

¹ Impact of Microcredit Programs on Women Empowerment in ² Bangladesh: A Comparative Study of Grameen Bank and BRAC

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⁶

⁷ **Abstract**

⁸ The purpose of this paper is to investigate the effects of microcredit programs on women
⁹ empowerment in Bangladesh, especially in rural areas, by making a comparative study of
¹⁰ Grameen Bank and BRAC. In this study, both primary and secondary data were used.
¹¹ Primary data were collected by a household questionnaire survey in Tangail district.
¹² Percentage analysis, cross-tabulation, and paired ttest had been used to analyze and interpret
¹³ the data. Secondary data were retrieved from different books and magazines, internet and
¹⁴ related journals, and project papers. The results showed that microcredit programs of
¹⁵ Grameen Bank and BRAC have a significant impact on women empowerment in Tangail
¹⁶ district, Bangladesh. The research was limited to Tangail region, and only two NGOs were
¹⁷ taken into consideration while collecting primary data. The policymakers can utilize these
¹⁸ research findings while making policies on women empowerment. This study will also
¹⁹ encourage different other NGOs to broaden their microcredit programs as well as the women
²⁰ to take microcredit and change their fortune.

²¹

²² **Index terms**— microcredit, women empowerment, NGOS, economic development.
²³ the distribution of empowerment indicators show that 83% of the women have a very low economic contribution,
²⁴ 44% have a very low access to resources, 93% have a very poor asset ownership, 73% have a moderate participation
²⁵ in household decision-making, 43% have a highly unfavorable perception on gender awareness and 72% have a
²⁶ moderate to high coping capacity to household shocks. Moreover, women have limited access to investments in
²⁷ skills, knowledge, and lifelong learning compared to the men. Therefore, their active engagement in economic
²⁸ activities is essential for economic growth and nation-building (Duflo, 2012). Women empowerment in Bangladesh
²⁹ through the formal credit programs of the different authorities (banks) is a bit difficult as most of the poor women
³⁰ remained outside of the reach of that credit programs (Hossain, Islam, & Majumder, 2016). Micro-credit programs
³¹ had been evolved as an effective tool to engage the women in the credit process. Most of the micro-credit programs
³² intentionally target women as they have limited access to credit, have limited access to employment opportunity,
³³ have less authority in household decision making and have higher records of loan repayment compared to the men
³⁴ (Rahman, Khanam, & Nghiem, 2017). Thus, women are with low credit risk and are more likely to share the
³⁵ benefits of the credit with their family members, especially their children ??Rahman et al., 2017). Micro-credit
³⁶ programs are an effective system, as unlike formal loan provider institutions (banks), these targeted programs
³⁷ make the individual scattered poor women into groups, provide them training facilities, ask them to save a small
³⁸ amount of money, and help them to find a source of employment for generating income ??Pitt & Khandker, 1996).
³⁹ That is why women engagement in the labor force was increased to 35.6 percent in 2016 compared to 4 percent
⁴⁰ in 1974 (The Daily ??tar, 2018). By considering all these, the main objective of this study is to investigate the
⁴¹ effects of microcredit programs on women empowerment in Bangladesh especially in rural areas by making a
⁴² comparative study of Grameen Bank and BRAC, the two top NGOs in Bangladesh which also have international
⁴³ exposure. The Grameen Bank was formed in 1976 when professor Muhammed Yunus launched a research project
⁴⁴ to examine the possibility of designing a credit system targeted to the rural poor. In Year 2019 () A omen are

45 about half of the total population in Bangladesh and true economic development of Bangladesh, ignoring half of
 46 its population is quite impossible. Historically, women in Bangladesh are socially and economically deprived than
 47 men. Disparities between men and women exist here in education, health, employment and income generation
 48 opportunities, control over assets, personal security and participation in the political process that make women
 49 disadvantaged and less empowered, which limits the country's ability to achieve its full potential (MOWCA,
 50 2008). Sarumathi and Mohan(2011) argued that gender discriminating societies experience higher poverty rate,
 51 slower economic prosperity, weaker governance, and lower living standard of people. So women empowerment
 52 is very much essential as it is strongly related to economic development ??Duflo, 2012). Shahnaz Parveen and
 53 Ingrid-Ute Leonhauser (2004) showed that

54 1 Introduction

55 October 1983, the project was transformed into an independent bank named the Grameen Bank. In 2006, the
 56 Grameen Bank and Muhammed Yunus were jointly awarded the Nobel Peace Prize. The organization is built
 57 around a group-based credit approach that utilizes peer pressure within the group to ensure that the borrowers
 58 follow through with their payments. As stated earlier, the government of Bangladesh has fixed the flat interest
 59 rate that microfinance institutions can charge at 11percent. The Grameen Bank has a total of 8.39 million
 60 active borrowers of whom 97 percent are women. It operates via 2,567 branches in 81,386 villages in Bangladesh
 61 (Graflund, 2013). BRAC is as of November 2012 the largest non-governmental organization in the world, measured
 62 in the number of people it has helped. It was established in 1972 and is no present in all districts of Bangladesh
 63 and Pakistan, Sri Lanka, Uganda, Tanzania, South Sudan, Sierra Leone, Liberia, Haiti, and the Philippines.
 64 BRAC currently serves 4.39 million Bangladeshi individuals, most of who are women. BRAC has two forms of
 65 microcredit: one called Progoti, which is given for both men and women, and one called Dabi, which is given
 66 exclusively for women. The Dabi microcredit program ranges from USD 50 to 700, given in Taka, and is given
 67 in a group setting that is labeled the Village Organization (VO). The VO, each with 30-40 women, function as a
 68 platform for poor women to come together, exchange information, and raise awareness on social issues concerning
 69 their daily lives. Furthermore, the VO works as an informal guarantor by creating peer pressure in the group
 70 for regular repayments. Borrowers repay their loans via weekly installments at a flat interest rate of 11percent
 71 during VO meetings held in the borrower's village. These loans are generally used for small operations poultry,
 72 livestock, or handicraft (Graflund, 2013).

73 The rest of the paper is organized as follows-the following section reviews related literature towards the
 74 development of hypotheses. The conceptual framework is discussed in section three. Section four and five are
 75 followed by methodology, and result and discussion of the study. In section six, conclusion and recommendations
 76 are set. Finally, the paper is ended with the limitations of this paper and future research directions in section
 77 seven.

78 2 II.

79 Literature Review Khandker and Pitt (1998) showed the impact of microcredit on income using a double-difference
 80 approach between eligible and ineligible households and between microcredit program villages and nonprogram
 81 villages by focusing three major microfinance institutions: Grameen Bank, Bangladesh Rural Advancement
 82 Committee (BRAC), and Bangladesh Rural Development Board (BRDB). The main finding was that microcredit
 83 programs had a positive effect on household consumption, especially for female borrowers. Kabeer (2001)
 84 examined the relationship between microcredit and women empowerment by interviewing both female and male
 85 microcredit program participants in two provinces in Bangladesh. The conclusion from her study was that women
 86 who received microcredit had higher self-worth and better access to capital. Even if participating in a microcredit
 87 program in some cases led to a higher workload, the women think positively about their increased contribution
 88 to the household income.

89 Furthermore, she found that in many cases, microcredit increased women's decision-making ability within the
 90 household. Goetz and Sen Gupta (1996) surveyed to show the effect of microcredit on women empowerment.
 91 A five-point index of loan control was used with the following measurements: full, significant, partial, very
 92 limited, and no involvement as an indicator on women empowerment. They found that in 37% of the cases,
 93 women retained full or significant control over the loan, and 22% of the cases women had no involvement in the
 94 loan process. They also showed that married women compared to unmarried women, had exercised less control
 95 over their loans. Hashemi, Schuler, and Riley (1996) found that the Grameen Bank and BRAC had significant
 96 positive effects on women empowerment. They chose six villages where the Grameen Bank and BRAC both
 97 operate and collected data through participant observation and informal interviews. They used a combination
 98 of sample survey data and case study approach to argue that the success of the Grameen Bank in empowering
 99 women is due to its strong central focus on credit, and its skillful use of rules and rituals to make the loan
 100 program function. Mizan (1993) used an index called the Household Decision Making (HHDM) scale, which
 101 was composed of questions on matters such as decision of food purchase, education and marriage of children,
 102 expenses on medical for self and husband, the woman's business earnings, purchase and sale of land, hiring of
 103 outside labor, purchase of agricultural inputs, the provision of financial support to husband's family and purchase
 104 of clothes for self and other household members. He showed that the member of years of borrowing from the

105 Grameen Bank has a positive and significant effect on the HHDM score. Sarumathi and Mohan (2011) used
106 psychological, social, economic indicators to examine the role of microfinance in empowerment in Pondicherry
107 region and revealed that microfinance assisted women in gaining psychological and social empowerment than
108 economic empowerment. King (2008) concluded that microfinance helped to bring poor people out of poverty,
109 although, all microfinance programs are not equally proficient. Malathi and Vijayarani (2012) examined the
110 relationship between microfinance and women empowerment in rural areas of Cuddalore district of Tamil Nadu
111 in India. Chi-square

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113 Volume XIX Issue X Version I Year 2019 () and t-test were performed to analyze the data using 100 sample sizes.
114 Findings of this study revealed that microfinance helped women in gaining empowerment. Empowerment was
115 judged on the basis of economic position before and after joining the SHG program and education respectively.
116 ??e and Raven (2015) revealed that microfinance helped many women in their businesses, but had a limited effect
117 on empowering women, creating upward mobility and contributing to long-term economic growth. Sanyal (2009)
118 found that microfinance had a positive influence on women's social capital and normative influence, facilitating
119 women's collective empowerment. Hussain and Nargis (2008) found that the longer a woman participated in
120 microcredit programs, the more employment opportunities she had. Further, there was more scope that she
121 might decide to buy productive and nonproductive assets. Naved (1994) showed that women were more active
122 in household decision making and had more control over household income after participating in microcredit
123 programs. Moreover, participation in microcredit programs helped to increase women's welfare and reduce male
124 bias. Aruna and Jyothirmayi (2011) examined the influence of microfinance on women empowerment through
125 regression analysis in Hyderabad, India. Results revealed that microfinance had a significant influence on socio-
126 economic indicators. These indicators were considered as economic position, decision making power, knowledge,
127 and self-worthiness. Sultana and Hasan (2010) conducted a study to know the impact of micro-credit on economic
128 empowerment of rural women at Gazipur district in Bangladesh using stratified random sampling technique. The
129 half sample study of (45 women) had involvement with microcredit program and rest half had no involvement
130 with any other form of micro-credit program. These both groups belonged to the same socio-demographic profile.
131 Results revealed that women involved with micro-credit program were more benefited than the control group.
132 Moyle, Dollard, and Biswas (2006) found that women in income-generating activities gave support to personal
133 and economic empowerment. ??itt, Khandker, and Cartwright (2003) found that participation in microcredit
134 programs helped women to have access to financial and economic resources, a significant role in household decision
135 making, greater social networks, greater communication in general and knowledge about family planning and
136 parenting concerns and greater freedom of mobility. Longwe and Clarke (1994) explained women empowerment
137 as an on-going cyclical process having five stages. The first stage was the welfare stage, the second was the
138 access stage, the third stage was the conscientization level stage, the fourth stage was the participation level
139 stage, and the final stage was control stage. This control increased women's power and respect within their
140 households, communities, and societies at large. According to Pillai (1995), women empowerment is an active,
141 multidimensional process which enables women to realize their full identity and powers in all spheres of life.
142 Power is neither a commodity to be transacted, nor can it be given away as alms. Power has to be acquired and
143 once acquired, it needs to be exercised, sustained, and preserved. Stromquist (1995) wrote that empowerment
144 included both cognitive and psychological elements. It involved "women's understanding of their conditions
145 of subordination and the causes of such conditions at both micro and macro levels of society. It involved
146 understanding the self and the need to make choices that might go against cultural and social expectations".
147 Gibb (2008) conducted a study of a microcredit program in the Bolivian Cities La Paz and El Alto. She carried
148 out about 100 interviews, including women beneficiaries and a control group of women with no access to the credit
149 program. The group of beneficiaries was split into a target group (poor women) and a group with higher incomes.
150 She found that the loan program did have a positive effect on the businesses of the women and household assets,
151 but not on the level of education of the children or women's empowerment. Concerning the latter, she looked
152 at how the important decisions in the household were made, and at the division of labor regarding household
153 chores. The most important decisions were made jointly by men and women in all groups, but in the control
154 group, it occurred a bit more often than men took important decisions on their own. On the other hand, men
155 in the control group proved more cooperative in carrying out household tasks than in the groups where women
156 had had access to credit. In this area, women with access to microcredit were not empowered. From the above
157 review of literature and research, it can be rightly stated that very few studies have been conducted in the area
158 of women empowerment through a comparative study. But no study has been conducted through a comparative
159 study of Grameen Bank and BRAC in Tangail District. Thus, the study covering the roles of microcredit on
160 women empowerment and assess the roles of Grameen Bank and BRAC on women empowerment in Tangail
161 District, which opens new areas for further research.

162 4 III.

163 5 Conceptual Framework

164 Microcredit: Microcredit is a way of delivering loans to poor individuals and is often suggested to be a way out of
165 poverty. Microfinance institutions provide microcredit to individuals via their microcredit programs. In addition,
166 microfinance institutions usually provide saving and insurance services (Graflund, 2013). Microcredit builds on
167 the premise that financial services are needed to make investments in human capital, to smooth out consumption
168 and to overcome unexpected shocks. It

169 6 Global Journal of Management and Business Research

170 Volume XIX Issue X Version I Year 2019

171 7 ()

172 A can be seen as a solution to include previously excluded poor groups, without access to credit, to the financial
173 market so that they may rise out of poverty by them. Microcredit makes a positive economic cycle possible.
174 Microcredit granted to a borrower is invested, which generates an income. The loan can be then repaid to
175 the microfinance institution, and the borrower may then access another microcredit and eventually increase
176 purchasing power and social recognition (Graflund, 2013). Dobra (2011) argues that microcredit not only opens
177 up the opportunity of self-employment but also contributes to the improvement of the situation for the entire
178 household. Furthermore, it positively affects the social condition of underprivileged individuals by promoting
179 self-confidence and expanding the capacity to play a more vital role in society (Dobra, 2011).

180 Women Empowerment: The World Bank (2009) defines empowerment as "the process of increasing the capacity
181 of individuals or groups to make choices and to transform those choices into desired actions and outcomes.
182 Central to this process is actions which both build individual and collective assets and improve the efficiency and
183 fairness of the organizational and institutional context which govern the use of these assets" (The World Bank,
184 2009). Amartya Sen (1993) explains that the freedom to lead different types of life is reflected in a person's
185 capability set. A person's capability depends on a variety of factors, including social arrangements and personal
186 characteristics. However, the full accounting of individual freedom goes beyond the capabilities of individual
187 living. For example, if a person fear to choose to live in a certain way, even though she could live that way if she
188 took to, can it be said that she does have the freedom to live that way ??Sen, 1993, p. 31, 32). Empowerment
189 is the process that relates to the power of an individual to redefine his or her possibilities and to have the
190 ability to act upon them (Graflund, 2013). Kabeer (1998) further defines empowerment as "the expansion in
191 people's ability to make strategic life choices in a context where this ability was previously denied to them."
192 Accordingly, empowerment is about the improvement of an individual's capabilities to make a difference in their
193 settings, which in turn affects their life. Empowerment also relates to the influence of an individual on social
194 and cultural norms in society. In contrast to many other terms, women's empowerment narrates to a process,
195 a movement from one state to another. Empowerment also includes agency, in which women themselves are
196 actors in the empowerment process. Furthermore, agency implies that women must not only be able to make
197 a decision but be aware of their rights to make it (Kabeer N., 1998) Microcredit and Women Empowerment:
198 How does microcredit lead to women's empowerment? It enables women empowerment by placing capital in
199 their hands and allowing them to earn an independent income and contribute economically to their households
200 and communities. In theory, women invest the microcredit in their income-earning activity, either in the form
201 of a microenterprise or agricultural production, which increases their control. In other words, involvement in a
202 successful income-generating activity should translate into greater control and economic empowerment. Women's
203 economic empowerment is then expected a lead to increased well-being for themselves and also their families.
204 Furthermore, this economic empowerment is seen as enabling women to renegotiate changes in gender roles,
205 which may lead to social empowerment. Microcredit may also lead to increased women empowerment through
206 increased power in decisionmaking (Graflund, 2013).

207 IV.

208 8 Methodology

209 Research Design: The research area of this study was Tangail region that's why here used Cluster /Stratified
210 Sampling method for data collection. The processes for the collection of primary data for this study were only
211 questionnaires. The data has been collected by the door to door by women interviewed through a structured
212 questionnaire. The interviews were administered personally, like most of the respondents were illiterate and didn't
213 know how to read or write. Same types of questions were asked to all the respondents. All respondents have
214 answered all queries included in the questionnaire.

215 Sources of Data: For this study, both primary and secondary data has been used. Primary data has been
216 provided by the female members of Grameen Bank and BRAC. The study has included all the female members
217 of Grameen Bank and BRAC in Tangail district who take loans from those organizations. Fifty samples from
218 Grameen Bank and fifty samples from BRAC total of 100 samples have been collected for the research of this

219 study. Secondary data was retrieved from different Books and Magazines, Internet and related Journals, and
220 Project Papers.

221 Statistical Techniques: In this paper, percentage analysis, cross tabulation, and paired t-test have been used
222 to analyze and interpret the data.

223 **9 Analysis of the Study:**

224 Total of 100 women answered questionnaires. All respondents had received microcredit from Grameen Bank or
225 BRAC. Fifty of the respondents had received credit from Grameen Bank, and other 50 had received credit from
226 BRAC.

227 V.

228 **10 Result and Discussion**

229 **11 Source: Survey data**

230 Table 1 shows that most of the women's age of Grameen Bank respondents are in the range of 41-50, and most
231 of the women's ages of BRAC respondents are in the age of 20-30. Total 60 % of the women of Grameen Bank
232 respondents are illiterate, and 38% women have completed primary education. On the other hand, about 54% of
233 the women of BRAC Bank respondents have completed primary schooling and 44% of the women are illiterate.
234 54% of the Grameen Bank respondents' family members are in the range of 5-7 and the 40% is in 2-4 members.
235 Almost 50% of the BRAC respondents' family members are in the range of 2-4, and then 44% range is in 5-7.
236 About 54% of respondents of Grameen Bank have 0-2 children and 52% of respondents of BRAC have 0-2 children.
237 Most of the respondents' children of both Grameen Bank and BRAC are going to school. Table ?? shows that 98%
238 of Grameen Bank respondents can express their opinion freely in the family, where 100% of BRAC respondents
239 can express their opinion freely in the family. Maximum Grameen Bank and BRAC respondents can make a
240 small purchase (e.g., dress) without consulting husband. About 46% of Grameen Bank respondents have a say in
241 whether to work outside the home where 32% of BRAC respondents have a say in whether to work outside home.
242 Majority of respondents of both Grameen Bank and BRAC have a say in whether to buy or sell the property.
243 About 70% of Grameen Bank respondents have a say in whether or not to send children to school where 90% of
244 BRAC respondents have a say in whether or not to send children to school. Table 3 shows that 26% of Grameen
245 Bank and BRAC respondents have land ownership in their name, 78% of Grameen Bank and BRAC respondents
246 have their property or valuables (e.g., jewelry). About 76% of Grameen Bank respondents have independent
247 savings where 70% of BRAC respondents have sovereign savings. Table 4 shows that 98% of Grameen Bank
248 respondents can give an opinion in the presence of husband comfortably where 94% of BRAC respondents can
249 express views in the presence of husband comfortably. About 98% of Grameen Bank respondents' family people
250 listen to ideas and opinions of respondents where 96% of BRAC respondents' family people listen to notions and
251 opinions of respondents. About 70% of Grameen Bank respondents' village people listen to thoughts and opinions
252 of respondents where 62% of BRAC respondents' village people listen to sentiments of respondents. Table 6 shows
253 that 58% of Grameen Bank and 50% of BRAC respondents take microfinance for household purpose. Table 7
254 shows that 44% of respondents of Grameen Bank stated that microfinance had reduced their poverty level to
255 some extent, 38% respondents identified to the low extent and only 18% respondent specified to a greater extent.
256 About 50% of respondents of BRAC listed that microfinance has reduced their poverty level to some extent,
257 32% respondents stated to a greater extent, and only 18% respondent stated to a low range. Table 8 shows
258 that 64% of Grameen Bank respondents stated that their family income has increased to some extent, 24% said
259 their family income has improved to a greater extent and 6% said their family income has not augmented after
260 joining Grameen Bank. About 74% of Grameen Bank respondents stated that their family income has greater
261 than before to some extent, 22% said their family income has increased to a greater extent, and 4% said their
262 family income has not better after joining BRAC. Table 9 shows that from the Grameen Bank respondents 85.7%
263 illiterate women are in the range of 51-60 ages, 60% of women who passed primary schooling are in the array of
264 20-30 ages and 6.7% women who passed secondary education are in the age of 20-30. Table 10 shows that from
265 the BRAC respondents 80% illiterate women are in the range of 41-50 ages, 89% of women who passed primary
266 schooling are in the array of 20-30 ages and 5.3% women who passed secondary education are in the age of 20-30.
267 Table 11 shows in 20-30 age range 42.9% women of Grameen Bank have 0 to 2 children, and 22.2% women have
268 3 to 5 children. In 31-40 age ranges, 19.0% women have 0 to 2 children, and 18.5% women have 3 to 5 children.
269 In 41-50 ages' women, 33.3% have 0 to 2 children, and 44.4% have 3 to 5 children. In 51-60 ages' women, 4.8%
270 have 0 to 3 children, 14.8% women have 3 to 5 children, and 100.0% have six above children.

¹ ²

11 SOURCE: SURVEY DATA

1

Demography		Grameen	Bank	BRAC	Percent
Age	20-30	30.0		38.0	
	31-40	18.0		32.0	
	41-50	38.0		30.0	
	51-60	14.0		00.0	
	Illiterate	60.0		44.0	
	Primary	38.0		54.0	
Educational qualifications	Secondary	2.0		2.0	
	College	0.00		00.0	
	Others	0.00		0.00	
	2-4	40.0		50.0	
	5-7	54.0	2.0	44.0	6.0
	8-10			00	
Family members	11-Above	4.0			
	0-2	42.0		52.0	
	3-5	54.0		44.0	
Children	6-Above	4.0		4.0	
	Children going to school	Yes	60.0	74.0	26.0
		No	40.0		

Figure 1: Table 1 :

3

Ownership of Assets Indicators		Grameen	Bank	BRAC
		Percent	Percent	Percent
Land ownership in respondents own name	Yes	26.0		26.0
	No	74.0		74.0
The respondent's personal own property or valuables (e.g. jewelry)	Yes	78.0		78.0
	No	22.0		22.0
Respondent's independent savings	Yes	76.0		70.0
	No	24.0		30.0

Source: Survey data

Figure 2: Table 3 :

4

Voice indicators		Grameen Bank Percent	BRAC Percent
Comfortable giving opinion in the presence of husband	Yes	98.0	94.0
	No	2.0	6.0
People in respondent family listen to ideas and opinions	Yes	98.0	96.0
	No	2.0	4.0
People in the village listen to ideas and opinions	Yes	70.0	62.0
	No	30.0	38.0

Source: Survey data

Figure 3: Table 4 :

5

Mobility Indicators		Grameen Bank Percent	BRAC Percent
Respondents who can move independently	Yes	100.0	100.0
	No	00.0	00.0
Comfortable going to the local market without asking permission	Yes	80.0	72.0
	No	20.0	28.0
Comfortable going to the neighboring village without asking for permission from the husband or other family members	Yes	100.0	100.0
	No	00.0	00.0

Source: Survey data

Figure 4: Table 5 :

5

Figure 5: Table 5

11 SOURCE: SURVEY DATA

6

Serial No.	Options	Grameen Bank Frequency	Percent	BRAC Frequency	Percent
1	Household purpose	29	58.0	25	50.0
2	To start business	12	24.0	14	28.0
3	To promote existing business	7	14.0	10	20.0
4	Educational purpose	2	4.0	1	2.0
5	Low rate of interest	00	00.0	00	00.0
	Total	50	100.0	50	100.0

Source: Survey data

Figure 6: Table 6 :

7

Serial No.		Grameen Bank Frequency	Percent	BRAC Frequency	Percent
1	To a greater extent	9	18	16	32
2	To some extent	22	44	25	50
3	To low extent	19	38	9	18
	Total	50	100.0	50	100.0

Source: Survey Data

Figure 7: Table 7 :

8

Serial No.		Grameen Bank Frequency	Percent	BRAC Frequency	Percent
1	To a greater extent	12	24	11	22
2	To some extent	32	64	37	74
3	Not at all	06	12	02	04
	Total	50	100.0	50	100.0

Source: Survey Data

Figure 8: Table 8 :

9

Educational Qualification	Illiterate	primary	secondary	Total

Figure 9: Table 9 :

10

Educational Qualification	Primary	Secondary	Total
Illiterate			

Figure 10: Table 10 :

11

0-2	Number of Children 3-5	6-Above	Total
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Figure 11: Table 11 :

12

0-2	Number of Children 3-5	6-Above	Total
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Figure 12: Table 12 :

Figure 13:

271 Since the significant value is .000 for both Grameen Bank and BRAC, the hypothesis is accepted. That means
272 there is a positive relationship between income before joining the microcredit program and after joining the
273 microcredit program. Thus the microcredit significantly increases the family income.

274 .1 VI. Conclusion and Recommendations

275 Microfinance programs by different NGOs, especially by BRAC and Grameen Bank, are playing an central role in
276 reducing poverty and thus, empowering rural women in Bangladesh. Likewise, other MFIs are also doing well in
277 this regard as like ASA, TMSS, SHAKTI, BURO, and so on. In particular, more than 1000 MFIs are in operation
278 Bangladesh, serving over 85,000 villages, and more than 37 percent of the households have access to microcredit
279 programs (Rahman et al., 2017). However, large 10 MFIs and Grameen Bank represent 87 percent of total
280 savings of the sector and 81 percent of over-all outstanding loan (Bangladesh Bank, 2019). Our study found that
281 microfinance programs have a positive impact on empowering rural women in Bangladesh. Women empowerment
282 about family decision making, ownership of assets, expressing an opinion in the society, free mobility has increased
283 significantly after taking microcredit facilities from MFIs. However, MFIs must monitor the use of loan by female
284 borrowers and make sure that that loan is not misused by their husbands. Moreover, MFIs should assist women
285 by finding different profitable small and medium trade and business areas through market research and surveys
286 and provide technical assistance and training in those particular areas, which will increase loan repayment rate of
287 the women and make them well off. The government should also take different programs like launching technical
288 and vocational training centers for women, facilitating adult education programs, and monitoring interest rate
289 of MFIs.

290 .2 VII. Limitations and Future Research Directions

291 There are several limitations to this study. First, the study is conducted in Tangail region collecting data from
292 the members of two big MFIs, e.g., BRAC and Grameen Bank. Future Research may be directed by taking some
293 others MFIs in consideration from different rural areas in Bangladesh. Second, this study takes responses from
294 a small number of respondents which may not reveal the real scenario of rural women empowerment through
295 microcredit. As such, future research should collect data from more respondents. Third, in many cases, it was
296 found that women felt hesitate while responding with the surveyors as their husbands are staying beside them.
297 As a result, they couldn't express real facts regarding different personal and family-related issues.

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