision-making, and enhanced political participation, others remind us of the need for supportive services, fair lending practices, and continuous program evaluation.

Bangladesh's policy environment has consistently supported microcredit initiatives. The Palli Karma-Sahayak Foundation (PKSF), established by the government, acts as an apex body to fund and monitor partner organizations. PKSF's reports (2015, 2019) emphasize gender inclusion and the integration of skill development training. This institutional support has helped sustain microcredit operations across decades, even during economic downturns.

Gender norms play a critical role in shaping empowerment outcomes. In rural Bangladesh, cultural expectations often restrict women's mobility and public participation. Microcredit groups provide a socially acceptable space for women to gather, share experiences, and build solidarity. As Hashemi et al. (1996) noted, these interactions gradually shift perceptions about women's roles, enabling them to engage in decisions traditionally dominated by men.

The literature also explores how microcredit programs adapt during crises. After major floods in 1998 and 2004, many Bangladeshi MFIs implemented flexible repayment schedules and emergency loans (Zaman, 2000). During the COVID-19 pandemic, programs integrated digital training and temporary moratoriums on repayments to prevent borrower distress. These adaptive measures demonstrate that well-managed microcredit schemes can remain resilient and supportive under adverse conditions.

Longitudinal studies add depth to our understanding. Khandker and Samad (2014) conducted follow-up surveys over two decades, finding that households engaged in microcredit programs continued to show improvements in income, education, and health indicators long after initial participation. This suggests that microcredit's effects are not merely short-term but can lead to lasting empowerment when combined with supportive policies.

In summary, microcredit in Bangladesh operates at the intersection of economic opportunity and social transformation. The literature shows that microcredit does more than provide small loans; it opens pathways to leadership, strengthens social networks, and encourages political engagement. Yet, it also cautions that without adequate support, training, and regulation, microcredit can place burdens on already vulnerable populations.

The present study draws on these insights to examine how microcredit has enhanced women's participation in politics in Siddhirgonj and Kapasia thanas. By integrating findings from local, national, and international studies, it provides a nuanced understanding of microcredit's potential as a catalyst for women's empowerment in Bangladesh.

Chapter 4: Overview of Grameen Bank and BRAC

4.1 Grameen Bank

Grameen Bank, founded by Professor Muhammad Yunus, began in 1976 as an action-research project in Jobra village, Chittagong, at a time when Bangladesh was struggling with extreme poverty and limited access to formal financial systems. This initiative, which tested the idea of small loans without collateral, proved so successful that it was institutionalized as a full-fledged bank in 1983 (Habib & Jubb, 2012; MCS, 1997). Unlike conventional banks, Grameen Bank was designed specifically to serve the rural poor—particularly women—who historically had been excluded from the formal banking sector due to lack of collateral, limited literacy, and entrenched social norms.

Over time, the bank's focus on women intensified as evidence accumulated showing that women were not only more reliable in repaying loans but also more likely to channel their earnings into family welfare, children's education, and community development (CDF, 1999; Robinson, 2001). Today, Grameen Bank stands as one of the most remarkable development initiatives in the world, with approximately 97% of its 7.41 million borrowers being women (MCS, 1997; CDF, 1999). Its success has positioned it as a model replicated in numerous countries across the globe.

Key Features of Grameen Bank:

- **Ownership:** Grameen Bank is unique in that its borrowers collectively own about 94% of the bank's equity, while the government holds the remaining 6% (Habib & Jubb, 2012). This structure ensures that the bank is accountable to its clients and reinforces its social mission.
- **Collateral-free loans:** Unlike conventional financial institutions, Grameen Bank does not require collateral, legal instruments, or group guarantees. Repayment responsibility rests solely with the individual borrower, fostering a sense of accountability and trust (Bornstein, 1997; Rahman, 1999).
- **Group formation:** Borrowers are organized into groups of five like-minded villagers with similar economic backgrounds. Only one member per household can join a group, and members are required to meet weekly. Leadership roles, such as

chairperson and secretary, rotate annually, promoting shared responsibility and democratic practices (MCS, 1997; Jain, 1996).

- **Loan process:** Loan applications are first discussed within the group, then reviewed by center chiefs and branch managers. Final approval comes from the area manager, and disbursement typically takes about a week, ensuring timely access to funds (Habib & Jubb, 2012).
- **Special initiatives:**
 - *Struggling Members Programme:* Interest-free, flexible-term loans are offered to beggars and extremely vulnerable individuals. These members receive insurance coverage and encouragement to engage in small income-generating activities, such as selling basic goods (Habib & Jubb, 2012).
 - *Housing loans:* Introduced in 1984, the housing programme enabled borrowers to build or improve their homes and was internationally recognized with the Aga Khan Award for Architecture in 1989 (MCS, 1997).
 - *Micro-enterprise loans:* For those who successfully expand their businesses, larger micro-enterprise loans are available, supporting upward economic mobility (CDF, 1999).
 - *Education support:* Scholarships and student loans are provided, with priority given to girls, fostering intergenerational benefits through education (MCS, 1997).
 - *Insurance schemes:* Borrowers and their spouses are covered under life and loan insurance, ensuring that outstanding loans are cleared in the event of death, thus preventing hardship for families (Habib & Jubb, 2012).

Grameen Bank's innovative approach, combining social trust with financial discipline, has made it a cornerstone of the global microcredit movement (Hulme & Edwards, 1997; Defourny, Develtere, & Fonteneau, 2000).

4.2 BRAC

The Bangladesh Rural Advancement Committee (BRAC) was established in 1972 by Fazle Hasan Abed in response to the devastation of the Bangladesh famine (BRAC Annual Report, 2012; MCS, 1997). What began as a modest relief and rehabilitation initiative soon evolved into one of the largest and most influential non-governmental organizations in the world. BRAC pioneered a holistic “credit-plus” approach, which integrates microfinance with education, health services, legal aid, skill development, and community empowerment programmes (Bornstein, 1997; Rahman, 1999).

Unlike Grameen Bank’s narrower focus on micro-credit, BRAC operates with a broader development philosophy. Its initiatives are designed to address multiple dimensions of poverty simultaneously, thereby creating more sustainable and transformative outcomes for rural communities.

Goals of BRAC:

BRAC’s overarching mission is to promote human and socio-economic development among disadvantaged populations. Its two primary goals are:

- a. **Poverty alleviation**, through income-generating opportunities and access to financial services.
- b. **Empowerment of rural poor**, particularly women, through education, training, and community mobilization.

Key Features of BRAC:

- **Mission and objectives:** BRAC aims to raise awareness among marginalized groups, increase literacy, improve sanitation and healthcare, and promote social justice through grassroots-based initiatives (CDF, 1999; BRAC Annual Report, 2012).
- **Microfinance programme:** BRAC provides microloans, seasonal loans, and enterprise development support. By June 2012, it had disbursed over Tk. 64,000 crore to more than six million beneficiaries, the majority of them women, demonstrating its large-scale impact (BRAC Annual Report, 2012).
- **Community empowerment:** BRAC invests in strengthening local institutions, developing leadership skills among rural women, and fostering greater accountability in local governance structures (Hulme & Edwards, 1997).

- **Health and education services:** Through one of the world’s largest non-formal education systems and a vast network of community health workers, BRAC delivers education and healthcare directly to marginalized communities (BRAC Annual Report, 2012).
- **Global impact:** The BRAC model has been adapted in more than ten countries across Asia, Africa, and the Caribbean, demonstrating its versatility and international relevance (Defourny et al., 2000).

4.3 Comparative Note

Both Grameen Bank and BRAC have been instrumental in reshaping Bangladesh’s development landscape, particularly in their prioritization of women and poverty alleviation. However, their approaches differ: Grameen Bank adopts a minimalist model centered on group-based social collateral and focused lending, while BRAC integrates microfinance into a broader, multi-sectoral development framework (Brigg, 2001; Hulme & Edwards, 1997). Together, these institutions have not only transformed rural Bangladesh but also influenced microfinance and development strategies worldwide (Rahman, 1999; Robinson, 2001).

4.4 Economic Impact of Grameen Bank and BRAC

In recent years, impact assessment has become a central theme in international development discussions, particularly for aid donors who wish to ensure that resources are effectively utilized. However, assessing the impact of micro-credit programmes remains controversial. Measuring impact is complex and costly, and results often vary depending on definitions, methods, and interpretations. This has led to diverging views in the literature: some researchers are optimistic, while others caution against overestimating results. Another key debate concerns whether micro-credit programmes truly reach the “poorest of the poor.”

4.4.1. Economic Impact Assessment: A Contested Field

4.4.1.1 Impact on Poverty: Evidence of Positive Change

4.4.1.1.1 Impact on Income and Consumption

Several studies have explored how micro-credit influences household income and consumption. Early research using “before-after” recall methods suggested a positive link between credit and income. For instance, Hossain (1984) found that both per-capita income and household income rose with the amount of credit received from Grameen Bank. In a later survey (Hossain, 1988), 91% of Grameen Bank members reported improvement in their economic conditions after joining.

More rigorous studies using income and consumption as dependent variables reinforce these findings. Khandker and Chowdhury (1996) showed that both Grameen Bank and BRAC participants experienced lower poverty incidence with greater loan access. For example, in Grameen Bank villages, 76% of participants with no loans or only one loan lived below the poverty line, compared to only 57% of those with five or more loans.

Khandker (1998, in Zaman, 1999) estimated that every 100 taka lent to a female BRAC member increased household consumption by 18 taka (compared to 11 taka for male members). Moreover, BRAC membership reduced poverty among moderately poor households by about 15% and among the ultra-poor by 25% within three years. However, these effects appeared to diminish over time: for households with five years of membership, moderate poverty fell by 9% and ultra-poverty by 18%, suggesting that the poverty-reduction effect declines with duration and cumulative loan size.

Similar trends were observed by Rahman (2000) in research on Proshika, another major MFI, where income gains slowed as cumulative borrowing increased. Khandker (1999) also noted that for both Grameen Bank and BRAC members, per-capita spending and net worth (assets plus savings minus loans outstanding) improved over time. Women, in particular, showed better results in per-capita spending, while men tended to have higher net worth. Female members of Grameen Bank generally outperformed those of BRAC on these measures.

An additional benefit for rural households in agriculture is the smoothing of consumption across seasons. Income tends to peak at harvest and decline in lean periods; micro-credit allows families to better manage these fluctuations. According to Khandker and Chowdhury

(1996), it often takes around five years for a poor member to move above the poverty line and approximately eight years to become fully independent of micro-credit support.

4.4.1.1.2 Impact on Employment and Productivity

Beyond income and consumption, micro-credit also affects employment and productivity. Rahman and Khandker (1994) found that both Grameen Bank and BRAC significantly expanded opportunities for self-employment, which typically yields higher returns than wage labour (Alam in Wahid, 2000b). Non-agricultural activities often show the highest average returns, although there is a risk of reduced returns if too many people enter the same activities.

Labour force participation among women also increased compared to control groups, reflecting the new opportunities provided by micro-credit programmes. Hossain (1993, in Wahid, 2000) noted that careful project selection, staff cooperation, and peer pressure further contributed to these successes.

4.4.1.2 Reducing Vulnerability

Even where income growth is modest, micro-credit reduces vulnerability by stabilizing consumption and increasing household resilience. Morduch (1998) observed that seasonal consumption variability decreased by 47% for Grameen Bank households and 54% for BRAC households compared to control groups. Labour supply also became more stable in programme villages.

During crises, these institutions play an important role. Zaman (1999) found that during the 1998 floods, Grameen Bank and BRAC facilities were converted into relief centres, demonstrating their broader social value. Furthermore, Khandker and Chowdhury (1996) showed that despite indebtedness, participants' net worth remained higher than non-participants. Zaman (1999) also found that older BRAC members tended to have the highest value of non-land assets, such as rickshaws, poultry, or small shops, indicating productive investment. While unprofitable investments pose risks (Hulme, 2000b), the importance of savings as a buffer against shocks is widely recognized, and both Grameen Bank and BRAC have since strengthened their savings mechanisms.

4.5 Social Impact of Grameen Bank and BRAC

The previous chapter highlighted the economic effects of micro-credit programmes. However, in recent years researchers have increasingly focused on their **social impact**. Because both Grameen Bank and BRAC intentionally prioritize women as clients, this section first examines how these programmes influence women's lives, followed by a look at their broader impact on Bangladeshi society.

4.5.1. Micro-credit and Women's Empowerment

4.5.1.1 Why Focus on Women in Bangladesh?

Bangladesh is a predominantly patriarchal society, where social norms such as *purdah* (female seclusion) restrict women's mobility and participation in economic life (Amin & Pebley, 1994). Traditionally, women were expected to remain at home, have no independent income, and prioritize marriage over education (Hashemi, Schuler & Riley, 1996). Practices like dowry further reinforced their subordinate status (Hulme & Mosley, 1996b).

Under such conditions, participation in micro-credit programmes—attending meetings, handling money, and interacting with male leaders—directly challenges traditional values. Yet, these programmes intentionally involve women because women are often more directly affected by poverty, responsible for household food security, and more likely to channel resources into family welfare (Gibbons, 1995; Sen, 1999).

Sen (1999) refers to *women's agency*: the idea that women should be active participants in improving their lives. By enabling women to contribute financially, micro-credit helps them gain influence within their households and communities.

4.5.1.2 How Micro-credit Empowers Women

Contributing to family income is a key intermediate step between access to credit and empowerment. Hashemi et al. (1996) found that 72% of Grameen Bank members and 40% of BRAC members contributed financially to their families, though only a minority contributed more than half of the household income. Many loans support traditional, low-return activities like livestock rearing, often undertaken at home. Moreover, some loans are diverted to husbands' enterprises, limiting women's direct control.

Nonetheless, Grameen Bank members generally contribute more to household income than BRAC members, partly because Grameen loans are disbursed more quickly (two weeks versus four) and members tend to show stronger discipline (Hashemi et al., 1996).

4.5.1.2.1 Involvement in Family Decision-making

One indicator of empowerment is increased influence in household decisions. Amin and Pebley (1994) reported that BRAC members played a greater role in decision-making than women in control groups. Pitt and Khandker (1995) and Rahman (1986, in Kabeer, 2001) confirmed similar trends for both Grameen Bank and BRAC. Hashemi et al. (1996) noted that while both groups saw improvements, Grameen Bank members gained particularly in decisions involving finances, likely due to their greater economic contributions.

4.5.1.2.2 Reduced Domestic Violence

Domestic violence remains a serious issue in Bangladesh. Schuler, Hashemi, Riley and Akhter (1996) found that female members of Grameen Bank and BRAC experienced reduced violence from husbands. Interestingly, the key factor was not only women's increased economic role but also their participation in public life—meetings and group activities create social accountability that discourages abuse. However, additional targeted measures are still needed to fully address gender-based violence.

4.5.1.2.3 Expanding Mobility and Awareness

Participation in micro-credit programmes also affects women's mobility and worldview. Traditionally confined to the homestead, members now travel more frequently to village centres for meetings and repayments (Amin & Pebley, 1994). Hashemi et al. (1996) further observed that some women even travel outside their villages for training, though this remains limited.

Beyond mobility, regular group meetings foster confidence, leadership, and public speaking skills (Hashemi et al., 1996). Women begin to build identities independent of their husbands, gaining exposure to new ideas and networks (Hulme & Mosley, 1996a). Over time, these

experiences challenge traditional norms and encourage broader participation in community life.

1.2.4 Impact on Children and Family Welfare

Khandker (1999) observed that micro-credit has positive spill-over effects on members' children, improving nutrition and school enrollment. The effect is stronger when loans are given to women rather than men. Some studies, however, note variations in impact—Amin & Pebley (1994) found no significant improvement in school enrollment in certain BRAC villages, though benefits grew with longer programme involvement.

4.5.1.2.5 Fertility and Health

Micro-credit membership is also linked with increased contraceptive use. Hossain and Kabir (1999) found that 65% of Grameen Bank members and 70% of BRAC members used contraceptives, compared to only 50% in control groups. Discussions in group meetings and improved access to services help explain this trend. Khandker and Latif (1996) argue that broader factors like reduced infant mortality also shape fertility decisions, suggesting that long-term education and awareness are critical.

4.5.2. Influence on Wider Society

The effects of micro-credit extend beyond individual members. Non-member households in programme villages often benefit indirectly. Rahman (2000) notes that knowledge about health, sanitation, and family planning often spreads beyond participants. Increased credit supply can also lower interest rates in rural areas, while self-employment supported by micro-credit may reduce labour supply and raise rural wages. Khandker, Khalily and Khan (1995b) found that average daily wages for men were higher in Grameen Bank villages than in non-programme villages.

Land markets are also influenced, as members with better access to cash may be preferred as tenants or sharecroppers, potentially displacing others (Rahman, 2000). These wider impacts, though less studied, suggest that micro-credit can reshape local economies.

4.5.3. Interaction with Existing Social Systems

The activities of Grameen Bank and BRAC challenge traditional power structures, including patron–client relationships and certain religious norms. In the early years, religious leaders and local elites sometimes opposed these programmes, arguing they violated *purdah* and disrupted existing systems (Hashemi & Schuler, 1992). However, over time, political leaders have generally supported micro-credit initiatives, even collaborating with them on projects like the **Income Generation for Vulnerable Group Development (IGVGD)** programme (Khandker & Khalily, 1996).

Both organizations have maintained political neutrality, recognizing the importance of cooperation with government and local elites. Their members are encouraged to uphold values outlined in **Grameen Bank’s Sixteen Decisions** and **BRAC’s Seventeen Promises**, which promote discipline, education, health, and social justice at the grassroots level. While the long-term effects of these normative frameworks are yet to be fully studied, they represent a subtle but ongoing challenge to traditional, often restrictive, social norms.

4.5.4. Summary

Grameen Bank and BRAC do far more than provide loans. By targeting women, they expand women’s participation in household decision-making, enhance their mobility and confidence, and reduce vulnerability to poverty and domestic violence. Their impact spills over into community development—raising wages, improving local health practices, and influencing social norms. Though challenges and limitations remain, these micro-credit programmes have proven to be powerful tools for both **economic advancement and social transformation** in rural Bangladesh.

Chapter 5: Role of Micro Credit in Women Empowerment and Politics In Bangladesh

Age Distribution:

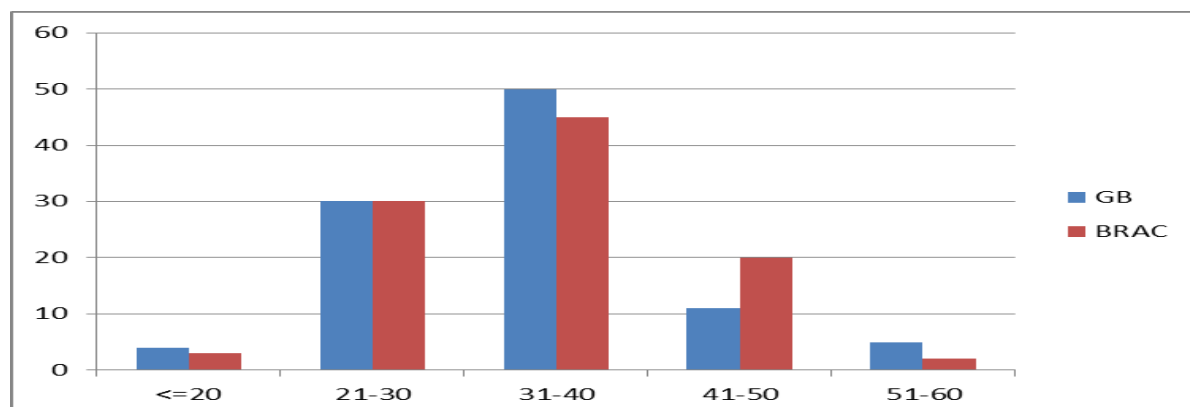
In this study attempt was made to know the age of women who are engaged in micro credit activities. In fact, in social science research, age of respondents is treated as an important factor. Because there is a relationship between respondent's opinion, mentality, exploration and age. Age range is shown in the following way.

Table 01 - Age Distribution of the Respondents

Age	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
<=20	4	4	3	3	7	3.5
21-30	30	30	30	30	60	30
31-40	50	50	45	45	95	47.5
41-50	11	11	20	20	31	15.5
51-60	5	5	2	2	7	3.5
Total	100	100	100	100	200	100

After analyzing the table, it was found that among the selected households those who received credits from BG and BRAC about <=20 ages women were 3.5%, 21-30 ages women were 30%, 31-40 ages women were 47.5%, 41-50 ages women were 15.5%, 51-60 ages women were 3.5%. So, from the above table it was found that 31-40 ages women received more credit from GB and BRAC.

Fig -01: Age Distribution of the Respondents



Marital Status:

Empowerment status of women is often determined by their marital status. Sometimes marital status paves the way for empowerment, on the other hand sometimes it creates obstacles for empowerment. In this study the researcher tried to establish a relationship between empowerment and marital status. The following table presents the marital status of respondents.

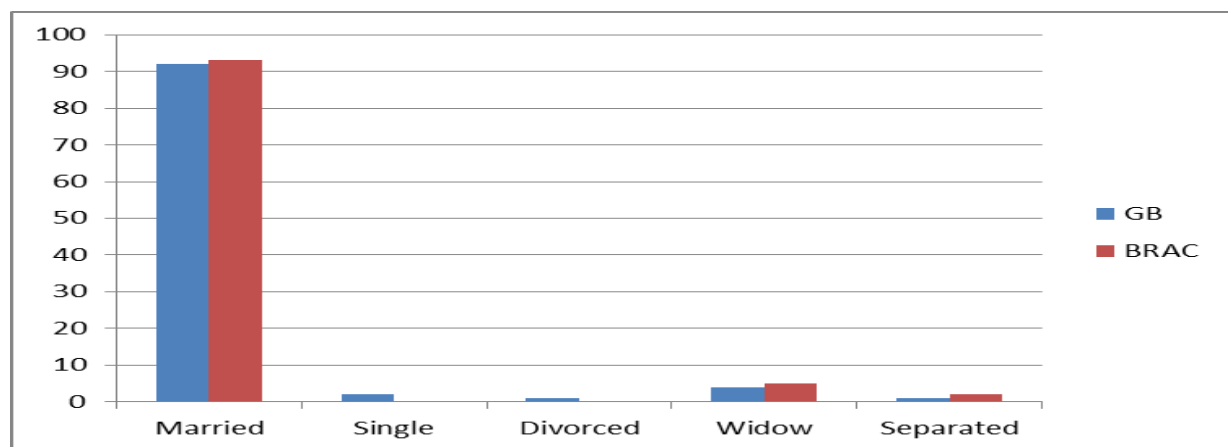
Table 02- Marital Status of Respondents

Marital Status	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Married	92	92	93	93	185	92.5
Single	2	2			2	2
Divorced	1	1			1	0.5
Widow	4	4	5	5	9	4.5
Separated	1	1	2	2	4	1
Total	100	100	100	100	200	100

(Source: Field Survey, 2008)

From the above table is seen that among the respondents 92.5% women were married, 2% women were single, 0.5% women were divorced, 4.5% women were widow and 1% women were separated. From the table it is clear that most of the respondents were married.

Fig 02 – Marital Status of Respondents



Educational Status:

Education is another important variable for economic development. An educated woman is much more concise and aware about his economic condition than an illiterate woman. The researcher tried to find out their educational level.

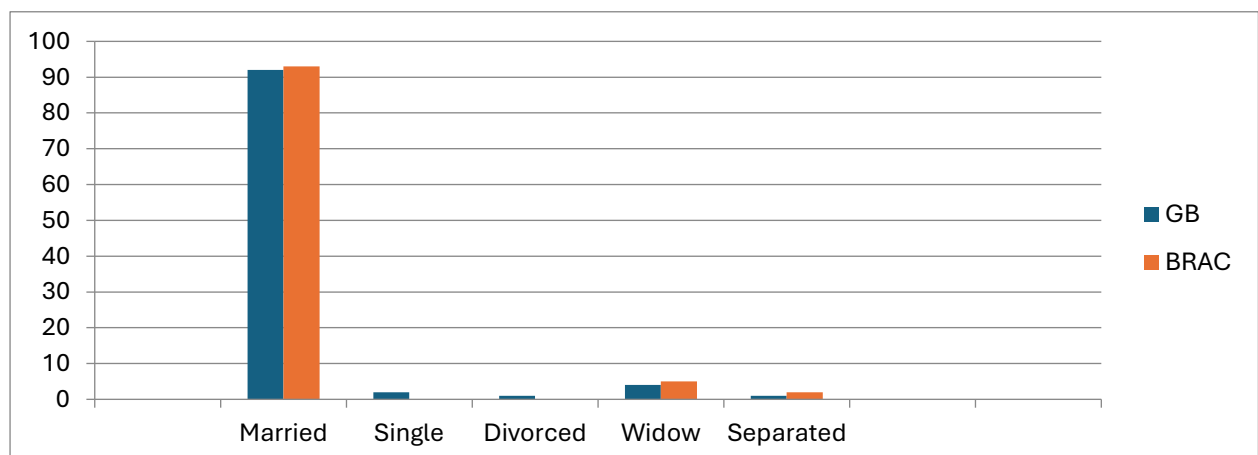
Table 03 – Educational status of Respondents

Educational Levels	GB		BRAC		Grand Total	
	Frequenc y	Percentag e	Frequenc y	Percentag e	Frequenc y	Percentag e
Illiterate	20	20	24	24	44	22
Can sign only	22	22	29	29	51	25,5
Class I-V	28	28	32	32	60	30
Class VI-X	0	0	0	0	0	0
SSC	27	27	12	12	39	19.5
Below HSC	0	0	0	0	0	0
HSC	3	3	3	3	6	3
Total	100	100	100	100	200	100

- Can sign only means only know how to write their name.
- Illiterate means couldn't read and write

By analyzing the table, it was found among all the respondents only 03% respondents had completed their higher secondary school. Most of the respondent's educational level was class I-V (30%). About 25.5% could sign, 22% was illiterate and remaining 22.5% was class VI-X and below HSC.

Fig 03- Educational status of Respondents



Occupational Status

Occupation is another significant aspect for the credit recipients from GB and BRAC, The researcher tried to know the occupational status of the respondents because it is necessary for any scientific research. The following table presents the occupational status of the selected credit recipients from GB and BRAC.

Table 04- Occupational status of Respondents

Educational Levels	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Housewife	91	87.5	90	89.11	181	88.31
Unemployed	2	1.92	0	0	2	0.96
Self-employed	5	4.81	5	4.96	10	4.89
Wage-labor	1	0.96	2	1.98	3	1.47
Service-holder	4	3.85	4	3.96	8	3.91
Student	1	0.96	0	0	1	0.48
Total	104	100	101	100	205	100

Analyzing the table it was found that among all the respondents 88.31% were housewives. Remaining were unemployed, self-employed, wage labor, service holder, student and their percentage were 0.96, 4.89, 1.47, 3.91, 0.48 respectively. From the above it is clear that most of the respondents were housewives.

Fig 04- Occupational status of Respondents

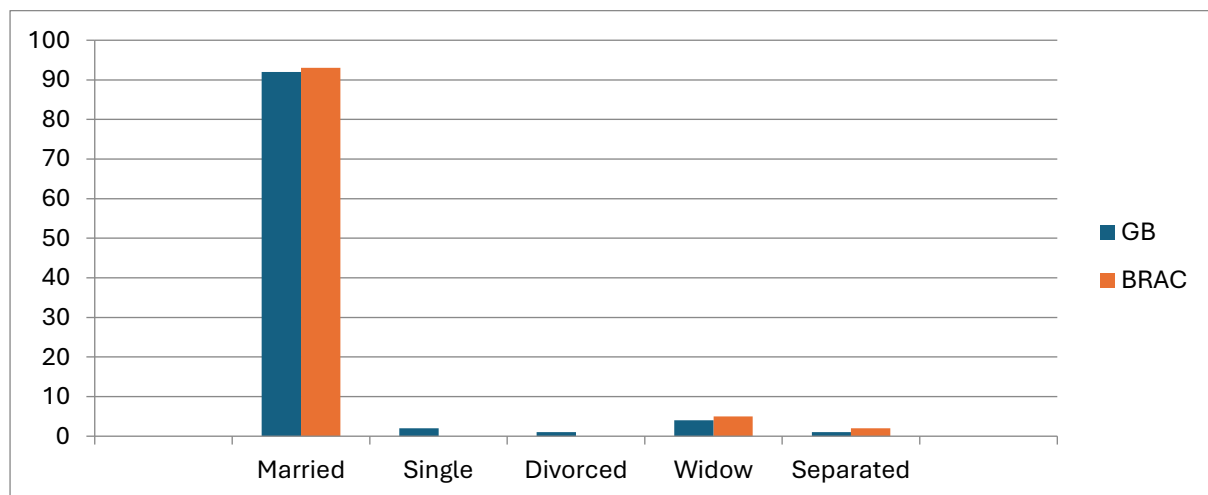
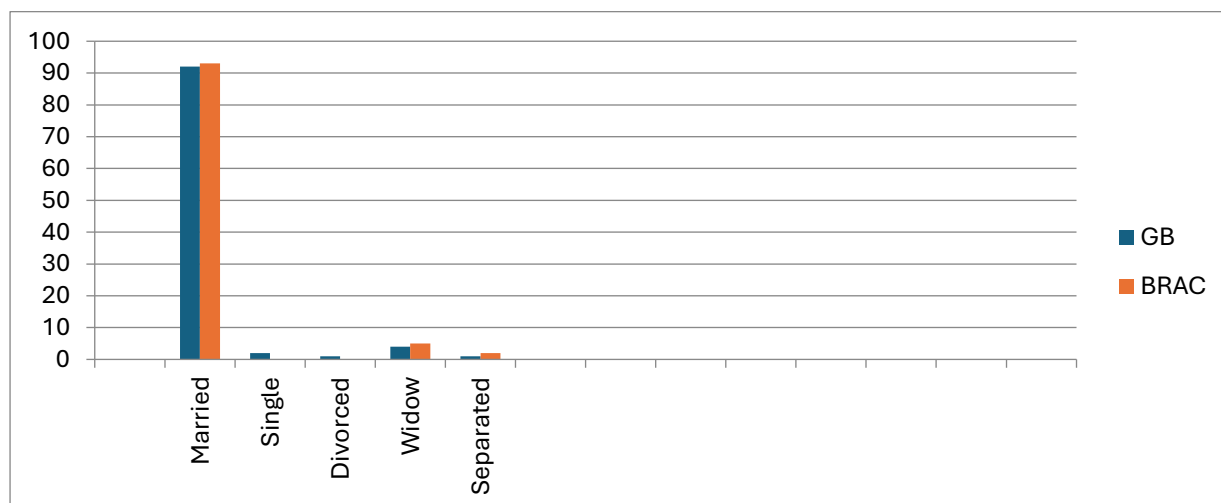


Table 05 – House-hold Land of the Respondents After Receiving Credit from GB and BRAC

House-hold Land (In Acre)	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
0.02-0.10	63	63	71	71	134	67
0.11-0.20	18	18	7	7	25	13
0.21-.30	4	4	2	2	6	3
0.31-0.40	3	3	6	6	9	5
0.41-0.50	0	0	0	0	0	0
0.51-0.60	0	0	0	0	0	0
0.61-0.70	2	2	2	2	4	2
0.71-0.80	1	1	0	0	1	1
0.81-0.90	0	0	2	2	2	1
0.91-1.00	0	0	0	0	0	0
1.0-5.0	5	5	7	7	12	6
5.1-10.0	2	2	2	2	4	2
10.00+	2	2	1	1	3	2
Total	100	100	100	100	200	100

Analyzing the table it was found that 67% respondents had 0.02-0.10 acre land and 12.5% had 0.11-0.20 acre land. They told that they were landless in focus group discussion and personal interaction.

Fig 05 – House-hold Land of the Respondents after Receiving Credit from GB and BRAC



Sources of Income

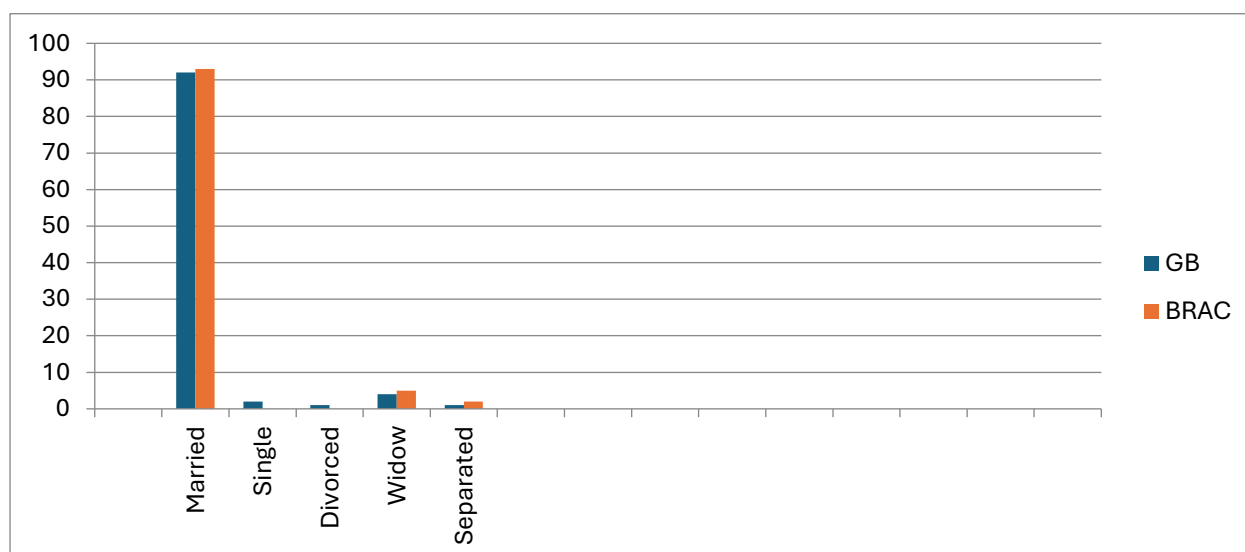
Sources of income play a vital role for the socio-economic development. The researcher intended to find out the sources of income of the respondents before receiving micro-credit from GB and BRAC to justify their status before and after.

Table -06 : Sources of Income of the Respondents Households before Receiving Credit from GB and BRAC

Income Source	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Van Puller	6	4.58%	5	3.62%	11	4.09%
Agriculture	14	10.69%	25	18.12%	39	14.50%
Maid Servant	1	0.76%	0	0.00%	1	0.37%
Ricksha Puller	8	6.11%	5	3.62%	13	4.83%
Resp Service	3	2.29%	6	4.35%	9	3.35%
Husband Job	32	24.43%	25	18.12%	57	21.19%
Husband Business	42	32.06%	43	31.16%	85	31.60%
Sons Job	3	2.29%	3	2.17%	6	2.23%
Husband Massion	9	6.87%	8	5.80%	17	6.32%
Livestock Firm	4	3.05%	4	2.90%	8	2.97%
Own Business	2	1.53%	3	2.17%	5	1.86%
Father in laws Service	1	0.76%	0	0.00%	1	0.37%
Day Labour	3	2.29%	9	6.52%	12	4.46%
Electician	3	2.29%	2	1.45%	5	1.86%
Total	131	100	138	100	269	100

Analyzing the table it was found that before receiving credit 31.60% respondents source of income was husbands business and 21.19% respondents source of income was husbands job and rest of the source of income were from agriculture, van, rickshaw, own business, livestock firm day labor and electrician.

Fig-06: Sources of Income of the Respondents Households before Receiving Credit from GB and BRAC



Sources of Income of the Respondents Household after Receiving Credit

The Researcher intended to establish correlation between socio-economic development and micro credit. GB and BRAC are trying to increase women’s economic power by providing micro credit. Economic power can ensure empowerment of women. Micro credit made their sources of income diversified.

Table 07- Sources of Income of the Respondents Households after Receiving Credit from GB and BRAC

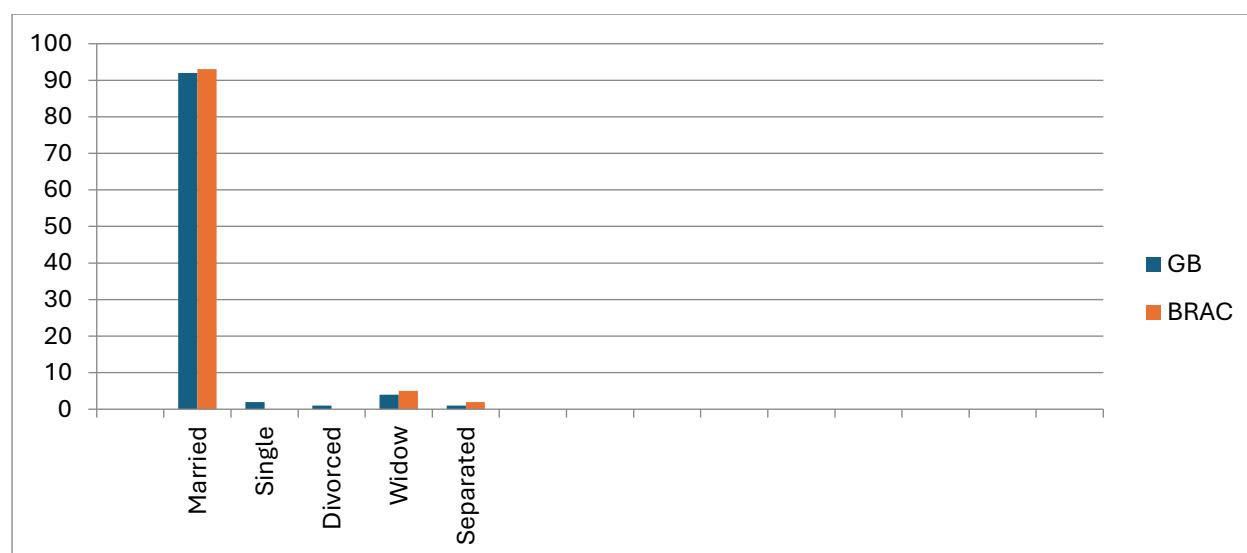
Income Source	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Van Puller	5	2.96%	5	2.28%	10	2.58%
Agriculture	16	9.47%	32	14.61%	48	12.37%
Maid Servant	1	0.59%	0	0.00%	1	0.26%
Ricksha Puller	8	4.73%	7	3.20%	15	3.87%
Resp Service	3	1.78%	4	1.83%	7	1.80%
Husband Job	23	13.61%	22	10.05%	45	11.60%
Husband Business	55	32.54%	65	29.68%	120	30.93%

Sons Job	5	2.96%	6	2.74%	11	2.84%
Husband Massion	17	10.06%	8	3.65%	25	6.44%
Livestock Firm	22	13.02%	31	14.16%	53	13.66%
Own Business	7	4.14%	28	12.79%	35	9.02%
Father in laws Service	1	0.59%	0	0.00%	1	0.26%
Day Labour	3	1.78%	9	4.11%	12	3.09%
Electician	3	1.78%	2	0.91%	5	1.29%
Total	169	100	219	100	388	100

(Source: Field Survey, 2008)

The Researcher tried to find out the sources of income of respondents after receiving credit. Interestingly, often after receiving credit ‘husband’ remained main source of income. Almost 31% respondents source of income was husbands business. But a mentionable fact is that often receiving credit women established their livestock firm and own business. Agriculture also became their source of income.

Fig 07- Sources of Income of the Respondents Households after Receiving Credit from GB and BRAC



Sources of information of GB and BRAC micro-credit program

Respondent's accuracy of knowledge regarding loan criteria depends on the sources of information. Respondents got information from different sources such as family, friends, bank workers, neighbors, advertisement etc. Without proper information they will be unable to get loan. So the researcher attempted to know the sources of information.

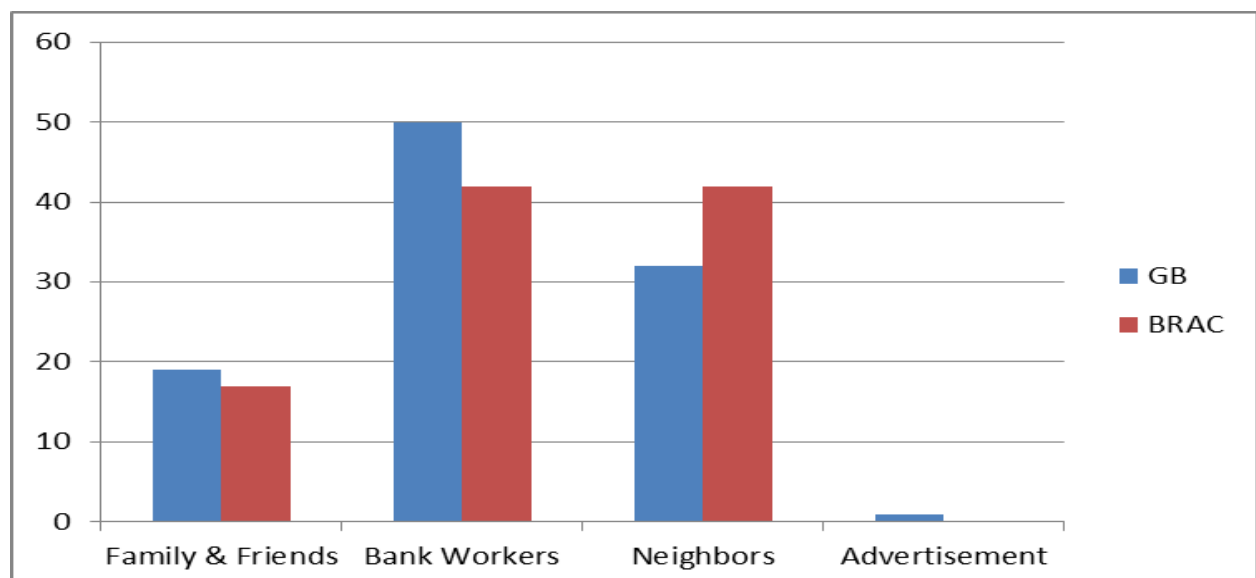
Table 08- Sources of information of GB and BRAC micro-credit program

Sources of Information	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Family & Friends	19	18.63%	17	16.83%	36	17.73%
Bank Workers	50	49.02%	42	41.58%	92	45.32%
Neighbors	32	31.37%	42	41.58%	74	36.45%
Advertisement	1	0.98%	0	0.00%	1	0.49%
Total	102	100	101	100	203	100

(Source: Field Survey)

After analyzing, it was found that most of the respondents (45.32%) get information of getting loan from the bank workers and it was proved that bank workers of GB and BRAC are very sincere about their duties and responsibilities. Sources of information of getting loan from family/friend, neighbours and advertisement was 17.47%, 36.45% and 0.49% respectively'

Fig 08- Sources of information of GB and BRAC micro-credit program



Selection Criteria to be a member of GB and BRAC

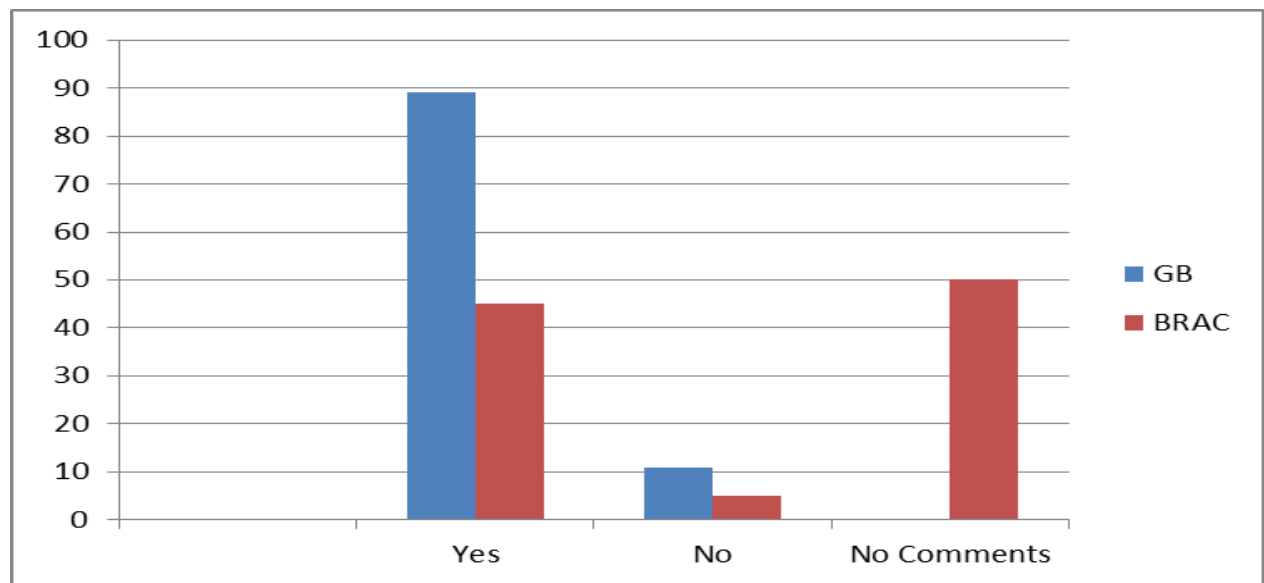
Anyone can not be a member of GB and BRAC. For becoming member and receiving loan certain criteria must be fulfilled by women. Researcher tried in her research to know their depth of knowledge about the selection criteria. Following table shows their level of knowledge.

Table 09- Criteria for joining GB and BRAC

Knowledge about selection	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Yes	89	89.00%	45	45.00%	134	67.00%
No	11	11.00%	5	5.00%	16	7.88%
No Comments	0	0.00%	50	50.00%	50	24.63%
Total	100	100	100	100	200	100

Analyzing the table it was found that 67% of the respondents had knowledge on criteria for joining GB and BRAC and 8% didn't know the criteria for being the member of GB and BRAC.

Fig 09- Criteria for joining GB and BRAC



Duration of involvement in Micro-Credit Program

Time is one of the most important issues for impact analysis. The researcher selected the respondents who are involved in the micro-credit activities at least four years. Without such time impact analysis was not possible.

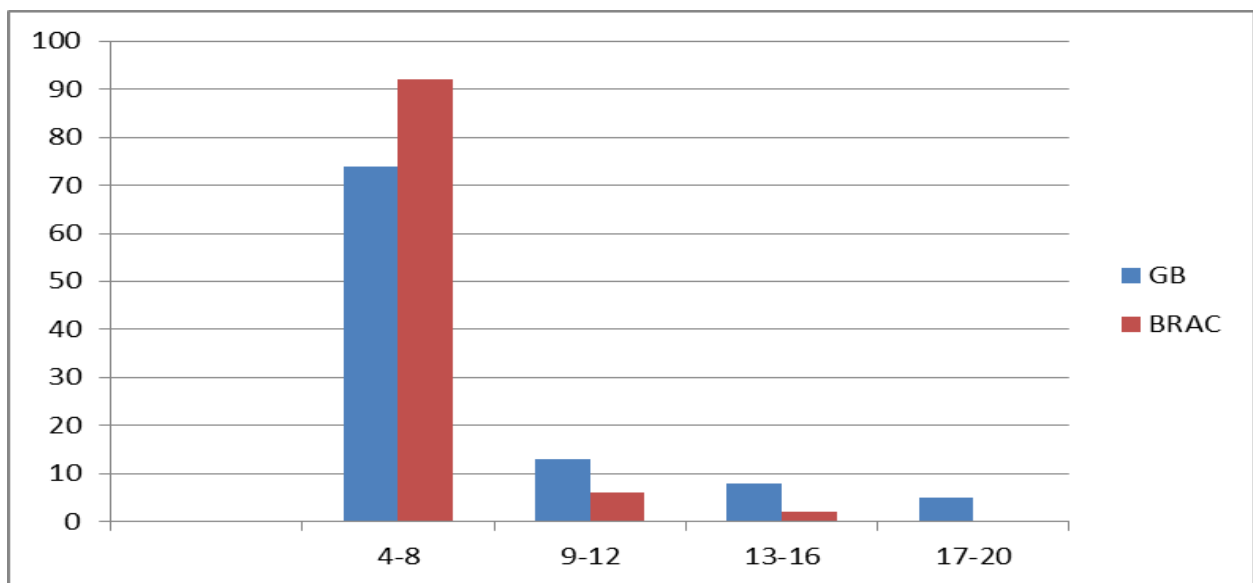
Table 10- Duration of involvement in Micro-Credit Program

Duration (Years)	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
4-8	74	74.00%	92	92.00%	166	83.00%
9-12	13	13.00%	6	6.00%	19	9.50%
13-16	8	8.00%	2	3.00%	10	5.00%
17-20	5	5.00%	0	0.00%	5	2.50%
Total	100	100	100	100	200	100

(Source: Field Survey)

After analyzing the table it was found that 83% of the respondents were involved in micro-credit program and duration was 4-8 years. 9.5% were involved since 9-12 years. For 13-16 years and 17-20 years 5% and 2.5% of the respondents were involved in micro-credit activities. So it was seen that most of the respondents were involved in micro-credit activities since 4-8 years.

Fig 10- Duration of involvement in Micro-Credit Program



Selection on Amount of Credit

GB and BRAC are providing micro-credit for empowering rural poor women. An attempt has been made in this research to know their level of satisfaction on amount of credit. The respondents were asked whether they are satisfied with this amount or not. In the focus group discussion they mentioned that sometimes they need more money but they do not prefer to make more because it would be difficult for them to repay in time.

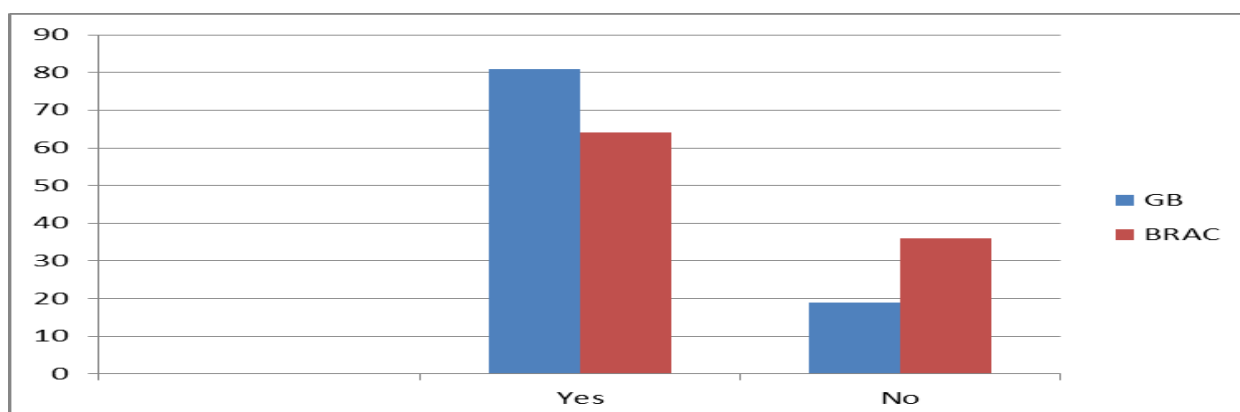
Table 11- Selection on Amount of Credit

Opinion on Credit Sufficiency	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Yes	81	81.00%	64	64.00%	145	72.50%
No	19	19.00%	36	36.00%	55	27.50%
Total	100	100	100	100	200	100

(Source: Field Study)

After analyzing the table, it was found that 72.5% of the respondents told that they were satisfied on amount of money and only 27.5% of the respondents gave opinion negatively that they were not satisfied to the amount of money.

Fig 11- Selection on Amount of Credit



Participation in Decision Making at the Family Level

The most important indicators for women empowerment is the decision making power and capability. It begins from family level. Decision may be regarding personal or family matters.

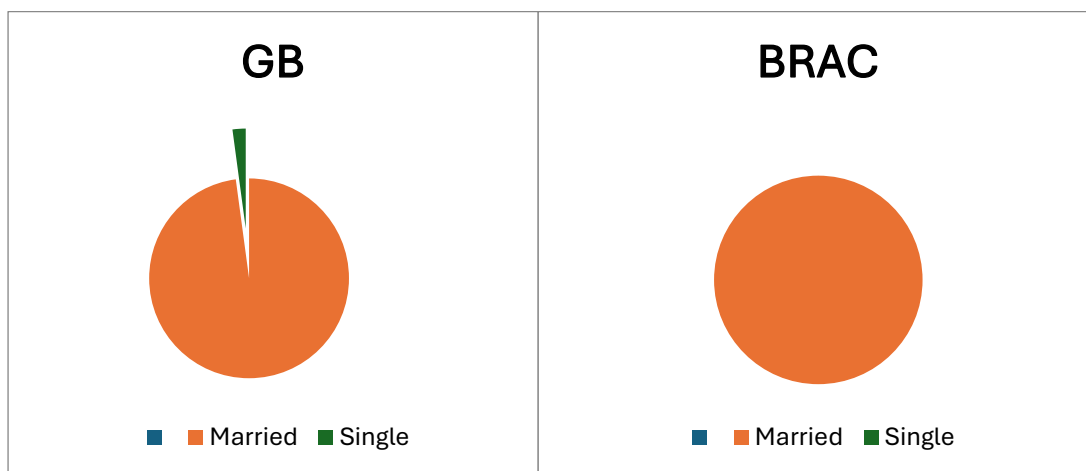
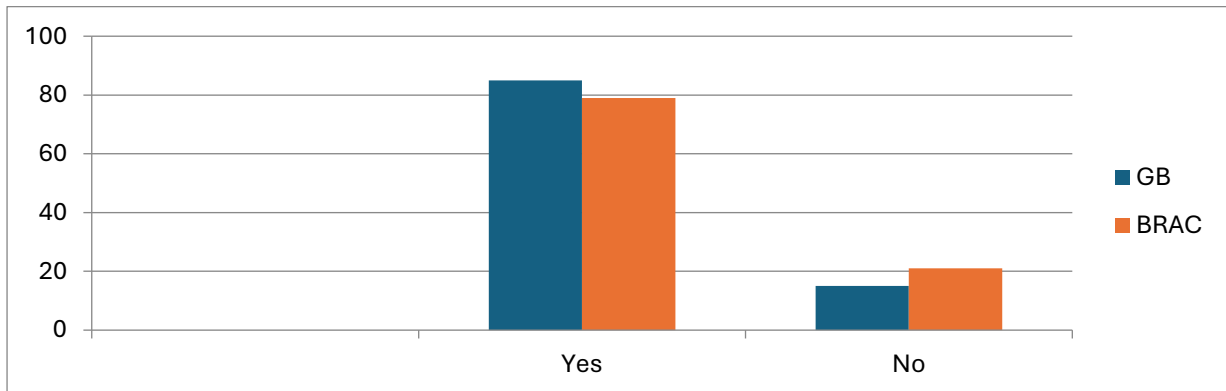
Table 12- Participation in Decision Making at the Family Level

Participation in Decision Making at the Family Level	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Yes	85	85.00%	79	79.00%	164	82.00%
No	15	15.00%	21	21.00%	36	18.00%
Total	100	100	100	100	200	100

(Source: Field Survey)

After analyzing the table, it was seen that 82% of the respondents were able to take part in decision making process after joining the micro-credit program from GB and BRAC. Only 18% of the respondents told that they could not take part in decision making process at the family level. So, the status of women participation in the family was highly satisfactory.

Fig 12 - Participation in Decision Making at the Family Level



Beginning period of Participation in Decision Making

Most of the respondents expressed that usually in a very few cases they could make part in decision making process. But often involvement in micro-credit programs a dramatic change has occurred. The following table presents the beginning period of participation in the decision-making process.

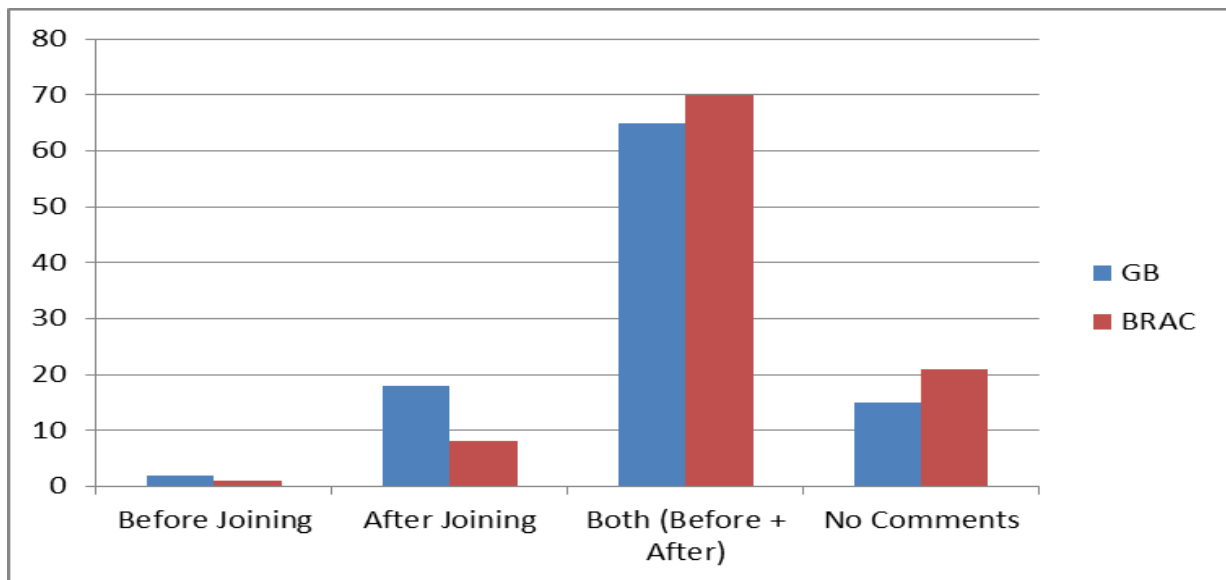
Table 13- Beginning period of Participation in Decision Making

Period	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Before Joining	2	2.00%	1	1.00%	3	1.50%
After Joining	18	18.00%	8	8.00%	26	13.00%
Both (Before + After)	65	65.00%	70	70.00%	135	67.50%
No Comments	15	15.00%	21	21.00%	36	18.00%
Total	100	100	100	100	200	100

(Source: Field Survey)

After analyzing the table, it was found that respondent’s participation in decision making at the family level were more after involved in micro-credit activities. Only 1.5% of the respondents could join in decision making process before and about 13% told that they could take part after joining the micro-credit activities. So, after joining in micro-credit activities, participation in decision making had been increased.

Fig 13- Beginning period of Participation in Decision Making



Importance of the views of Respondents in Family Decision Making

View means opinion. Respondents personal opinion is also important. If the respondents don't get in expressing her view, women empowerment would not be successful.

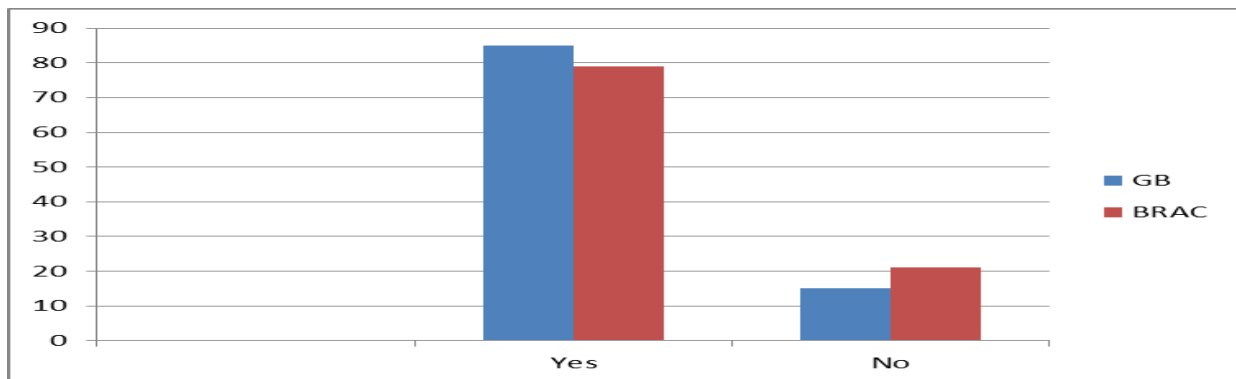
Table 14- Importance of the views of Respondents in Family Decision Making

Importance in Family Decision Making	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Yes	85	85.00%	81	81.00%	166	83.00%
No	15	15.00%	19	19.00%	34	17.00%
Total	100	100	100	100	200	100

(Source: Field Survey)

After analyzing the table, it was found that 83% of the respondents told that their opinion was given importance. On the other hand, only 17% of the respondents mentioned their views were not given importance.

Fig 14- Importance of the views of Respondents in Family Decision Making



Decision Maker in the Family before Involvement in the Micro Credit Program

Expressing independent opinion is one of the indicators of women empowerment. But expressing opinion is not enough, how far it is considered or accepted that is important. So, two related questions were asked: can you express your independent opinion in community level meeting after joining in micro credit program? And do you think your opinion get or receive due importance.

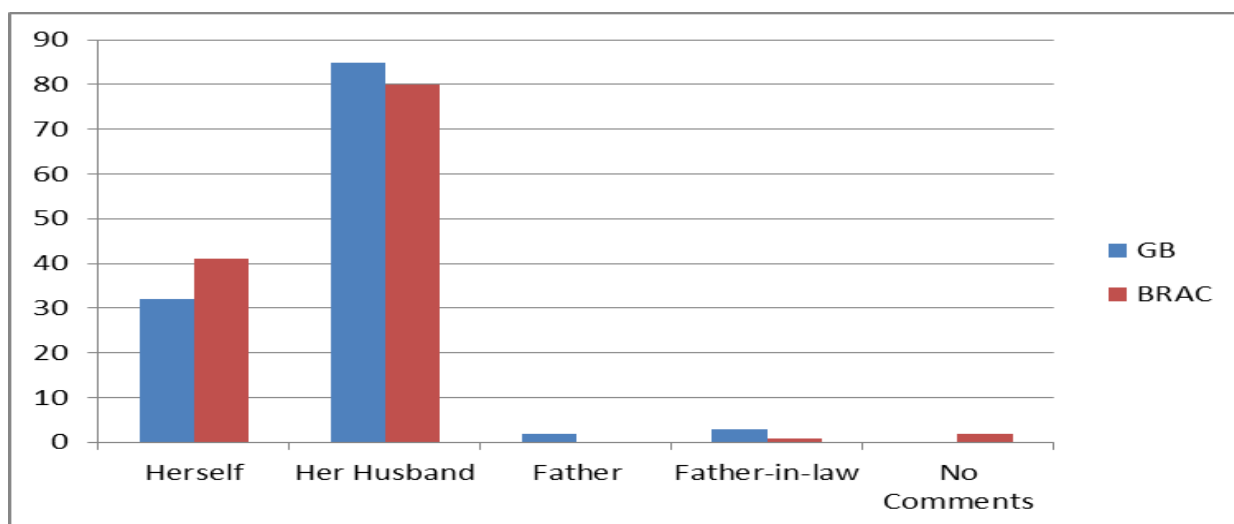
Table 15- Decision Maker in the Family before Involvement in the Micro Credit Program

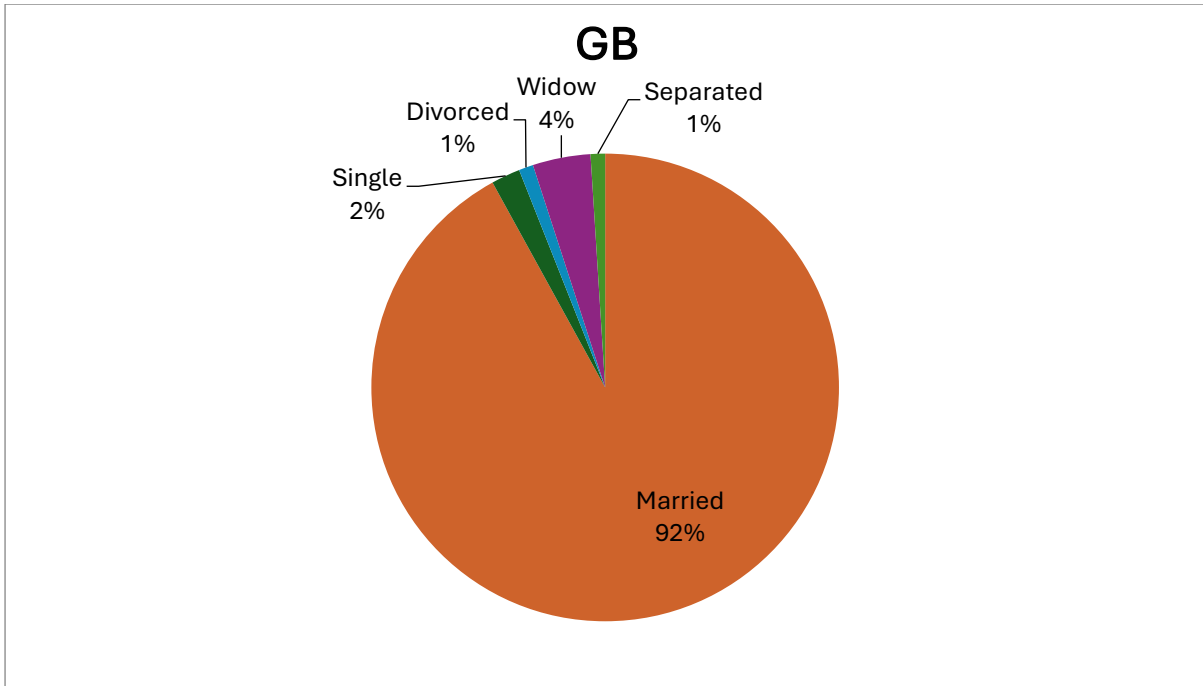
Decision Maker	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Herself	32	26.23%	41	33.06%	73	29.67%
Her Husband	85	69.67%	80	64.52%	165	67.07%
Father	2	1.64%	0	0.00%	2	0.81%
Father-in-law	3	2.46%	1	0.81%	4	1.63%
No Comments	0	0.00%	2	1.61%	2	0.81%
Total	122	100	124	100	246	100

(Source: Field Survey)

After analysis it was found that 67% of the respondents told that their husband's decision was final before involving in the micro-credit activities.

Fig 15- Decision Maker in the Family before Involvement in the Micro Credit Program





Attending Community Meeting before or after Receiving Credit

Attending community meetings is the symbol of their awareness. Community meeting helps women to become aware on their rights and responsibilities. GB and BRAC had profound influence on women to attend community meeting.

The researcher during interview and observation found that respondents attendance to the community meeting has increased after participating different meetings of the GB and BRAC, they were more conscious about their rights and responsibilities. They were alert on violence against women like dowry, early marriage and divorce related problem and physical torture.

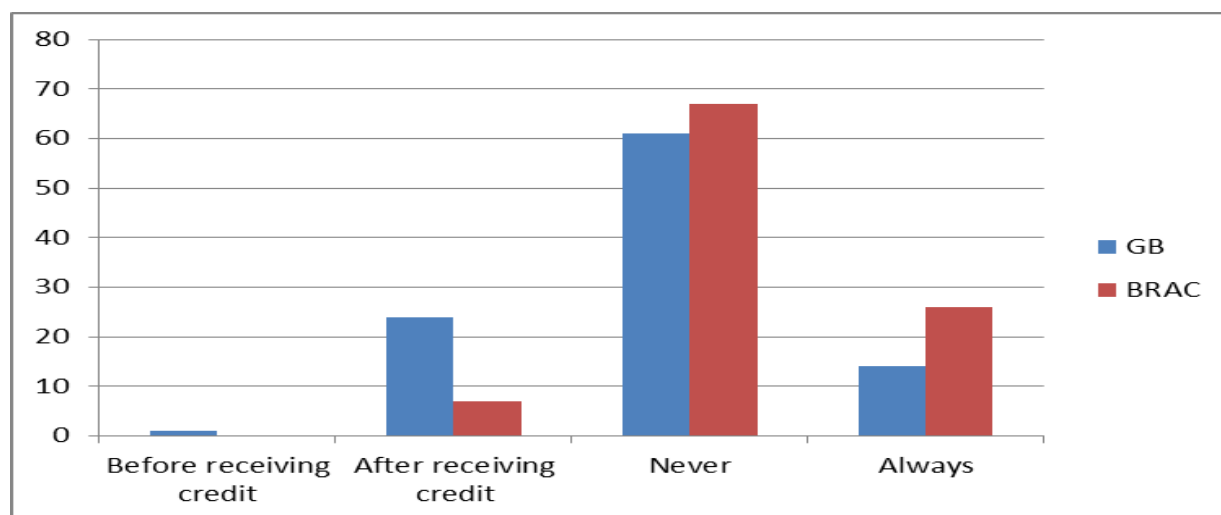
Table 16- Attending Community Meeting before or after Receiving Credit

Time of Attending Meeting	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Before receiving credit	1	1.00%	0	0.00%	1	0.50%
After receiving credit	24	24.00%	7	7.00%	31	15.50%
Never	61	61.00%	67	67.00%	128	64.00%
Always	14	14.00%	26	26.00%	40	20.00%
Total	100	100	100	100	200	100

(Source: Field Survey)

After analyzing the table, it is seen that after joining in micro-credit program their attendance on community meeting have increased 15.5% and before joining their attendance were only 0.5%. So, it can be mentioned that micro-credit program has raised their awareness.

Fig 16- Attending Community Meeting before or after Receiving Credit



Participation in Politics especially in the local Govt. Election

Politics is an important part of our life. As a citizen we should have participation in politics especially in local govt. It is the nearest govt for rural people. So, reflecting their own views towards social and national problems and potentials women must have participation. In focus group discussion, some respondents pointed out that GB and BRAC have raised their political awareness. Now a days they cast vote according to their own choice.

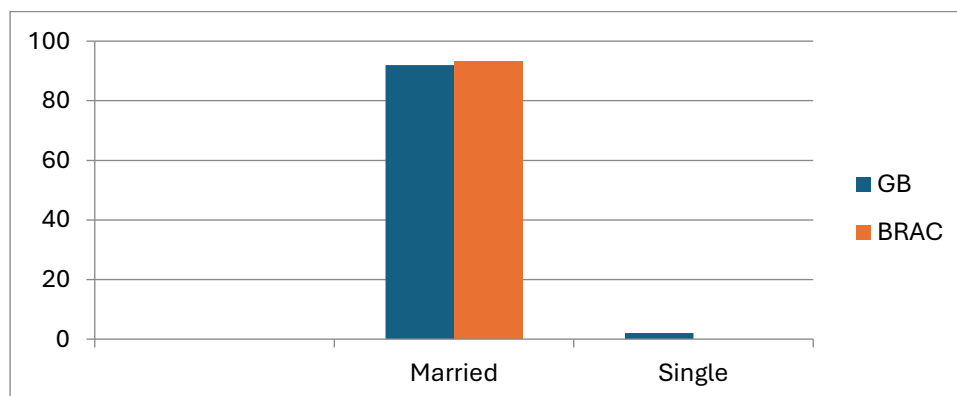
Table 17- Participation in Politics especially in the local Govt Election

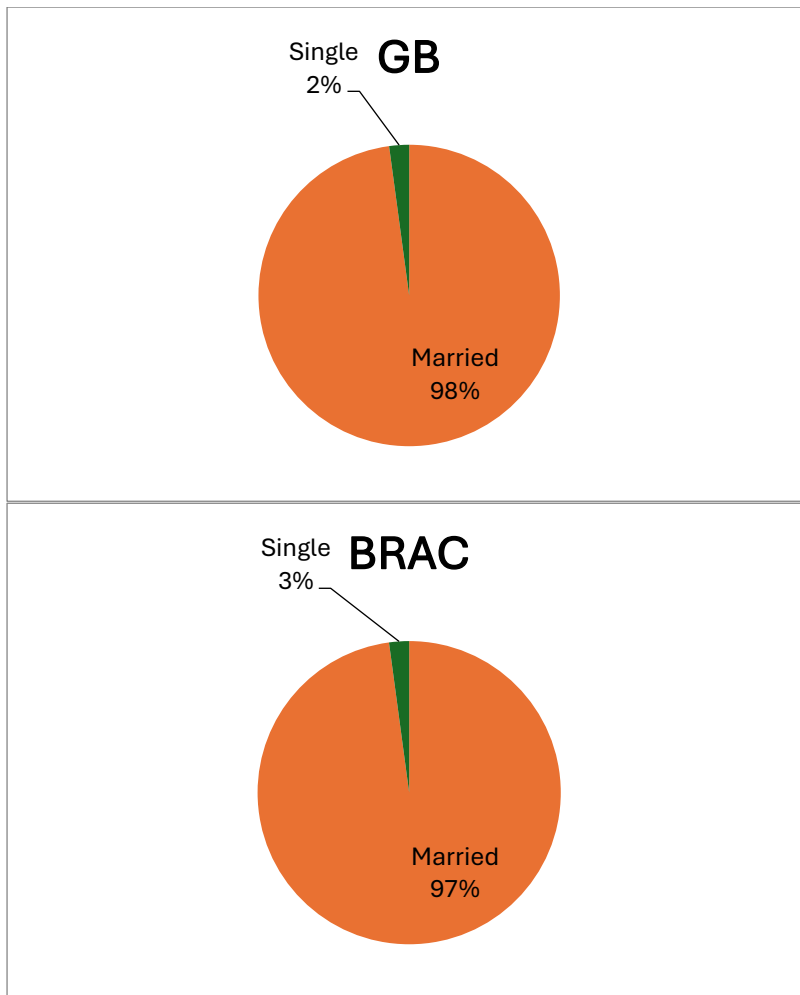
Time of Participation in LG Election	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Before receiving credit	16	16.00%	24	24.00%	40	20.00%
After receiving credit	84	84.00%	76	76.00%	160	80.00%
Total	100	100	100	100	200	100

(Source: Field Survey)

After analyzing the table, it was seen that after joining micro-credit program their participation in politics have increased 80% and before joining it was only 20%. So, it can be mentioned that micro-credit has raised their awareness on their political rights.

Fig17 - Participation in Politics especially in the local Govt Election





Changing Attitude towards Politics after Involving in Micro Credit Activities

Politics is an important part of our life. As a citizen we should have participation in politics especially in local government. It is the nearest government for rural people, so reflecting their own views towards social and national problems and potential women must have participation. In focus group discussion some respondents pointed out that GB and BRAC has raised their political awareness. Now a day they cast vote according to their own choice

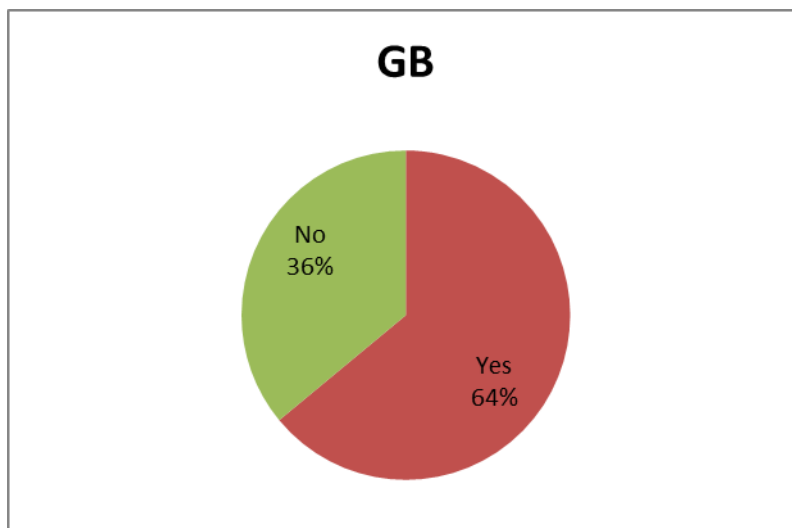
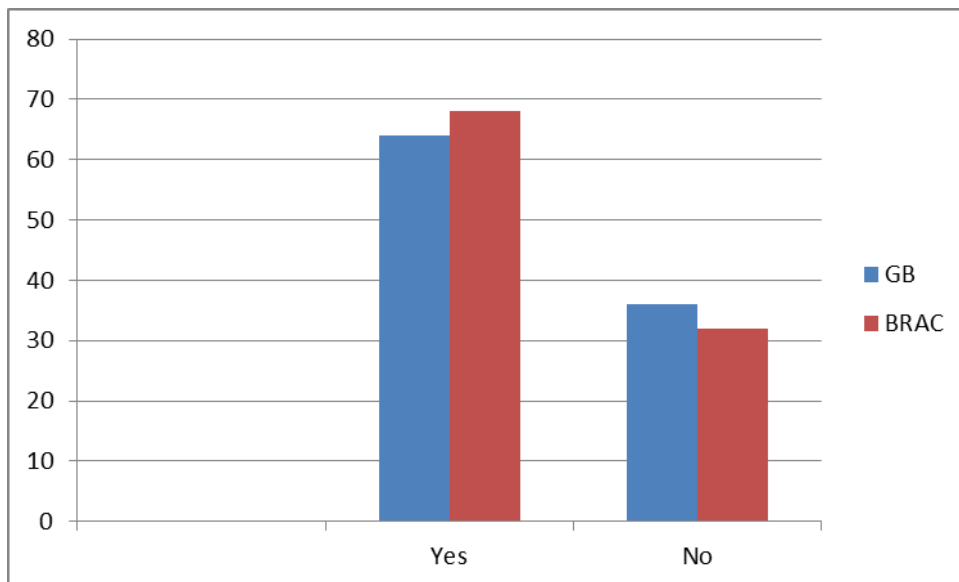
Table 18- Changing Attitude towards Politics after Involving in Micro Credit Activities

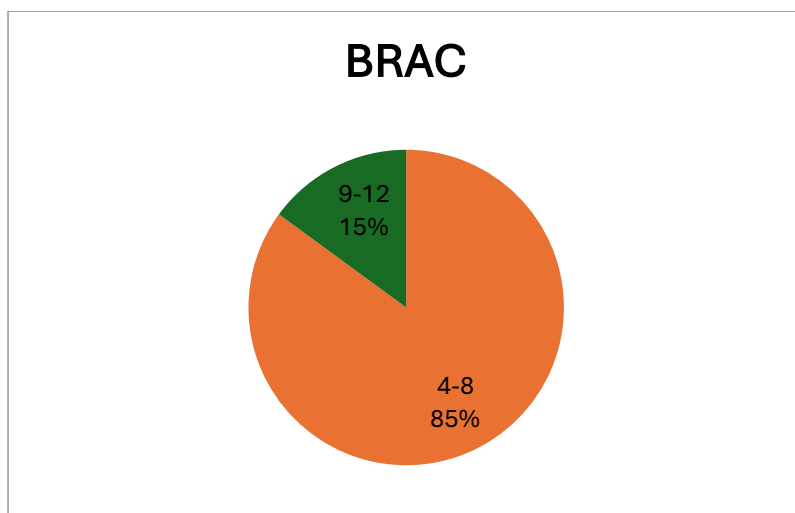
Changing Political Attitude	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Yes	64	64.00%	68	68.00%	132	66.00%
No	36	36.00%	32	32.00%	68	34.00%
Total	100	100	100	100	200	100

(Source: Field Survey)

After analyzing the table, it was found that after joining in micro-credit their attitude towards politics has changed. After joining in microcredit 66% of respondents told that their attitude has changed and only 34% mentioned that it could not change their attitude.

Fig 18- Changing Attitude towards Politics after Involving in Micro Credit Activities





Monthly Income before Receiving Micro Credit

Income is an important indicator for respondents' household socio-economic development. The researcher tried to find out the monthly income of the respondents before joining in micro- credit activities.

Table 19- Monthly Income before receiving micro credit:

Monthly Income (In Taka)	GB		BRAC		Grand Total	
	Frequen cy	Percenta ge	Frequen cy	Percenta ge	Frequen cy	Percenta ge
1000-2000	6	6	2	2	8	4
2001-4000	30	30	27	27	57	28.5
4001-6000	20	20	28	28	48	24
6001-8000	4	4	6	6	10	5
8001-10000	6	6	6	6	12	6
10001-12000	0	0	4	4	4	2
12000+	4	4	7	7	11	5.5
No Comments	30	30	20	20	50	25
Total	100	100	100	100	200	100

(Source: Field Survey)

After analyzing the table, it was found that before joining in micro-credit activities most of the respondent's 28.5% told that their monthly income was in 2001-4000.

Fig. No.19- Monthly income before receiving microcredit

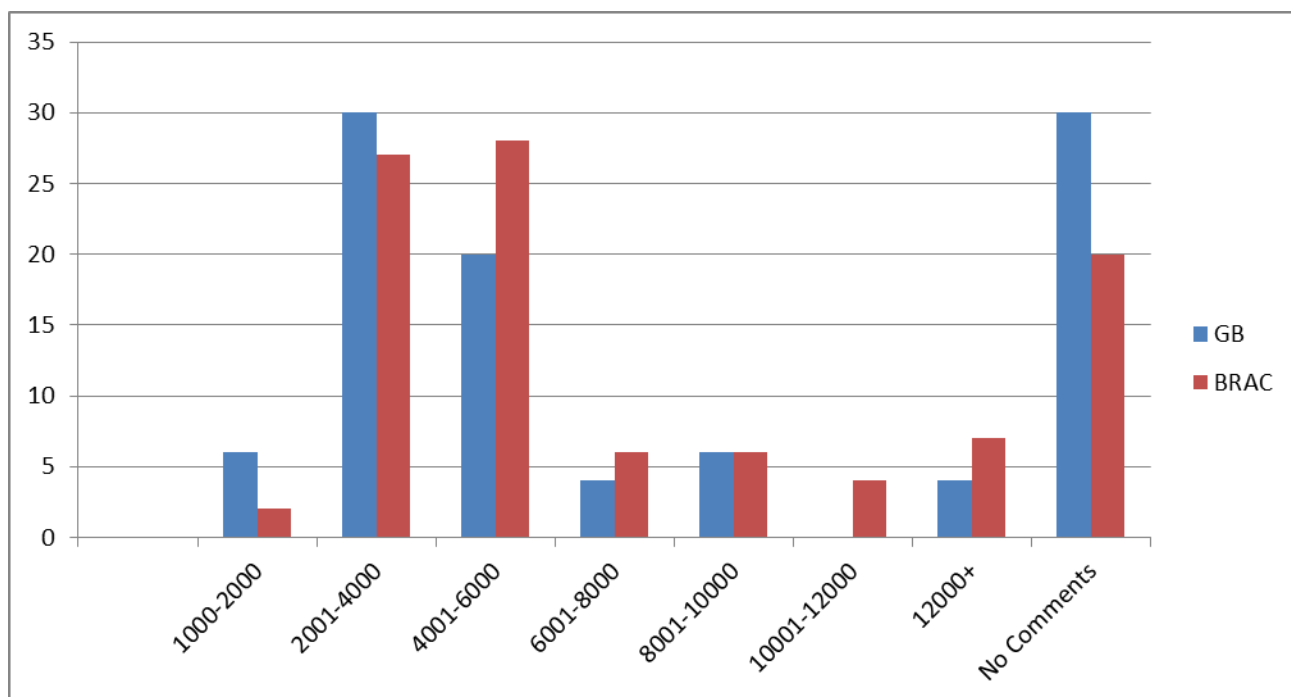


Table 20-Monthly Income after receiving microcredit

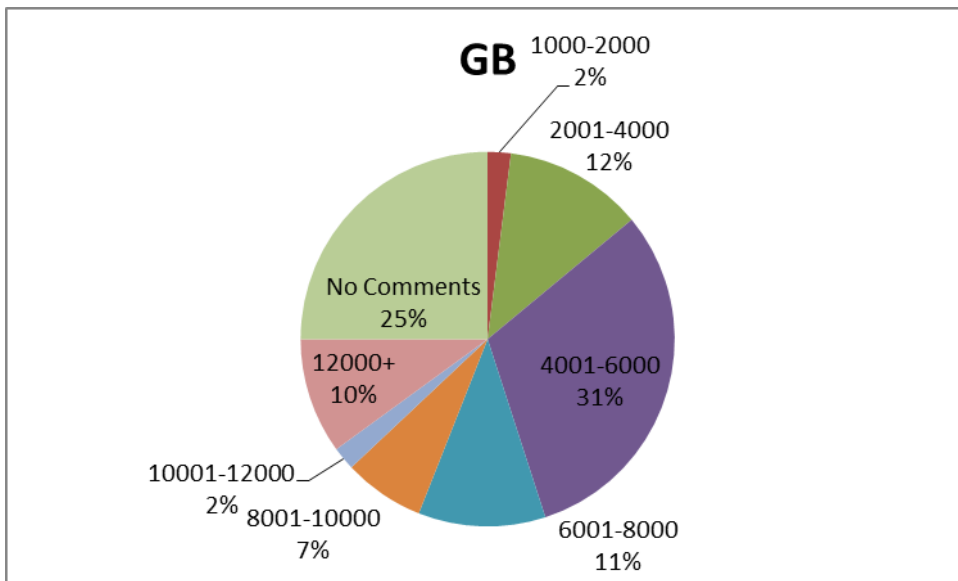
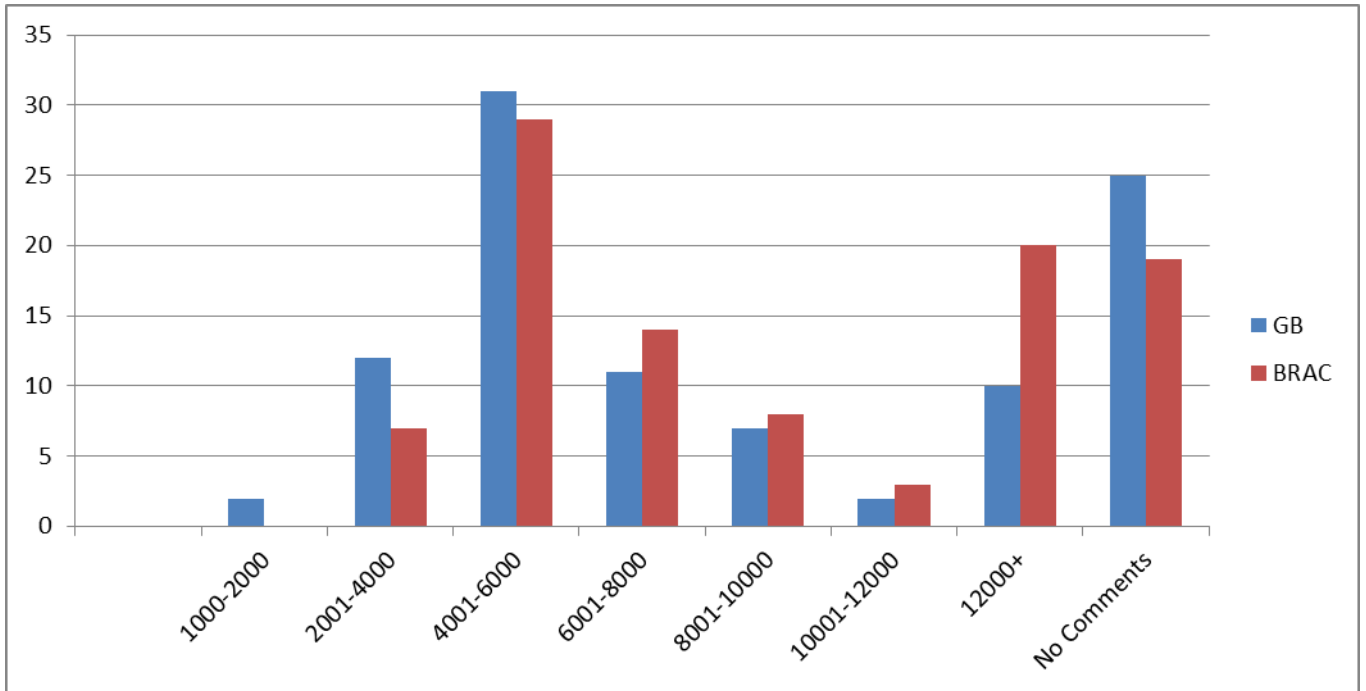
Monthly Income (In Taka)	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
1000-2000	2	2	0	0	2	1%
2001-4000	12	12	7	7	19	10%
4001-6000	31	31	29	29	60	30%
6001-8000	11	11	14	14	25	13%
8001-10000	7	7	8	8	15	8%
10001-12000	2	2	3	3	5	3%
12000+	10	10	20	20	30	15%
No Comments	25	25	19	19	44	22%
Total	100	100	100	100	200	100%

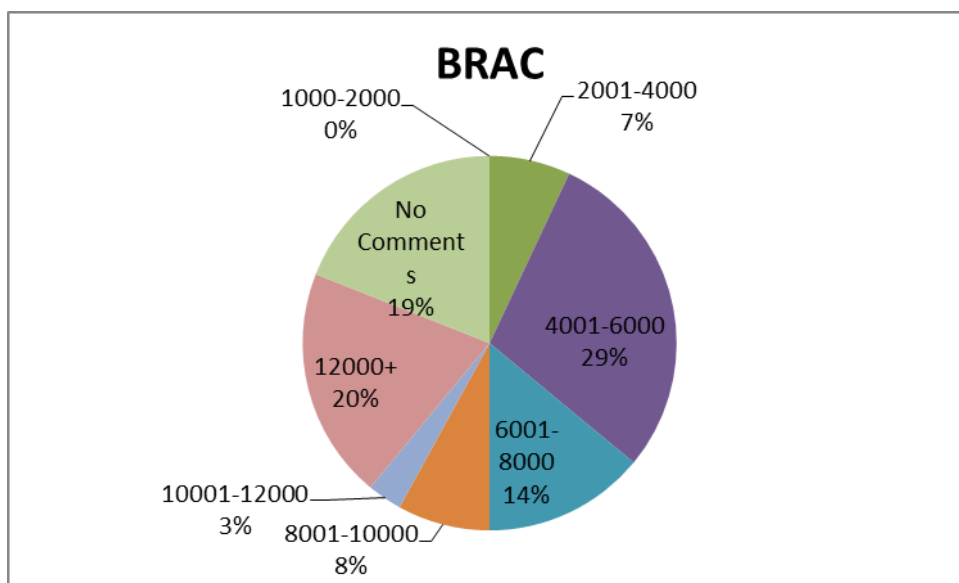
(Source: Field Survey)

After analyzing the table, it was seen that many respondents income have risen. About 60 respondents (30%) monthly income rose to 4000-6000., 7.5% respondents income raised

8001-10000 and only 5% income was 1000-2000. Not only those 30 respondents (15%) income raised upto 12000+.

Fig 20-Monthly Income after receiving microcredit





Decision making for using micro credit:

Information on taking decision for using microcredit is very important since if the respondents could not take decision on for using micro-credit, empowerment would not be possible. Women respondents must have right to use the microcredit.

Taking decision for using microcredit:

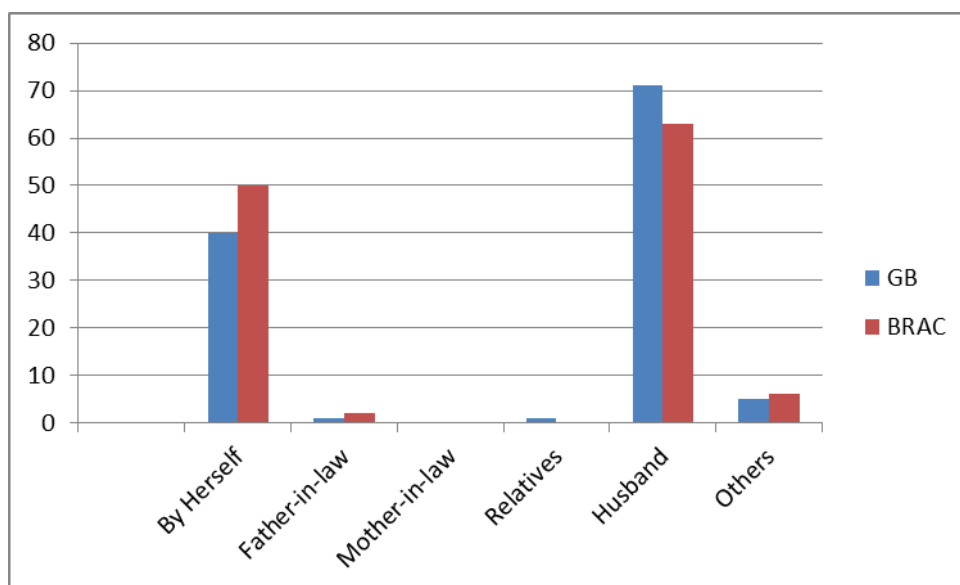
Micro credit is an important tools or instrument for women empowerment. So taking decision for using microcredit is very important. So the researcher tried to find out who takes decision on using microcredit.

Table 21 -Taking Decision for Using Microcredit

User	GB		BRAC		Grand Total	
	Frequen cy	Percenta ge	Frequen cy	Percenta ge	Frequen cy	Percenta ge
By Herself	40	33.9%	50	41.3%	90	37.7%
Father-in-law	1	0.8%	2	1.7%	3	1.3%
Mother-in-law	0	0.0%	0	0.0%	0	0.0%
Relatives	1	0.8%	0	0.0%	1	0.4%
Husband	71	60.2%	63	52.1%	134	56.1%
Others	5	4.2%	6	5.0%	11	4.6%
Total	118	100	121	100	239	100%

After analyzing the table , it was seen that 37.66% of the respondents could take decision for using micro-credit . In focus group discussion and interview they viewed their husbands gave importance on the opinion, so they can take decision on using micro-credit. Before receiving credit their participation was more less.

Fig. No.21- Taking Decision for using microcredit:



Improvement in lifestyle

Micro-credit play a vital role for women socio-economic development, as in effect on all aspects of their life. It only influenced in their economic life but also in social life.

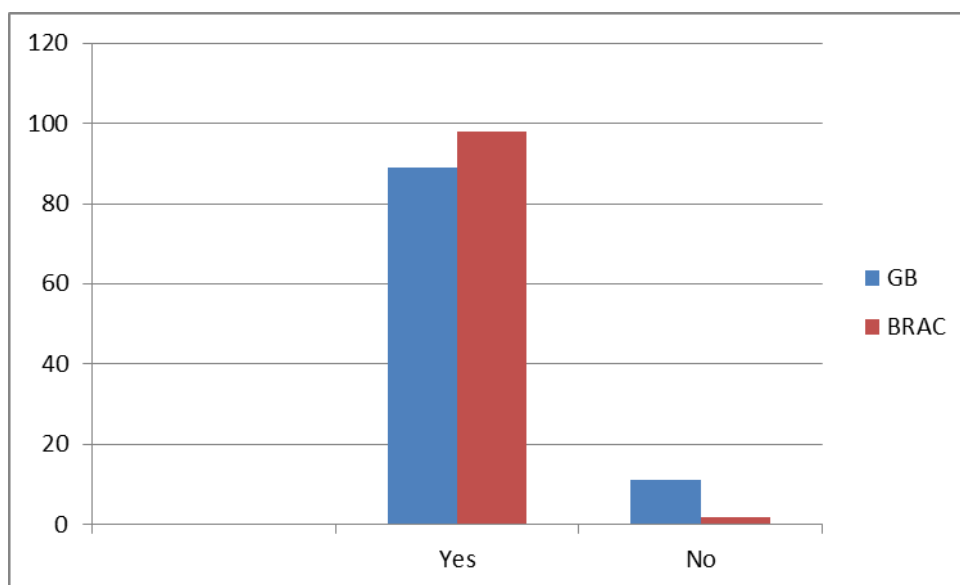
Table 22 -Improvement in life style after involvement in micro-credit activities.

Improvement Status	GB		BRAC		Grand Total	
	Frequen cy	Percenta ge	Frequen cy	Percenta ge	Frequen cy	Percenta ge
Yes	89	89%	98	81.0%	187	93.5%
No	11	11%	2	1.7%	13	6.5%
Total	100	100	100	100	200	84%

(Source: Field Survey)

After analysis of the table, it was found that 93.5% of the respondents told that micro-credit have improved their lifestyle. Only 6.5% showed a negative attitude.

Fig.No.22 - Improvement in life style after involvement in micro-credit activities



Socio-economic Condition

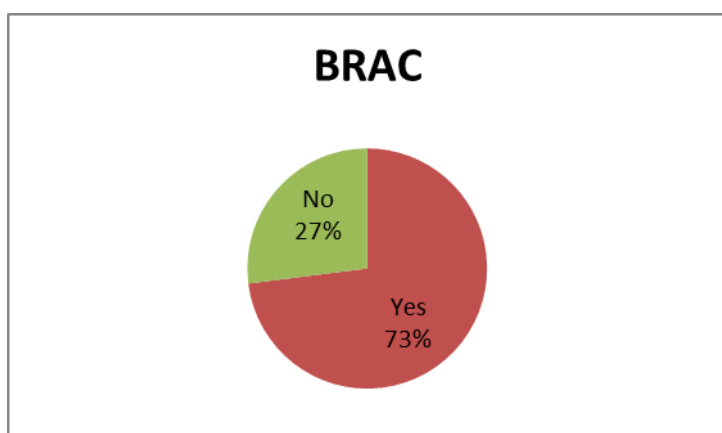
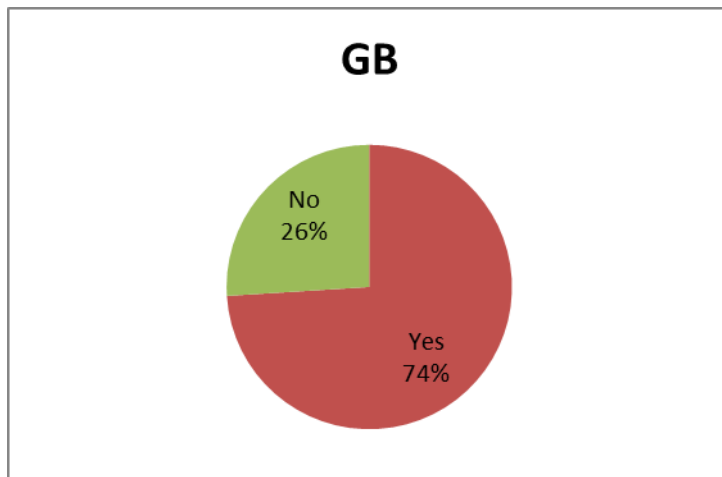
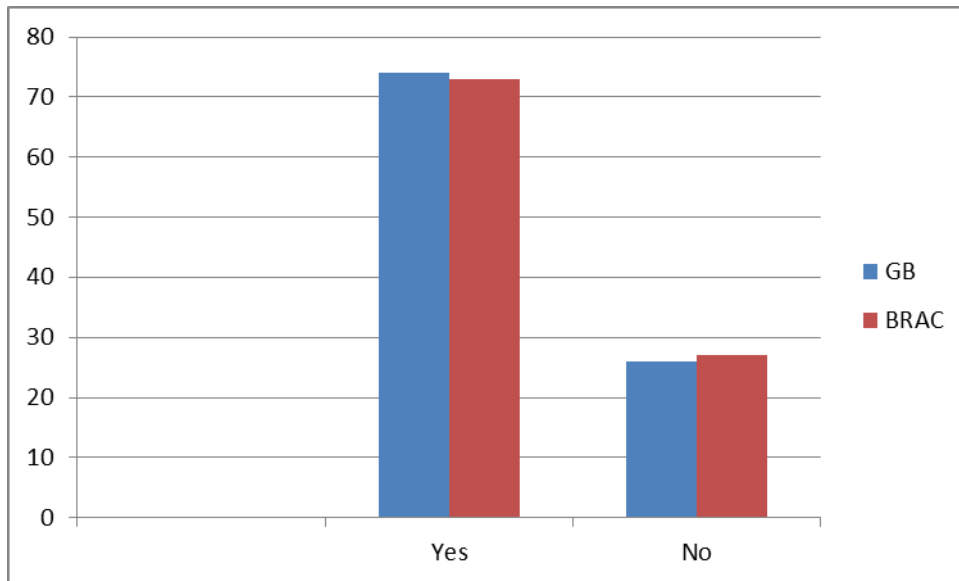
Table 23- Socio economic condition

Socio economic Condition	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Yes	74	74%	73	73.0%	147	73.5%
No	26	26%	27	27.0%	53	26.5%
Total	100	100	100	100	200	100%

(Source: Field Survey)

After analysis the table it was seen that 73.50% of the respondents told that their socio-economic condition has improved after taking micro-credit and only 26.50% told that it could not improve their socio-economic condition.

Fig no 23- Socio economic condition



Empowerment Status

Empowerment means ability to take decision anywhere in life it may be personal, social and national. GB and BRAC are playing important role for empowering women in Bangladesh. During weekly meeting the respondents meet together and discuss different issues for social and economic development of the women respondents.

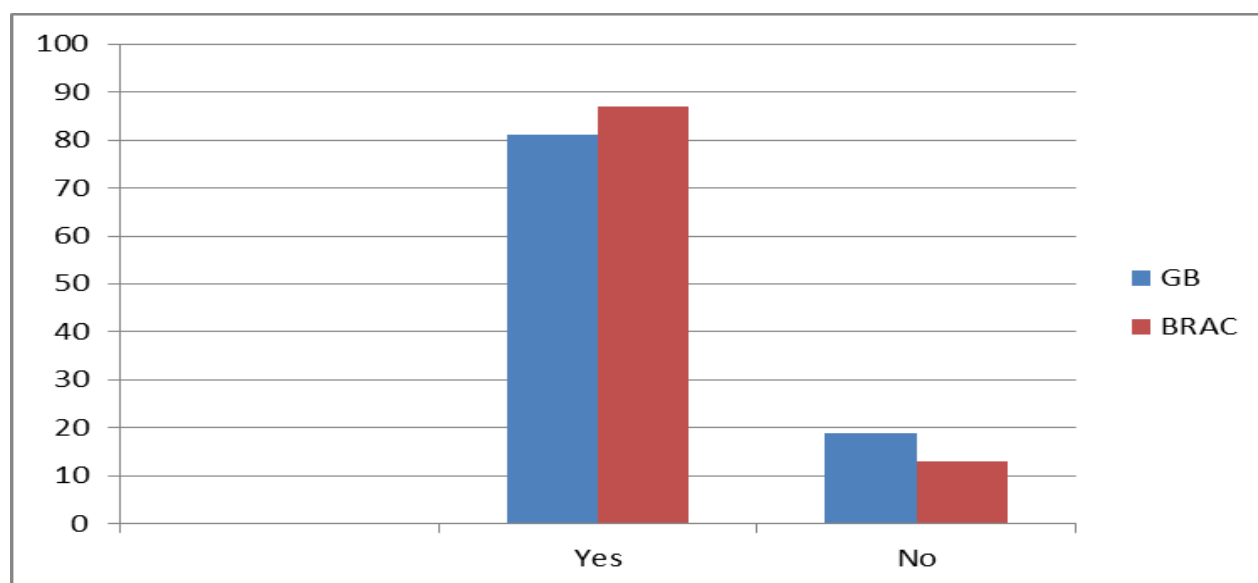
Table -24 - Empowerment Status

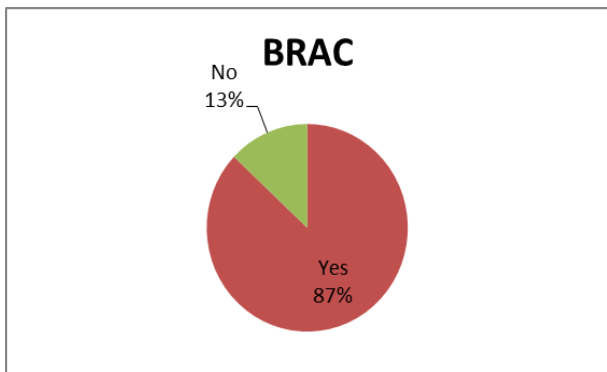
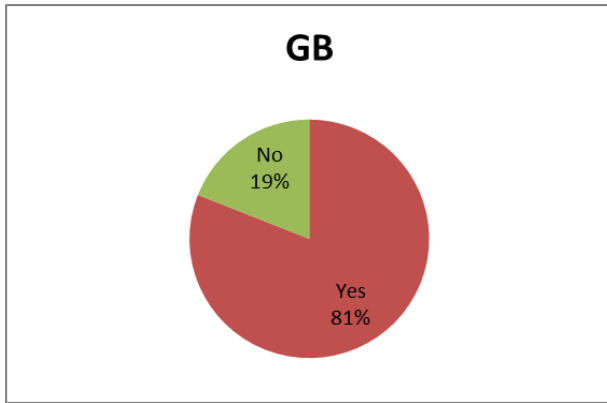
Empowered	GB		BRAC		Grand Total	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Yes	81	81%	87	73.0%	168	84.0%
No	19	19%	13	27.0%	32	16.0%
Total	100	100	100	100	200	100%

(Source: Field Survey)

After analysis the table it was seen , 84% of the respondents told that micro-credit has been developing their socio-economic condition. It has made them more confident and reliance. It has increased their sources of income, so women respondents were able to spent money to their own needs , purposes and for their family that has empowered them in long term in Micro Credit Activities,

Fig 24 - Empowerment Status





Chapter 6: Empirical Data and Findings

6.1 Sources and Methods of Data Collection:

To meet the fundamental needs of the study both the primary and secondary data have been collected. The primary data have been collected in the year 2015 and 2016. The active borrowers and officials of selected NGOs, banks, and organizations are interviewed by separate interview schedule from the field level in the study area. The secondary data has been used for the fulfillment of the study which is addition to primary data. These data have been collected from various local and international publications. The sources of secondary data are Grameen Bank, The Credit and Development Forum (CDF), The Palli Karma-Sahayak Foundation (PKSF), The Publications of Bangladesh Government, The Publications of Bangladesh Bank, related banks, related NGOs etc.

The Credit and Development Forum is established in 1992 as a network of microfinance institutes. The CDF is the only organization in Bangladesh which collects and preserves microcredit related data of different government and NGOs working in Bangladesh and abroad. The periodic publication of CDF “CDF Statistics” is a data bank reports and other publications bear the latest microcredit pictures of Bangladesh. The CDF also organizes training for the NGO personnel and also provides advisory and management support to different microfinance organizations. As the secondary data CDF Statistics enriches the present study.

In this study for collecting data interview method, observation method and library work have been applied. Two sets of questionnaires were prepared. One set of questionnaire for active borrowers and another set for officials of microcredit providers. Both the questionnaires were prepared with great care so that the accurate results could be achieved for the purpose of the resource. The respondents both the borrowers and the officials were interviewed in a friendly atmosphere at their houses and offices accordingly. Through observation method a number of vital information were collected. Participatory Rural Appraisal (PRA) and Focus Group Discussion (FGD) were conducted in a limited scale but were not possible to include those interview schedules. It was done through visiting the houses of the credit holders as well as their neighbors.

At the very initial stage of the study library work had been done. A lot of published and unpublished literature regarding microcredit management have been studied. For this purpose, the libraries of Dhaka University, The Center for Integrated Rural Development of Asia and the Pacific (CIRDAP), Bangladesh Institute of Development Studies (BIDS), Bangladesh Bank, PKSF, CDF and many other microcredit institutions were intensively visited.

6.2 Analysis of Data:

Different computer and statistical tools have been used for data compilation, tabulation and analysis. In the present study various statistical tools such as graphs, charts, sampling, measures of central tendency, correlation, regression etc. have been used to collect, scrutinize, tabulate and analyze the collected data. These tools help to present the data systemically and obtain the correct results. MS Word, MS Excel and SPSS have been used as the computer tools to get the result promptly but correctly.

6.3 Findings and Analysis of the Data Collection:

The qualitative data gathered through in-depth case studies among women beneficiaries of BRAC and Grameen Bank in Siddirgonj and Kapasia thanas provide substantial insights into how microcredit initiatives significantly enhance women's participation in politics. The analysis presented here follows structured thematic categories to address the main research question comprehensively.

6.3.1. Understanding Women's Empowerment:

Women respondents defined empowerment broadly as inclusive participation in all areas of life, independence in decision-making, and freedom from socio-economic discrimination. Empowerment is closely tied to women's ability to influence household and community decisions, including those related to political matters. The majority of women interviewed reported heightened awareness and understanding of their rights and responsibilities, attributing this directly to involvement with microcredit programs. Microcredit exposure allowed women to perceive empowerment not just as economic stability, but as a holistic transformation involving improved self-esteem, increased community visibility, and strengthened political voice.

6.3.2. Economic Empowerment and its Political Impact:

Economic empowerment, according to respondents, forms a critical foundation for political empowerment. Women emphasized how establishing financial independence through small businesses, such as tailoring, handicrafts, agriculture-based enterprises, and grocery shops, significantly raised their status within the community. This improved economic status translated into greater confidence, respect, and acceptance by their families and communities. Many beneficiaries reported feeling encouraged and empowered to participate actively in community meetings, local decision-making processes, and electoral activities, demonstrating a clear link between economic autonomy achieved through microcredit and subsequent political participation.

6.3.3. Professional Diversity and Political Empowerment:

Beneficiaries engaged in a wide array of economic activities. This professional diversity reflects the versatility and adaptability of women beneficiaries in leveraging microcredit resources. Women in diverse professions developed extensive community networks and social capital, crucial assets for political mobilization and community organizing. Through these businesses, women actively participated in and often led community initiatives, thereby enhancing their credibility and visibility, prerequisites for meaningful political involvement.

6.4.4. Income Generation, Savings Capacity, and Political Confidence:

Monthly incomes among respondents showed considerable variation, ranging from minimal supplementary earnings to substantial financial contributions to family budgets. Beneficiaries frequently highlighted how financial independence through microcredit-driven enterprises significantly increased their ability to save money and plan strategically for future family and community investments. The ability to generate income and save money directly contributed to women's increased confidence and assertiveness in expressing political opinions and engaging in local governance.

6.4.5. Autonomy in Decision-Making and Political Participation:

Respondents reported remarkable progress in their autonomy and decision-making capacities. Many women expressed pride in their enhanced roles within household decision-making

processes, directly influencing family planning, children's education, financial investments, and critical community issues. This autonomy was frequently described as instrumental in empowering women to voice their opinions publicly and engage proactively in local politics and community advocacy initiatives.

6.4.6. Enhanced Participation in Social Organizations:

Beneficiaries regularly participated in community and social organizations, such as cooperatives, village committees, and NGOs, without encountering significant family or societal barriers. Women's active involvement in these organizations provided them with opportunities to discuss community problems, advocate for necessary resources, and facilitate dialogues between community members and local authorities. Such participatory experiences were described as invaluable in building confidence, enhancing leadership skills, and improving public speaking abilities, crucial competencies for political engagement.

6.4.7. Expression of Political Views and Electoral Participation:

Beneficiaries noted a significant increase in their freedom and ability to express political views openly. They actively participated in voting without coercion or external influence, reflecting heightened political awareness and autonomy. While most respondents did not directly engage in political party activities, they clearly understood the importance of electoral participation and reported consistent involvement in local elections, actively supporting candidates who advocated for community development and women's rights.

6.4.8. Crisis Management Capabilities:

Respondents reported enhanced capabilities in managing familial and community crises, frequently assuming central roles during emergencies. This leadership capability, fostered through experiences in managing microcredit-financed ventures, elevated women's visibility, respect, and credibility within their communities. The skills developed in crisis management, such as effective decision-making, negotiation, problem-solving, and community organizing, further positioned women as influential figures capable of participating meaningfully in local governance structures.

6.4.9. Social Status, Economic Improvement, and Political Influence:

Improved economic conditions significantly elevated women's social status, resulting in increased community respect and influence. Beneficiaries reported that improved social

recognition substantially enhanced their ability to engage in political discourse and advocate for community improvements effectively. They often served as informal community leaders, mediators, and advocates, roles that established their influence and facilitated their entry into formal political discussions and activities.

6.4.10. Interaction and Networking with Local Leaders:

Beneficiaries frequently communicated with local leaders, government representatives, and political figures to advocate for community needs, address local grievances, and negotiate improvements in infrastructure, education, and health services. These interactions enhanced women's political visibility and credibility, facilitating their ability to influence local policy decisions directly and indirectly. Women reported increased recognition by local leaders as credible and effective community representatives due to their microcredit-induced economic achievements.

6.4.11. Recommendations and Future Outlook:

Respondents strongly recommended expanding and improving microcredit programs, specifically emphasizing enhanced training, better financial literacy education, and increased loan amounts to facilitate larger entrepreneurial ventures. They advocated that microcredit programs continue incorporating initiatives addressing broader social issues such as gender discrimination, health awareness, education, and legal rights, thereby ensuring comprehensive women's empowerment.

6.4.12. Major Initiatives by Grameen Bank and BRAC in Awareness Building:

Respondents highlighted numerous awareness-building initiatives undertaken by Grameen Bank and BRAC. These included sessions on women's rights, education, health, sanitation, and political awareness. These awareness programs have significantly improved women's understanding of their societal roles, responsibilities, and rights, enhancing their readiness for political involvement.

6.4.13. Impact on Poverty Alleviation:

Women beneficiaries clearly articulated that microcredit significantly contributed to poverty alleviation. Many respondents described their transition from poverty to relative economic stability, positively impacting their confidence and social standing. This economic shift was

instrumental in facilitating their greater involvement in local governance and community decision-making.

6.4.14. Small Business Development Assistance:

Beneficiaries praised BRAC and Grameen Bank for their support in establishing small businesses. They emphasized the provision of financial resources, training, mentorship, and continuous support, crucial for the sustainability of their enterprises. These business ventures notably boosted women's confidence, decision-making capacity, and overall societal participation, including political engagement.

6.4.15. Self-Employment and Empowerment:

Respondents considered self-employment fostered by microcredit transformative. Engaging in entrepreneurial activities significantly enhanced their financial independence, decision-making autonomy, and societal recognition. These improvements were strongly correlated with increased political participation and advocacy for women's rights at community levels.

6.4.16. Engagement with Other NGOs:

Several respondents described active engagement with additional NGOs that complemented BRAC and Grameen Bank efforts. Collaboration with multiple organizations provided women a broader understanding of various social, economic, and political issues, enhancing their ability to advocate effectively for community needs and participate meaningfully in politics.

6.4.17. Social Awareness through Voluntary Services:

Beneficiaries frequently engaged in voluntary services organized by BRAC and Grameen Bank, such as community education campaigns and health drives. Voluntary engagement improved their leadership and organizational skills, increased community visibility, and further facilitated political empowerment.

6.4.18. Essential Health Services for Women's Development:

Women reported substantial benefits from health services provided by BRAC and Grameen Bank, including maternal health education, nutrition, and family planning. Improved health

outcomes directly enhanced women's ability to participate actively in community and political affairs.

6.4.19. Educational Services Availability:

Educational programs provided by BRAC significantly impacted women's awareness and empowerment. Adult literacy programs and children's educational initiatives fostered long-term community development and enabled women to confidently engage in political dialogue and decision-making.

6.4.20. Skill Development and Capacity Building:

Respondents affirmed the importance of training programs offered by BRAC, focusing on skill development and capacity building. Such training programs significantly improved women's entrepreneurial capabilities, self-confidence, and leadership qualities, critical for political participation and community engagement.

6.4.21. Legal Aid and Human Rights Services:

Respondents emphasized the critical role played by BRAC in providing legal aid and human rights education. Awareness of legal rights and access to justice empowered women to advocate confidently for themselves and others, directly enhancing their political consciousness and engagement.

Conclusion:

The findings clearly indicate that microcredit programs significantly contribute to enhancing women's economic and political empowerment. The tangible improvements in women's economic conditions directly translate into increased political participation, visibility, and influence. The empowerment fostered by microcredit is multidimensional, improving women's financial autonomy, decision-making power, community status, and ultimately their meaningful participation in politics.

The comprehensive analysis shows that BRAC and Grameen Bank's multifaceted microcredit interventions significantly impacted women's overall empowerment, creating conditions favorable for active political participation, economic independence, social inclusion, and leadership development within their communities.

In summary, the structured and strategic implementation of microcredit initiatives by BRAC and Grameen Bank has substantively enhanced women's roles in politics, demonstrating that economic empowerment remains foundational to broader political and social advancements for rural women in Bangladesh.

Chapter 7: Data Analysis and Findings of the Study

7.1 Introduction

This chapter presents and analyses the findings of the study, which investigated the relationship between women's participation in microcredit programs, their subsequent empowerment, and, most importantly, their engagement in political life in two regions of Bangladesh—Siddirgonj in Narayanganj District and Kapasia in Gazipur District. While earlier drafts of this chapter focused largely on the demographic characteristics of respondents, the present version goes beyond descriptive profiles to examine the central research question: **to what extent does microcredit-induced empowerment translate into women's meaningful participation in political processes and decision-making within their communities?** Quantitative data are integrated with qualitative evidence from interviews and focus group discussions to provide a nuanced understanding of how economic and social changes influence political agency among rural women.

The selection of Siddirgonj and Kapasia was both purposive and random, as these areas represent typical “microcredit villages” where government agencies, banks, and non-governmental organizations (NGOs) actively provide credit. Such areas are important because the density of microcredit activities not only promotes income-generating opportunities but also creates platforms for collective action and participation in local governance. Within the government sector, the Bangladesh Rural Development Board (BRDB) and the Department of Youth Development were selected for their extensive outreach in microcredit programs. In the private sector, leading microfinance organizations such as Grameen Bank (GB), BRAC, ASA, and the regional NGO Samadhan were chosen to capture a representative range of microcredit interventions.

Microcredit in these contexts serves multiple functions. Loans are used for agricultural activities, small businesses, livestock rearing, and other livelihood options, while in some cases they are used for social obligations such as dowry payments or medical treatment. However, the purpose of credit use has direct implications for empowerment. When invested productively, microcredit can lead to increased income, improved decision-making power, and enhanced confidence—factors that are essential for women's transition from private roles within the household to public roles in the community and local politics.

In Bangladesh, where nearly half of the population are women—most living in rural areas—political participation has historically been limited due to socio-cultural constraints, low literacy levels, and economic dependency. Microcredit programs have the potential to challenge these barriers by fostering economic self-reliance, collective organizing through borrower groups, and exposure to community meetings. These elements not only improve women’s socio-economic status but also open avenues for participation in **Union Parishad meetings, local committees, community development forums, and electoral processes.**

Therefore, the present chapter focuses on analysing how microcredit participation empowers women in ways that extend beyond income generation to enable them to speak in public forums, influence local decision-making, and gradually reshape their role in the political life of their villages. The findings presented here seek to answer a key question: **does empowerment gained through microcredit truly translate into active political participation, or does it remain confined within the household sphere?**

7.2 Profile of the Respondents

The respondents in this study were drawn from women actively involved in microcredit programs provided by Grameen Bank (GB), BRAC, and selected government agencies such as BRDB and the Department of Youth Development.

Age and Marital Status:

Most respondents (47.5%) were between 31 and 40 years old. A significant majority (92.5%) were married, while the remainder were widowed, separated, or single.

Education:

Educational attainment was low. Only three respondents had completed higher secondary school. Many (25.5%) could only sign their names, while 22% were illiterate and 22.5% had education up to class VI–X.

Occupation and Land Ownership:

A large majority (88.29%) identified as housewives before joining microcredit programs. Most respondents owned very small plots of land (0.02–0.10 acres), and many were landless prior to receiving loans.

This profile illustrates the socio-economic vulnerability of the women targeted by microcredit programs, providing context for analyzing how empowerment and political participation emerge from their experiences.

7.3 Empowerment Outcomes from Microcredit Participation

The findings confirm that microcredit has positively influenced women’s economic and social empowerment in the study areas. Respondents reported using loans for livestock, homestead gardening, and small businesses. This diversification of income has reduced vulnerability and improved repayment capacity:

“I use my loan for a poultry farm. When the chairman came to the village, I stood up and asked for a better market price for eggs.” — Respondent, Siddirgonj.

Household decision-making also improved. After joining microcredit groups, 82% of respondents reported active participation in family decisions compared to only 18% before:

“Before the loan, I could not even suggest how to spend household money. Now my husband asks me before making big decisions.” — Interviewee, Kapasia.

These economic and social outcomes provide a foundation for greater confidence and autonomy, essential elements for political participation.

7.4 Evidence of Political Participation among Respondents

Although microcredit programs do not directly target political behavior, findings reveal early signs of increased political engagement:

Voting Behavior: Nearly all respondents reported voting in local and national elections.

Attendance at Community Meetings: Attendance increased from 0.5% before microcredit involvement to 15.5% after.

Leadership Roles: A small but notable proportion (about 8%) have taken up leadership roles within their microcredit groups or local committees.

One respondent shared:

“We now attend Union Parishad meetings because we know our rights. I even spoke once about the need for better roads.” — FGD participant, Narayanganj.

This evidence suggests that microcredit groups act as entry points for women’s political awareness and community involvement.

7.5 Linking Empowerment with Political Participation

The data demonstrate that economic empowerment alone does not automatically lead to political participation; however, it creates enabling conditions for engagement. Women with higher levels of empowerment—such as control over income and confidence in decision-making—were more likely to engage in political activities, whether by speaking in meetings or advocating for local issues.

Table 7.1 below illustrates key empowerment dimensions and their links to political participation:

Aspect of Empowerment	Indicators	Link to Political Participation
Economic Empowerment	Increased income, ownership of small assets, ability to reinvest loans	Resources and confidence to engage in local forums and discussions
Decision-making Power	82% participate in family decisions	Builds skills transferable to committee meetings and community decision-making
Mobility and Social Empowerment	32% can travel without male accompaniment; attendance at meetings rose from 0.5% to 15.5%	Enables women to attend union meetings, vote independently, and advocate for needs
Collective Group Engagement	Participation in microcredit groups, shared responsibilities	Develops solidarity and organizational skills, fostering leadership potential
Barriers	Heavy workload, low literacy, reliance on husbands for marketing	Limits deeper engagement in formal political structures

7.6 Insights from Qualitative Interviews

Qualitative interviews provided rich insights into the lived experiences of microcredit recipients:

“We women sit together in meetings and talk about school, dowry, and elections. Earlier, we were silent.” — Respondent, Kapasia.

“My husband still takes our products to the market, but now he asks me how much to sell and where to sell.” — Interviewee, Siddirgonj.

“I can decide how to spend my money now. Last time, I paid my son’s exam fees myself, and then I joined the ward meeting to know about education funds.” — FGD participant, Narayanganj.

These narratives demonstrate that empowerment is not limited to the household sphere but gradually extends into community and political life.

7.7 Key Emerging Themes and Discussion

The analysis of the data reveals that microcredit participation has significant implications for the political empowerment of women in Siddirgonj and Kapasia. While microcredit is often discussed primarily as a tool for economic development, the findings of this study show that its influence extends beyond income generation, shaping women’s confidence, mobility, decision-making capacity, and collective voice in ways that facilitate political engagement (Kabeer, 1999; Goetz & Gupta, 1996). The following themes emerged prominently from the data.

7.7.1 Diversified Livelihoods as a Foundation for Political Agency

Households with more diversified livelihood options—often achieved through microcredit—demonstrate greater financial security and resilience. This stability allows women to move beyond immediate survival concerns and to participate more actively in community matters. Women who invested in income-generating activities such as poultry, mat making, and homestead production reported an enhanced sense of control over resources, which translated into greater self-confidence.

“Before I had my own shop, I never thought I could go to a meeting. Now I feel I can speak because I earn money too.” — Respondent, Siddirgonj.

This aligns with findings by Azam and Imai (2009), who argue that livelihood diversification improves households’ ability to manage risks and enhances women’s bargaining position. **This demonstrates that economic diversification through microcredit is an essential first step in building political agency.**

7.7.2 Group Participation and Collective Empowerment

Microcredit schemes are typically organized around borrower groups, which have proven to be important incubators for collective empowerment. Regular meetings to discuss loan repayments, business challenges, and community issues expose women to democratic processes such as voting, turn-taking, and collaborative decision-making (Kabeer, 2001).

“We women sit together in our BRAC meeting and talk about more than loans—now we discuss the school road and the tube-well too.” — FGD participant, Kapasia.

“When we go as a group to the Union Parishad, we feel stronger. Alone, I would be too shy to speak.” — Respondent, Narayanganj.

Such collective experiences provide practice in negotiation and public speaking, which are transferable to community committees and local governance structures. **This theme underscores that microcredit groups are not only financial structures but also informal training grounds for political participation.**

7.7.3 Empowerment is Complex and Contextual

Empowerment is neither uniform nor linear. Many respondents have gained influence in household decisions—particularly in matters such as children’s education and food purchases—yet still face cultural restrictions in areas like land transactions or legal affairs (Goetz & Gupta, 1996). For instance, some women noted that while they manage household budgets, their husbands retain control over marketing products or signing contracts.

“I can decide what to buy for my children and even for our home, but for land matters my husband signs the papers.” — Interviewee, Siddirgonj.

While approximately 32% of women reported being able to travel outside their village without a male companion (UNDP, 2008), a majority still rely on male relatives for mobility

in certain contexts. **This theme highlights that empowerment through microcredit is advancing but remains mediated by socio-cultural norms.**

7.7.4 Political Participation Emerging from Microcredit Networks

Microcredit networks have become platforms for discussing public issues. Women reported that through group meetings they became more aware of local governance structures and felt encouraged to engage in them. Several respondents indicated that they now attend Union Parishad meetings or speak up in community gatherings:

“Before joining BRAC, I did not even know when elections were. Now I make sure I go and I tell others to go.” — Respondent, Kapasia.

“After we got loans, we asked the chairman why the street lights are not working.” — FGD participant, Narayanganj.

These activities, though often informal, represent early steps toward political empowerment and are consistent with Kabeer’s (2005) notion of empowerment as a process of gaining the ability to make choices and influence outcomes. **This theme illustrates that microcredit can serve as an entry point for grassroots political engagement.**

7.7.5 Barriers Limiting Full Political Empowerment

Despite positive developments, several barriers remain. Heavy workloads—often exceeding 11–14 hours per day—limit women’s ability to attend meetings or pursue leadership roles. Many borrowers also continue to face literacy challenges, which restrict their ability to manage documentation or lead group initiatives independently (Montgomery et al., 1996). Female-headed households, while benefiting from microcredit, often lack the social support networks that facilitate broader participation.

“I wanted to join the training, but after working in the field and cooking, I was too tired to go.” — Respondent, Siddirgonj.

These constraints suggest that while microcredit can spark empowerment, additional structural support is needed to sustain women’s political involvement.

7.7.6 Summary of Themes

Collectively, these findings suggest that microcredit programs have initiated important shifts in the lives of rural women. By improving economic security and fostering group solidarity, microcredit provides a platform for developing voice, confidence, and civic engagement. However, empowerment remains partial and contingent on overcoming persistent barriers such as cultural norms, workloads, and limited access to markets and education.

In summary:

- Microcredit contributes to economic empowerment, which serves as a foundation for political agency.
- Group structures foster collective confidence and informal training in democratic participation.
- Women's empowerment remains uneven, with notable progress in household decision-making and early steps into community politics.
- Barriers such as workload, literacy, and mobility continue to limit the depth of political participation.

Overall, the emerging themes from this study reinforce the argument that microcredit is not only a financial tool but also a catalyst for women's political empowerment, enabling them to gradually transition from private, household roles to active participants in the public and political life of their communities.

7.8 Policy Implications

To translate economic empowerment into political participation, several policy measures are recommended:

Integrate Civic Education:

Microcredit institutions should include training on rights, local governance, and leadership within their programs.

Support Collective Advocacy:

Encourage microcredit groups to engage in community decision-making processes, such as ward shavas and Union Parishad forums.

Reduce Structural Barriers:

Provide childcare during meetings, introduce literacy training, and improve transport access for women.

Measure Political Outcomes:

Evaluate microcredit programs not only on economic indicators but also on women's involvement in local governance and community development.

Collaborate with Local Governments:

NGOs and microfinance bodies should work with Union Parishads to ensure that empowered women are included in planning and decision-making.

7.9 Summary

This chapter has demonstrated that while microcredit programs have significantly contributed to women's empowerment in Siddirgonj and Kapasia, the translation of this empowerment into political participation remains partial. Women are now more active in household decision-making, better able to manage livelihoods, and increasingly confident in public forums. However, cultural norms, workloads, and limited education continue to restrict their full participation in formal political structures. Strengthening the link between empowerment and political participation requires targeted interventions, continuous training, and supportive policy environments.

Chapter 8: Conclusion and Recommendations

8.1 Conclusion

This study examined how microcredit initiatives, particularly those implemented by Grameen Bank and BRAC, have influenced rural women not only in terms of economic empowerment but also in shaping their political awareness and participation. The analysis revealed that microcredit has enabled many women to achieve greater financial autonomy, develop confidence, and strengthen their roles within the household. More importantly, this empowerment has extended into the public sphere, encouraging women to participate more actively in local decision-making, voting, and community leadership activities.

Women who were previously confined to domestic roles are now expressing their opinions in Union Parishad meetings, engaging with local leaders, and influencing decisions that affect their communities. Their increased participation in voting, school committees, and public forums demonstrates that microcredit can act as a gateway to political engagement. However, persistent barriers such as limited education, cultural restrictions, and time constraints continue to limit full political involvement.

8.2 Recommendations

To build on these positive outcomes and further strengthen women's participation in politics, the following recommendations are made:

- 1. Provide Civic and Political Training: Microcredit providers should incorporate modules on political rights, local governance, and advocacy skills into their training sessions to equip women with the knowledge needed to engage in politics.**
- 2. Support Women's Leadership: Encourage and mentor women within microcredit groups to take leadership positions in community committees and stand as candidates in local elections.**
- 3. Address Practical Barriers: Introduce support measures such as childcare during meetings, flexible schedules, and safe transportation to help women attend community forums and political gatherings.**

4. Create Dialogue Platforms: Establish regular meetings between microcredit groups and local government representatives to build confidence and establish direct channels for women's voices.

5. Policy Integration: Government agencies and NGOs should align microcredit programs with national gender and political participation policies, ensuring that economic initiatives also promote women's civic engagement.

8.3 Final Reflection

The study concludes that microcredit serves as more than an economic support mechanism; it is a catalyst for women's broader participation in public life. With continued efforts to link economic empowerment to civic education and leadership opportunities, microcredit programs can significantly contribute to the development of a more inclusive and participatory political landscape in Bangladesh.

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Appendix

Interview Guide for M.Phil Thesis in Political Science, University of Dhaka, Bangladesh

Title of the Thesis:

Enhancement of Women Participation in Politics through Microcredit: A Case Study on Siddirgonj and Kapasia Thana of Bangladesh.

Supervisor:

Dr. Dil Rowshan Zinnat Ara Nazneen

Questionnaire for Beneficiary Women

Researcher: _____

Date: _____

Name of the Local Zone: _____

Village: _____

Questionnaire on:

Enhancement of Women Participation in Politics through Microcredit: A Case Study on Siddirgonj and Kapasia Thana of Bangladesh.

Part 1: Respondents' Personal Information

1. Respondent's Name: _____
2. Sex:
 - a) Male
 - b) Female
3. Age:
 - a) 20–25
 - b) 25–30
 - c) 30–35
4. Educational Qualification:
 - a) Illiterate
 - b) Literate
 - c) Primary
 - d) Secondary
5. Marital Status:
 - a) Married
 - b) Single
 - c) Divorced
 - d) Widow
6. Occupation:
 - a) Housewife
 - b) Unemployed

- c) Wage labour
 - d) Self-employed
 - e) Service holder
7. Family Structure:
 - a) Single
 - b) Extended
 8. How many members are in your household now?
 - a) 4
 - b) 6
 - c) 8
 - d) 10
 9. How much land do you/your family own/hold (in acre)?
 - a) Landless
 - b) 1 acre
 - c) 2–3 acres
 10. What are the sources of income of your household?
 - a) Farming
 - b) Job
 - c) Business
 - d) Livestock

Part 2: Microcredit Participation and Impact

11. How did you first come to know about the possibilities of getting a loan from Grameen Bank?
 - a) Family/Friend
 - b) Bank worker
 - c) Neighbour
 - d) Advertisement
 - e) Others
12. How much loan did you receive from Grameen Bank?
 - a) 5000 Tk
 - b) 10000 Tk
 - c) 20000 Tk
 - d) Others
13. What changes have happened to you after receiving credit from Grameen Bank?
 - a) Decision-making power
 - b) Freedom of expression
 - c) Family planning
 - d) Economic self-help
14. Whose decision was final before your involvement with the microcredit programme?
 - a) Yours
 - b) Your husband
 - c) Your father
 - d) Your father-in-law
15. Are you facing any torture by your husband after joining in microcredit activities?
 - a) Yes
 - b) No

16. Do you attend community meetings?
 - a) Yes
 - b) No
17. When did you start attending community level meetings?
 - a) Before becoming a microcredit group member
 - b) After becoming a microcredit group member
18. Do/did you campaign for a political candidate or get together with others in meetings?
 - a) Yes
 - b) No
19. Do you participate in politics, especially in local government elections?
 - a) Yes
 - b) No
20. If yes, is it:
 - a) Before becoming a microcredit group member
 - b) After becoming a microcredit group member
21. Do you cast your vote in the elections?
 - a) Yes
 - b) No

If the answer is Yes, the candidate is chosen by:

- a) Yourself
- b) Your husband
- c) Chairman
- d) Member
- e) Relatives
- f) Others

22. If answer is “Yes” to Question 21, do you think your attitude/mentality on involvement in politics has changed?
 - a) Yes
 - b) No
23. Do you think your involvement in microcredit programmes brings significant change in your lifestyle and makes you more confident?
 - a) Yes
 - b) No
24. Have you observed any changes among microcredit recipients economically and socially after receiving credit?
 - a) Yes
 - b) No

If Yes, what kind of changes have you observed?

- a) Self-dependent
- b) Confident
- c) Economically and politically empowered

25. Do you express your independent opinion in the household decision-making process?

- a) Yes
- b) No

26. Finally, do you think that after involving in microcredit activities, women are empowered?

- a) Yes
- b) No