

**EMPOWERING WOMEN THROUGH MICROFINANCE: AN EVALUATION  
OF MFIs INFLUENCE IN BANGLADESH**

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## DEDICATION

I dedicate this thesis to the memory of my parents **Muhammad Majibul Haque** and **Mamataj Begum**. They have taught me how to overcome every challenges of life and execute dreams. I also dedicate this thesis to my daughters **Mavisha Moin** and **Mahveen Moin**. They are my inspiration. At last I would like to dedicate this thesis to my beloved wife **Tajhneen Jalil**. She has supported me in every aspect throughout the journey.

## ABSTRACT

Microfinance institutions (MFI) provide collateral free loans which the subsisting populations of developing countries use as a mean to improve the living conditions of their family. Group lending processes of MFIs also provide peer support for borrowers. This study uses feminist theory and Sen's capability approach to entrepreneurship to investigate how these loans may change the social and economic status of women, thus empowering them. Participating in lending groups helps women to develop business skills and make decisions, while enhancing their confidence and providing a mutual guarantee for loan repayment. When women are engaged in income generation, they develop liberty and awareness about their rights, learn how to manage small businesses, and enhance their responsibilities towards household finances. This social and economic change, in turn enhances their leadership abilities. The effect of microcredit loans through group lending in empowering women, progress in the community and reducing poverty are observed.

**Content:** Microfinance institutions, Grameen Bank, Collateral free loan, Group lending, entrepreneurship, self-employment, poverty reduction, women empowerment, feminism, capability approach.

**Methodology:** Case studies, qualitative.

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## CHAPTER 1: INTRODUCTION

### 1.1. Purpose of the Research

The main objective of micro credit programs is to reduce poverty by providing capital to start or expand a micro-enterprise. MFIs provide collateral free loans to poor and marginalized people, a population sometimes referred to as ‘the base of the economic pyramid’ (Prahalad & Hart, 2002), in order to enhance their income and living standard. Microfinance institutions (MFI) in Bangladesh are reducing poverty by providing assistance to increase the household income of the borrower (Khandker, Khalily, & Khan, 1995). There, microfinance has contributed to an 8.5 percent and 18.2 percent reduction in moderate and extreme poverty, respectively, as measured through increased consumption, over the period of 1991-92 to 1998-99 (Khandker, 2003). In most microcredit schemes, borrowers are provided with collateral free loans and training by MFI, to start a small home-based business in the case of women borrowers, and agriculture or other types of business for men.

One important outcome from these loans is the inclusion and integration of women in economic development (Hartarska & Mersland, 2012). Compensating women for their participation in productive activities provides benefits to both the overall economy and specifically to women and their families (Rahman, 1986). It increases economic awareness among women, leading them to take control over decision making processes (Rahman, 1986). These household financial decisions allow them work independently as an entrepreneur. Microfinance programs enhance the capabilities of women to ensure their development (Schuler, Hashemi, & Riley, 1996). Women borrowers experience increasing assets, productivity, and education of children through

their microcredit-financed entrepreneurship (Chowdhury & Khandker, 1995). Thus, women should be a priority in development programs in developing countries, as this will increase their economic integration as well as alleviate absolute poverty. The group lending process of MFI provides the borrowers extra support to fulfill their individual goal. Women are helped and enabled by their peers in groups to develop business decisions and this provides confidence and mutual guarantee for their entrepreneurship (Bullough, Renko, & Abdelzaher, 2017). Women in developing countries are usually employed as casual or temporary workers in comparison to men who hold full time permanent jobs which provide more financial stability (Anna, Chandler, Jansen, & Mero, 2000). Different expectations for men and women, career progress, especially parental roles, are the main reasons behind this (Anna, Chandler, Jansen, & Mero, 2000). Micro loans help to overcome the gender bias in expectation for women in the society and engage them in economic activities.

The purpose of this research is to investigate how women are empowered through microfinance loans in an environment where they are typically less privileged than men in terms of education, economic participation, and social status. This study examines the impact of micro loans on women empowerment and the economic and social condition of women in Bangladesh, not only from the perspective of household income, living standards and their small enterprise but also from the perspective of increasing their ownership of productive assets, improving their power in household decision-making, bargaining power, and control over income in comparison to male in the households. Furthermore, the mechanisms through which group lending improve outcomes from micro-lending has been explored. Through these observations, a theoretical model is

developed and a set of propositions explaining the linkages between key concepts identified is put forward. This guided the future research on the structuring and monitoring of microfinance lending schemes.

## **1.2. Outline of methodology**

To address the objectives of this research, case study method was used to develop empirical and conceptual linkages between MFI and borrowers' capability to enhance household income and how it is expended or invested through empowerment. Case study methodology provides researchers with a means to distinguish between phenomenon and context. Case study is used in both quantitative and qualitative methods. In this research qualitative design with case study method is used in order to allow separation of context and the phenomena of interest (Yin, 2008). While I am mainly interested in understanding how microcredit loans impact the living standard of women and empowering them, a myriad of contextual factors seemed to be intervening to reduce the effectiveness of these loans. For example serious illness of a family member which lead to above normal household expenditures. Likewise, micro-entrepreneurs failed for reasons largely beyond the control of the loan recipient. Borrowers benefit can be increased by understanding where loans are and are not effective. Finally, much of the literature on women's micro-entrepreneurship has found that the objectives and challenges faced by women are different than men, and so imposing a set of criteria to assess the benefits of these loans, rather than seeking to understand borrowers objectives is counterproductive approach to developing theory and improving the practice of MFI (Calás, Smircich, & Bourne, 2009). Qualitative methodology is thus preferred in the current study, so that participants are empowered to define their objectives and

experiences with micro-borrowing, from their own perspectives and in their own words (Yin, 2008).

This research studied the empowerment process of women through microcredit loans. Rural poor borrowers in Bangladesh are also arranged in groups by Grameen Bank in order to increase their income and productivity. This study considers the benefits of the loan received, and group membership bestowed upon the borrowers. Through discussion with multiple informants (i.e. both male and female borrowers, loan officers, and lending groups of Grameen Bank) convergence and divergence through triangulation and multiple case comparisons is being produced. Using case study method also helped protect the research from threats to validity, helped maintain a chain of evidence, and provided logic paths to investigate rival explanations (Yin, 2009). Having sufficient access to data collected through interviews, reviewing documents of Grameen Bank, and field observations made case study method appropriate for this research and provided bolsters construct validity. Field observation here was to observe the microfinance centers and field officers role along with the groups' weekly meetings in the center (Cheston, & Kuhn, 2002). Researchers need to be observant of the perspectives and emotions of respondents concerning the topics of interest. Through continuous questioning and observation the meaning, behavior, and patterns of thought, emotion and behavior, has become more clear (Merriem & Tisdell, 2015).

### **1.3. Summary of Contribution:**

Many studies have concentrated on economic impact assessment, program replication, client outreach, lending methodology and financial sustainability (Meyer, 2007). The advantages, challenges, opportunities and characteristics of female borrowers

are different than men (Ahl, 2006; Ahl & Nelson, 2015). The women of developing countries are disadvantaged in comparison to men i.e. receiving fewer and/or smaller loans (Brana, 2013) despite demonstrating a better loan repayment rate (Agbeko, Blok, Omta, & Van der Velde, 2016). Moreover it is observed that women often emphasize social value over economic value alone (Hechavarria, Terjesen, Ingram, Renko, Justo, & Elam, 2017) and need more assistance than men in the areas of finance and accounting because of lack of business education, training, and experience (Jones & Tullous, 2002).

The poor urban women in Bangladesh have less access to education, paid work, access to finance and assets compared to men. Unlike men they have no access to formal bank loans to start a small enterprise, regardless of their socio-economic status. Considering this scenario Grameen Bank targeted women for the loan to change the situation in the rural places and provided them formal loans. The study contributes to the literature by analyzing the effect of microcredit loan, and group lending, in empowering women and reducing poverty. Whether loans provided by Grameen bank can help create sustainable income and leadership capabilities among women is also being observed. This study is one of the endeavors to show the effect of micro loans in empowering poor women of rural villages and slum areas. The women entrepreneurs are simultaneously engaged in home as caregiver or household worker and outside for business. Most of the management literature considers women's role at home as an obstacle for operating business. This study considers this as an opportunity because it provides a good option for the women to alter the use of family finance. These women are enhancing household income along with helping society. The women of developing countries like Bangladesh face some barriers i.e. education, family support etc. from the family and society as well.

The MFIs are working on eliminating these barriers along with providing loan which is helping these women working outside and thus ensuring empowerment. Moreover group interviews it is observed that group lending mechanism is helping the peers in creating network, providing training and information, and enhancing leadership.



## CHAPTER 2: LITERATURE REVIEW

The outcomes of microcredit programs in developing countries include productivity enhancement, family planning, skill attainment, health, and nutrition (Pitt, Khandker, & Latif, 1995). MFIs mobilize growth through savings, project evaluations, diversifying risk, and increasing the borrower's productivity (Khandker, Alam, & Greaney, 1995). Collateral free loans provide borrowers with an opportunity to participate in economic activity (Harper, 2007). Microfinance reduces seasonal migration for work among rural poor (Ahsan, 2005). During the off season for agriculture in Bangladesh, farmers use microloans to establish alternative income sources without which they might otherwise migrate to urban areas to seek labor income, increasing the level of poverty with cities. Women play an important role in alleviating poverty as a borrower of microfinance (Kanitkar, 1995). It has been observed that women have a good repayment percentage and for this reason they get the preference for loan (Agbeko, Blok, Omta, & Van der Velde, 2016). Some of these studies analyze how microfinance generates fresh opportunities for employment, increases living standards, establishing self-sufficiency, but women's increasing empowerment over household finances and social standing, aided in part by microcredit, is not evident in the literature.

### **2.1. Conceptualization of Microfinance**

MFIs provide loans to poor peoples of developing and underdeveloped countries, as they are not able to obtain loans through conventional banks (Brana, 2013). These poor people have the capacity for entrepreneurship through their creativity and resourcefulness but often lack financial resources except where microcredit loans are made available. Microfinance provides these low income people with access to capital to start or expand

revenue generating enterprises, thus empowering economic development in developing countries (Khavul, 2010). Before the creation and diffusion of MFIs, small loans were only available from casual moneylenders at interest rates exceeding 100 percent per annum, as formal monetary organizations were skewed toward serving more affluent borrowers (Battilana & Dorado, 2010). Microfinance was originally an undertaking of not for profit NGOs, dependent upon charitable donations. MFIs provide budgetary services to poor families and small business (Mori & Mersland, 2014). Access to microfinance enables individuals with limited resources to smooth cash flows, reduce financial risk, create financial resources and invest in small business to enhance income (Waweru & Spraaakman, 2012). Sustainability is accomplished through the use of "best practices", of which management with execution measures comprises one component (Prior & Argandona, 2009).

## **2.2. Microfinance Programs in Bangladesh**

Microfinance programs in Bangladesh are implemented by various formal monetary foundations, particularly government associations and NGOs. The development of MFIs, in terms of the quantity and aggregate enrollment, has grown rapidly since the 1990s to the present day. Since its origin in 1970s, microfinance in Bangladesh has helped reduce poverty which has influenced other countries to follow its success (Yuge, 2011). The primary wage generating industry in Bangladesh is agribusiness yet the industry suffers from limited technological advancement and hence reduce productivity (Tenaw & Islam 2009). Microfinance is one instrument through which these obstacles have been partially overcome (Khandker, 2005).

### **2.3. Outcomes from Microfinance**

After analyzing the literature related to microfinance it is observed that there are basically two broad outcomes of microfinance loans. One is economic in nature and the other is social. The economic outcome of microfinance includes increase of household income of the borrowers, poverty reduction, creating entrepreneurships, self-sufficiency of women, self-employment and productivity (Hashemi, Schuler, & Riley 1996). The social outcomes include enhancing quality of life for borrowers, empowering women, skill development, improve health, community development, and education. The specific development goals of MFIs include rural outreach, and social responsibility to clients (Gonzalez, 2010). Social responsibility includes scholarship opportunity for the children of borrowers, helping them during natural disasters etc. Poverty alleviation through microfinance results in psychological and social empowerment, reduction in discrimination and exclusion, and higher life satisfaction for poor people (Hudon & Sandberg, 2013). Social empowerment stems from the improved standard of living which influences the lives of the next generation through increased spending on education, thereby creating opportunities for more productive jobs (Rahman, 1986). Societal problems i.e. eliminating child marriage, dowry and other enlightenment programs are also introduced after borrowers join the bank (Rahman, 1986). Field officers of MFIs and the peers in the borrower groups play a vital role in increasing consciousness among women borrowers. Consciousness includes family planning, healthy life, education for children etc.

### 2.3.1. Microfinance and poverty reduction

Despite studies which suggest that microfinance is an important tool for eradicating poverty (Khandker, 1998), some have argued that it actually has very little positive impact on borrowers (Morduch, 1999). However, Grameen Bank's metrics demonstrate the potential benefits through observations of the outcomes obtained by their borrowers. 62% of the sons of the borrowers are receiving school education in comparison to 34% of non-borrowers and the comparisons for daughters are 55% versus 40% (Khandker, 1998). One of the unique aspects of Grameen Bank microcredit program is providing insurance along with the loan (Amin, Rai, & Topa, 2003). The borrowers can use this insurance to delay their repayment and take repeat loans from a special fund in the case of natural disasters. Moreover Grameen Bank's group savings fund also helps borrowers in the case of extreme illness. After these achievements of Grameen Bank, a large number of MFIs developed in Bangladesh working in different development program including in decreasing poverty (Khatun & Hasan, 2015). MFIs are often financed through government grants and subsidies, but their eventual independence from non-market institutions is a priority (Waweru & Spraakman, 2012). Despite the fact that financial services from MFIs have not eliminated poverty, and may not ultimately be able to do so, on their own, they are a useful tool in reducing poverty and mitigating its outcomes. The rural banking sector has effectively moved a great many individuals above the poverty line using method of monitoring their business pursuits after providing credit (Magicks, Mishra, & Lean, 2005). The microcredit program is strengthening crisis-coping mechanisms, diversifying income streams, increasing assets and improves the status of women (Hashemi, Schuler, & Riley 1996).

### 2.3.2. Microfinance and entrepreneurship

The rural areas and villages of developing and emerging economies are important sources for entrepreneurship (Hart, 2005). MFIs provide entrepreneurship opportunities in the form of a loan to the poor (Webb, Kistruck, Ireland, & Ketchen, 2009). In developed and developing economies entrepreneurs seek financial help from many traditional sources such as bank loans, equity start up financing, peer-to-peer lending, and crowdfunding (Belleflamme, Lambert, & Schwienbacher, 2014), as well as microfinance (Kavul, 2010). The microfinance system uses platform-mediated approaches for small individual transaction and also uses social networks for the entrepreneurs to improve their efficiency (Webb, Kistruck, Ireland, & Ketchen, 2009). The borrowers of microcredit are generally low-income people working in informal sectors lacking capital to start a small business (Galema, Lensink, & Mersland, 2012). Access to microfinance is vital for the poor to raise efficiency, make wealth, produce income, energize entrepreneurship, engage women, enhance wellbeing and access to education, and reduce poverty (Rehman, 2015). Some entrepreneurial activities have positive effects because the advantages of microcredit program that focus on social incorporation instead of short-term profitability (Ansari, Munir, & Gregg, 2012). The entrepreneurs focus on small family-oriented domestic businesses which provide experience of that work and thus lead to social integration through MFIs. MFIs offer small scale credit to the producers and business and additionally aid in enabling the poor by providing expertise in starting a business. Small amounts of credit can make the difference between total poverty and earning sufficient wages to nourish one's family, improve housing, overall wellbeing and sanitation (Ahmed, 2009). Small scale enterprise is an important source of income in developing

economies such as Bangladesh. The concept of entrepreneurship in the base of the pyramid is different from the concept of traditional entrepreneurship.

Traditionally, entrepreneurship refers to value creation within a particular economic framework comprised of market based capitalism, with institutional support and access to venture capital (Calas & Bourne, 2009). Entrepreneurship is the study of opportunities; the processes of their discovery, evaluation, and exploitation as well as the set of individuals who discover, evaluate, and exploit those (Shane & Venkatarama, 2000). The entrepreneurship concept is more complex in the context of poor marginal entrepreneurs. The rural poor do not have adequate facilities, or sufficient funds, as compared to entrepreneurs in developed economies. In addition to creating micro-entrepreneurs, microfinance can also fund social entrepreneurs (Olu, 2009). Social entrepreneurship emerges as borrowers learn and facilitate external financial mediation in groups which enables growth and collective progress in the community (Fisher & Sriram, 2002). This enables them to identify and address issues such as health and education deficits, and thus lead to welfare improvement within the society. The principle goal of this paper is to explore how microcredit loans and group lending schemes contribute to empowering women in subsistence communities.

### 2.3.3. Microfinance and self-employment

A large number of loans from MFIs are provided to women, who are doing productive work, and thus increasing productivity and reducing unemployment (Khandker & Khalily, 1994). The main objective of microcredit is to increase self-employment, especially amongst socially excluded groups (Brana, 2013). Women clients of Grameen Bank's microfinance programs are more productive in comparison to non-borrowers, as

borrowers work eighteen days in a month while non-borrowers work only two days per month (Yunus, 1993).

## **2.4. Group Lending Schemes**

Group lending is one of the important features of lending by Grameen Bank, intended to enhance the success of borrowers and the repayment of loans (Siwale & Ritchie, 2011). Formation of small five-member groups and federating (i.e. having formal structures) into Grameen Bank centers, help to create peer pressures to use and repay loans responsibly (Yunus, 1992). “Peer pressure”, “peer support”, “group guarantee”, “joint liability”, or “social collateral” are some of the important aspects of these “solidarity group” microfinance programs (Wright, 2004). Grameen Bank provides loans to self-selected groups of five who are jointly liable for each other’s repayment (Pitt & Khandker, 1998; Hossain, 1988). Though the loans are distributed individually, the group is jointly responsible for repayment (Morduch, 1999). Interdependence between borrowers is the key to group performance, and for this reason borrowers opt to form the group voluntarily with members having mutual understandings, social connectedness and typically at least a few experienced and new members. Successful borrowers are given high priority in forming a new group (Besley, & Coate, 1995). Presently Grameen Bank’s loan repayment rates average is 97-98 percent, which is higher than average, and thus partially attributed to the group lending mechanism (Morduch, 1999). While the loan is provided to individuals, it is the responsibility of the entire group to manage the repayment, and the group becomes ineligible for further loans if any member defaults. This structure alleviates the MFIs burden of monitoring the activities of individual

borrowers. The group members can easily monitor each other, and encourages them to train and assist new members who are less productive.

MFIs provide training within lending groups, and help establish self-employment opportunities (Pitt & Khandker, 1996). Individuals are responsible for selecting self-employment opportunities, but require the group's approval of their plans, as its ability to borrow depends on the behavior of individual members. Successful group members eventually receive large enough loans to build a house, make a large investment, and even to send their children to university (Armendariz & Morduch, 2013). Other MFIs believe that the success of the group is the "magic of Grameen Bank" (Armendariz & Morduch, 2013). Group lending offers peer support in the context of community organization and social mobilization. Members help one another to repay loans and the groups provide assistance to members who require it. The main reason attributed to high repayment rates is the weekly meeting in the Grameen Bank center where attendance by all loan recipients is mandatory (Jain, 1996). As a result, a culture of discipline, regular payment, and accountability is institutionalized. This is the reason that the group lending processes of Grameen Bank have been replicated by other MFIs around the world (Wright, 2004).

## **2.5. Empowering Women through Microfinance**

Microfinance programs concentrate on advancing women, socially and economically, and are considered to be a viable starting point for the empowerment of women in developing countries (Kessy, 2005). The mechanism of MFIs, to develop women, is primarily through access to loan (Datta & Gaily, 2012). Cultural conditions in developing countries are not favorable for women in terms of making decisions for



household finances, and MFIs therefore may facilitate women's agency to start an enterprise (Pollard, 2006). The offerings and techniques of MFIs can reduce gender discrimination and provide an opportunity for the rural woman to gain power and independence (Datta & Gaily, 2012). Microcredit is also generating income and savings habits among the poor people, especially women, and thereby contributing towards better life (Ananthi, 2010). Female borrowers' confidence, communication skills, liberty, consciousness of women's rights and behavioral change have all shown to be positive responses to MFI lending programs (Borbora & Mahanta, 2000; Geleta, 2013). Women develop leadership, networking, relational marketing, management of small business, and decision making capabilities through microloans and entrepreneurship (Ahl, 2006; Manimekalai & Rajeswari, 2001). Women entrepreneurs tend to engage in income generating activities while also completing all other tasks of family. Working at home as a caregiver is considered as a barrier in most of the literatures but it can be considered as an opportunity because it alters the way of using family finance. This is important because they are contributing to both family and income, and thus creating opportunity for the society.

The participation of women in small business is increasing their social and economic status and economic status is considered as an indicator for the society's development (Nieva, 2015). The women of developing countries face many hurdles to access the loans and microfinance reduce those hurdles and thus make them more innovative for new ventures (Cowden & Tang, 2017). Food consumption, household expenditures, financial independence and living standard of women are significantly higher in the families where women have received micro loans (Johnson, 2005). MFIs are

therefore critical actors in alleviating poverty, inequities, and allowing women to become more financially self-sufficient through entrepreneurship (Mair & Noboa, 2005).

The causes of poverty in developing and underdeveloped economies are recognized as absence of land, lack of resources, or low wage jobs, along with high unemployment rate, and consequent involvement in low productivity economic activities (Rahman, 1986). Moreover, women in developing countries receive about one third of the wages a male receives for the same work (Begum & Greely, 1983). The unemployment rate among women is also very high, as males in these societies control most of the productive resources. For this reason women are typically under-employed, or dominate in low productivity activities such as in the textile industry. If women find any opportunity for self-employment, they typically leave these low income jobs, demonstrating that they do have entrepreneurial abilities in many cases (Rahman, 1986), but are inhibited by lack of resources and opportunities. Lack of education, experience and training opportunities, geographic mobility and lack of family support, along with problems acquiring financial resources are all barriers to women entrepreneurship and empowerment (Raghuvanshi, Agrawal & Ghosh, 2017). MFIs are trying to eliminate these barriers by not only providing loan but also giving trainings for proper use of loan and starting a new enterprise, education scholarship for borrowers' children, information needed for operating business, creating social network, and convincing male members for women to work outside.

The social outcomes of microfinance also have great impact on the development of society and nation. The poor women of developing countries have very little access to empower themselves and contribute to the economies. The Grameen Bank began its

microcredit programs in 1976 as an exploratory venture in Bangladesh and now it is imitated by more than 3,000 NGOs, commercial banks and financial institutions, and their primary target is poor rural women (Afrin, 2010). Loans are provided to women at a higher rate than to men, because of trust and implicit bias (Johnson, Stevenson & Letwin, 2018). The loan repayment rate of women is higher than men in almost every program taken by Grameen Bank (Pitt, Khandker, & Cartwright, 2006). The bias is because Grameen Bank targets to reduce the constraints of access to finance, labor market, and inequality in family power structure of these women (Pitt, Khandker, & Cartwright, 2006).

Microfinance is intended to be a tool for overall economic development, as it helps improve education, thus decreasing poverty, and producing income that leads to economic development (Mahjabeen, 2008). The focus of these economic development programs has been integrating poor women into economic activities, thereby increasing their ownership of productive assets and improving their power in household decision-making (Sundram, 2001). Credit programs elevate women's authority within their family unit through leadership, access to monetary and financial assets, access to informal organizations, and bargaining power with spouses (Rehman, Moazzam, & Ansari 2015). A study assessing the bargaining power of female borrowers with non-borrowers considered three variables (amount of land owned, value of non-land assets, and ability to support themselves) demonstrated that female borrowers have more bargaining power than non-borrowers (Osman, 2007).

For many women in Bangladesh, microcredit programs are effective in decreasing poverty through a combination of increasing social standing, and financial capability

(Afrin, 2010). Microcredit enables women to enhance their status within the household, beyond that of a housewife and child bearer, by providing them with opportunities to begin their own enterprise, which in turn creates leadership capabilities (Mamun, 2013). It is accepted that in the poor families women's expanding access to microfinance will empower them to make a more noteworthy commitment to family unit income and this improves their economic confidence and encourages them to assume more prominent roles in their communities (Alam & Molla, 2012). Empowerment helps women to change their thinking in every aspect i.e. from self-perceptions to social interactions (Scott, Dolan, Johnstone–Louis, Sugden, & Wu, 2012). In fact, women borrowers have become the MFIs biggest market, and loaning to women is viewed as one of the primary explanations for MFIs' success in poverty alleviation (Strom, Espallier, & Mersland, 2014). Although women make up the largest proportion of the world's poor, they have turned out to be more reliable borrowers than men, in terms of paying back loans and improving the education, health, and financial wellbeing of their households (Mamun, 2013; Siwale & Ritchie, 2011).

Though there is substantial research on women's participation in microcredit programs, their role in empowering women has not received much attention. While there are many biases against expanding microfinance to the poorest and empowering women, there is substantial empirical evidence to counter the validity of this bias. Besides, if microfinance is to be useful, specific focus on the poorest will be fundamental. Without this, MFIs are probably not going to make programs adequately adapted for that group. There are also questions about the scalability of microcredit programs. Much of the literature claims that microfinance has not entirely lived up to its expectation. By

analyzing interview data and observing the implementation of microcredit programs, I am able to provide evidence allowing us to better understand how MFIs are empowering the women of rural Bangladesh, where these women did not previously have any access to credit or opportunities for entrepreneurship. Very few researchers have emphasized the utilization of microcredit as a means for economically empowering women.

### CHAPTER 3: METHODOLOGY

Recent studies on microfinance are carried out by both quantitative and qualitative methods. The research question of this study requires understanding the attitudes, beliefs, and values of the microcredit borrowers which can best be explored through qualitative means. According to Denzin and Lincoln (2013), “qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them” (p.6). Through qualitative study, understanding female borrowers’ life, the process of their empowerment and their interpretations of their experiences is being explored. Case description strategy shapes data collection and analytical process related to human behavior (Yin, 2009).

The research for this study was conducted in two phases, beginning with an exploratory phase which helped to refine the objectives of this research. An initial exploratory phase was conducted in Bangladesh, which involved speaking at length with both microcredit borrowers and Grameen Bank loan officers. This research was guided by a broad objective to better understand the conditions under which microcredit loans lead to better or worse outcomes for the borrower, from the perspective of the borrower. When borrower used the funds to provide healthcare for a seriously ill family member or to increase consumption during a festival, rather than using them to start a business, there was of course little financial benefit in terms of longer term gains. Indeed, for poor entrepreneurial women, the major priorities are typically survival, putting food on the table and paying school fees, not business growth (Ukanwa, Xiong, & Anderson, 2018). Family responsibilities for basic consumption needs of the household can affect their ability to repay loans, and thus there are significant dangers of microcredit which may, in

some cases, outweigh potential benefits (Ukanwa, Xiong, & Anderson, 2018). While these cases lead to economic outcomes that were no better, or even worse than they initially were, many other cases showed that investment in productive assets such as land for farming lead to positive outcomes. During the interviews, two themes which emerged were the empowerment and inclusion of women in increasing household income through the provisioning of microcredit, and the second was the importance of group lending as carried out by Grameen Bank. In the following, the exploratory phase is described, along with the findings that resulted, and following this I outline the methodological approach, result and findings of the second phase.

### **3.1. Exploratory Phase**

The final research question was determined through the exploratory phase of this research. Exploratory data collection was conducted to better understand the context and experiences of microcredit borrowers, including the motivations and procedures they use to obtain loans, the outcomes they anticipated, and the outcomes they actually realized. Interviews were conducted with twelve microcredit borrowers and three field officers from two different villages of Bangladesh. The interviewees were mainly selected at random, but variation of gender and age was sought, in order to examine the different types of entrepreneurial endeavors and outcomes of different ages and sexes. A greater number of female respondents were included to better understand how their leadership capabilities develop and the change in their financial situation after receiving the loan. The ages of the all interviewees were between 21 and 65 years. Interviews of the borrowers and field officers were conducted and the length of the interviews ranged from 60 to 90 minutes (interview guideline attached in appendix 2). All the respondents were

borrowers or officers from Grameen Bank. Audio recordings of each interview were made and these were later transcribed for analysis. A qualitative analytical process was adopted to analyze the exploratory data. According to Lillis (1999), the qualitative data analysis was done through reducing, classifying and interpreting the gathered data. The collected data were then coded, categorized and linked to certain themes that were being investigated (attached in appendix 1). Names of the participants were replaced by a code to anonymize the data. Table 1 and 2 lists details of the interviews conducted during the exploratory phase in two villages of Bangladesh.



Table 1  
Borrowers' interviews conducted during the exploratory phase of the research

<b>Gender</b>	<b>Age</b>	<b>Interview Length (minutes)</b>	<b>Impact of Loan</b>	<b>Type of entrepreneurship</b>	<b>Type of start up</b>	<b>Size of Business</b>
<b>Male</b>	55	60	Positive	Crops i.e. paddy cultivation	Old and later extended by loan	0.5 Acres
<b>Male</b>	40	70	Positive	Village small shop owner	New by loan	Small shop in village market basically trades daily needs items
<b>Female</b>	60	50	Negative	Vegetable Farming	New by loan	0.25 Acres
<b>Female</b>	30	80	Positive	Cattle farm i.e. Dairy	New by loan	05 cows
<b>Male</b>	35	45	Positive	Auto rickshaw used to transport passengers	New by loan	01 auto rickshaw
<b>Male</b>	40	60	Negative	Crops i.e. paddy cultivation	Old and later extended by loan	0.5 Acres
<b>Male</b>	30	70	Positive	Land Business	New by loan	Buying and selling of agro lands of different size affordable by the loan
<b>Female</b>	25	60	Positive	Cloth Shop	New by loan	Small shop in town market
<b>Female</b>	55	50	Positive	Layer chicken farm	New by loan	50 layer chicken and later sold the chicken as broiler

Table 1 continued

Female	35	55	Negative	Sewing	New by loan	Started with 01 sewing machine and later increased to 10
<b>Female</b>	25	60	Positive	Cattle farm i.e. meat production	New by loan	08 cows for each year. She usually farm the cows for six months and sell them during national festivals during high demand
<b>Female</b>	30	60	Positive	Cattle farm i.e. Dairy	New by loan	05 cows produced 20 liters of milk per day

Table 2

Field officers interviews conducted during the exploratory phase of the research

<b>Interviewee type</b>	<b>Village</b>	<b>Gender</b>	<b>Age</b>	<b>Interview Range (Minute)</b>
<b>Field Officer</b>	A	Male	45	55
<b>Field Officer</b>	A	Male	40	50
<b>Field Officer</b>	B	Female	45	60

One common question posed to almost every borrower informant was, “Is the loan effective for you?” Additional questions asked were, “What else do you think is needed to be a successful entrepreneur besides the loan? And “If it is to start a new

business, is the loan sufficient?" One of the respondents from 'village A' who had almost 30 years' experience in taking loans from Grameen Bank responded that, she became quite self-sufficient. Now her small business has become productive and supported her household income and her finances are in good shape:

“This loan has increased my household income at a good pace. On one hand this loan has paved the way for income and on the other it increased my wealth. Not only had I, but also many of the neighborhood women had great success increasing their household income through this loan.”

This woman also disclosed that one woman in her community utilized her first loan to cultivate a seed bed in the field and made a good profit by selling the crop. Using that profit she expanded her field. Now she owns two large vegetable fields and has also extended into other businesses. Another neighbor, the first woman's relative, used her first loan to buy a sewing machine and started doing tailoring for local customers. Now she has a small sewing factory with twenty machines and takes orders from the city, making a reasonable profit in the process. In doing so, she also created employment opportunities for twenty more people. This respondent acknowledged that not that all microcredit borrowers of her neighborhood are successful. One of the borrowers spent her loan shopping for an upcoming festival without planning a way to pay back the loan. Borrowers need to keep in mind that in order to pay back the money, they need to do something that will generate income.

One respondent from 'village B' disclosed that getting a loan in the amount requested was the foundation for her starting a business. This respondent always wanted

to do something to change the lifestyle of the family but couldn't because of scarcity of money:

“I got 3,000 taka from Grameen Bank in my first phase of loan. I made a small layer chicken farm using the money. I kept some money aside from the loan to repay for the first few weeks and when the productivity of the farm started it became a moderate source of income for me. Later, I started a cattle farm with my savings and a new loan.”

The women of developing countries are typically not treated equally to men. The family unit tends to be male-dominated, and women have little to no voice. It is a combination of economic and social constraints that prevent them from participating in generating family income. Grameen Bank and other microcredit institutions were primarily motivated by this hardship of poor rural people, especially women. Women, who had no access to any formal financial services, support from husband or other male members of the family are now getting support from MFIs. These institutions introduced the right for women to participate in the household finances, which is something they didn't have before. One female respondent from 'village A' found it nearly unbelievable that women in her village were able to do business and contribute financially for their families:

“When I first decided to apply for a loan from Grameen Bank, my husband and father-in-law did not support me. It was my mother-in-law and the neighboring families who supported me to apply the loan. Following my example many other families also permitted their women to participate in the loan program.”

The group lending technique used by Grameen bank is also very effective in promoting the success of women borrowers. Members of the group provide useful information and suggestions to other members for starting or doing business. The experienced borrowers especially help out the inexperienced. The weekly meeting of the members provides a chance to share the outcome from their small businesses, both the problems and their solutions. The most experienced borrowers among them act as leaders, which generates additional leadership capabilities among the other women borrowers. Family members of the women also feel more secure when they are working in a group, gaining permission from the male members to work outside home. The decisions of the women in the group are given priority by the other members, thus reinforcing their confidence. One sixty-year-old woman from 'village A' shared that she has worked in groups with different members as leaders and, in most of the cases, and that the members were fairly successful. Some members didn't succeed because of personal problems, but the group always tried to support them:

“Almost everyone in my neighborhood wants to participate in my group. They think they can do better if they are in my group. I also try to give good advice to them even though they are not in my group. My leadership is also well reputed amongst the field officers. The other groups in our society are also performing well, except a few. The group virtue is that it can make a weak member strong in time, through group support.”

Most women participating in the loan program are contributing to their household income. Prior to participation in the program they had no financial contribution for their family. This contribution, in turn, enhances their standing within the family as well as in society. They are nonetheless still struggling to establish equal rights but have progressed

significantly. Their decisions are more valued by the males in the family, they are able to make decisions about their enterprise and help counterparts by providing valuable insights which she gained and they can also send their children to school using their own income. They are now able to make decisions about family planning, including the use of contraceptives. This corresponds with the findings of other studies on the use of contraceptives when promoted by MFIs to limit the number of children (Armendariz & Morduch, 2010). One respondent from ‘village B’ responded that after she had started a cattle farming she started becoming successful. Then she decided to start a cloth shop in the market which is very challenging and not a common undertaking for women in this society, although her efforts were supported by the male members of the family:

“When I started to contribute in household income my status in the family changed dramatically. Previously no one involved me in family decision making but now I am always welcome in these discussions. Moreover I can take any decision on my own and I do not have to ask permission from my husband. Sometime I feel that the loan has changed my life, along with those of others.”

The field officers from both the village indicated that female borrowers tended to have better loan repayment rate than men. They noted that rural poor women are hard workers and have a strong desire to repay their loans. The reason for this, they surmise, is that the rights these women have been deprived by their community, they are now being provided through Grameen Bank loans. Moreover the experienced female borrowers in groups also provide important guidelines for others to use the loan effectively to enhance family income. One field officer from ‘village A’ responded that, in his ten years’ experience with Grameen bank he had seen many women experience a positive change.

The field officer said it is not only economic change in women's life, but also a social change, which has a larger impact. They are now cautious about protecting their rights in both family and the broader society. Their bargaining power has increased, which in turn has increased the power of women in the area through their examples:

“The scenario in this village has changed very rapidly in the last 15 to 20 years. The women borrowers of Grameen Bank have able to change their own living standard through small enterprise establishment. They are not only helping their family unit economically but enhancing every aspect of their family's development through participating in decision making. Some female borrowers are setting an example for others to follow through their success and status in the society.”

In summary, the findings from the exploratory phase showed that the female borrowers are mostly contributing to the household income, and their financial contribution also increases their influence over decision making in the family. This loan is helping to establish equal rights for the women in the family and society as well. This is the reason I became interested in studying the phenomena of microfinance, and to furthermore find out the key reasons for female borrower's empowerment in the society.

### **3.2. Main Data collection**

The main methods of data collection were face-to-face, in-depth interviews, focus group discussion and field observation. Case study method was adopted to collect descriptive qualitative data from the respondents. Focus group discussion provided validity to the information collected from face-to-face interviews. Field observation provided objective appraisals of the circumstances of the borrowers and their communities.

Face-to face, in-depth interviews of seventeen microcredit borrowers, three groups consisting five members in each, and three field officers were conducted in the two villages of Bangladesh. The location of the villages selected for interviews differs from semi-rural to rural. The 'C village' is in the periphery of the capital, Dhaka, and is semi-rural. On the contrary 'D village' is located far from any city and is rural. The borrowers of 'C village' have more access to work or variety of enterprise and therefore tend to utilize the loan more effectively. The number of respondents in two villages was thirty five, in total. The data was collected in the month of April - May, 2019. The respondents were selected randomly of different ages between 21 to 65 and to see the leadership and empowerment of women more female respondent were preferred. The age range provided variation in data because both experienced and less experienced borrowers were interviewed. As the respondents were from rural and semi-rural villages of Bangladesh, they are typically not well educated, and some totally illiterate. For this reason, in-depth questions for the interview were designed to be easy to understand, and were conducted in Bengali. The length of the interview was a minimum 60 minutes, and did not exceed more than 90 minutes, due to concerns for respondents' limited free time.

The members of the group met each other in weekly meetings in Grameen Bank center. Three randomly selected groups were interviewed. To obtain variation in information, two groups consisting female members were chosen, along with one group of all male members. There are no mixed gender groups, for cultural reasons. The information obtained from individual interviews varied from that of the groups, which helped to build more categories. Questions related to repayment of the loan, group



liability, success or failure in the group were asked, along with probing questions. The role of field officers present in the meeting was also observed.

The interviews were conducted with the approval from the Human Subject Research Committee at the University of Lethbridge. All the interviews were audio recorded and later transcribed. The data were then coded, categorized, and linked to a few themes. The identities of the respondents were protected and their name was replaced by codes (attached in appendix 3). The respondent was given an informed consent letter before conducting the interview (attached in appendix 4 and 5). Table 3, 4, and 5 lists details of the interviews conducted during the final phase of data collection in two villages of Bangladesh.

Table 3  
Individual borrowers' interviews conducted during the final phase of the research

No. of case	Gender	Age	Interview Length (minutes)	Impact of Loan	Type of enterprise	Type of start up	Size of Business	Empowerment outcome
1	Female	40	70	Positive	Chicken farm	New by loan	50 layer chicken	Positive from the perspective of self-production
2	Female	35	70	Positive	Fuel wood	Old and later extended by loan	Small shop in village market	Positive from the perspective of working in rural market place
3	Female	40	90	Positive	Cloth business	New by loan	Small shop	Positive from the perspective of working outside and decision-making capability
4	Female	35	80	Positive	Auto rickshaw, moderate chicken farm	New by loan	1 auto rickshaw, 25 layer	Positive because she arranged employment for her husband too
5	Female	55	50	Positive	Restaurant	New by loan	1 small restaurant	Positive from the perspective of managing employees
6	Female	40	60	Positive	Car workshop	Old and later extended by loan	1 workshop	Negative because not involved in active production
7	Female	35	70	Positive	Catering service	New by loan	Home based	Positive from the perspective of managing employees and transferring skills

Table 3 continued

8	Female	35	60	Positive	House rent, sand shop	New by loan	Small shop in village market	Partial positive having access to resources from house rent but partial negative because sand shop is owned by husband and lesser access to decision making
9	Female	55	50	Positive	Vegetable farm	New by loan	01 Acre field	Positive from the perspective of production, decision-making, and access to resources
10	Female	35	55	Positive	Ice-cream factory	New by loan	Small industry with two van	Positive because transferring skills to others and playing leadership role
11	Male	55	60	Positive	Blacksmith	Old and later extended by loan	Shop in village market	Positive because encourage his wife working outside and decides and combine

Table 3 continued

12	Female	35	60	Positive	Cattle farm, maze cultivation, trolley van	New by loan	02 cows, 0.5 acre land, 1 trolley van	Positive because of leadership role in group and community
13	Female	40	50	Positive	Land, cattle	New by loan	0.5 Acre land, 05 cows	Positive from the perspective of own entrepreneurship and leadership
14	Male	55	55	Negative	Cultivation	New by loan	Works in others land	Negative because not letting wife work outside home and decisions are taken by himself
15	Female	55	60	Positive	Sand business done by son	New by loan	1 sand selling shop	Negative because loan used by son
16	Male	60	50	Positive	Blacksmith	Old and later extended by loan	Shop in village market	Positive because both of them have equal access to finance and decision-making
17	Female	35	50	Positive	Agriculture	New by loan	0.5 Acre field	Positive because of decision-making and self-production

Table 4  
Group interviews conducted during the final phase of the research

<b>Interviewee type</b>	<b>Village</b>	<b>Gender</b>	<b>Age</b>	<b>Interview Range (Minute)</b>	<b>No. of members</b>	<b>Group composition</b>
Group	C	All female	40-45	90	05	Same locality, non-relative, similar age
Group	D	All female	45-50	85	05	Same locality, non-relative, similar age, similar mentality
Group	D	All male	45-60	90	05	No blood relatives, majority similar profession

Table 5  
Field officers interviews conducted during the final phase of the research

<b>Interviewee type</b>	<b>Village</b>	<b>Gender</b>	<b>Age</b>	<b>Interview Range (Minute)</b>
<b>Field Officer</b>	C	Male	40	50
<b>Field Officer</b>	D	Male	50	55
<b>Field Officer</b>	D	Female	35	60

## CHAPTER 4: THEORETICAL FRAMEWORK

The aim of this chapter is to develop a model through theory and appropriate research on empowering women through microfinance in Bangladesh. The theoretical side of this study is mainly from liberal, social, and transnational or postcolonial feminist theory and Sen's capability approach for women participation in the loan program and their empowerment through it.

Entrepreneurship is typically seen as pursuing an endeavor, where an entrepreneur's individual strength decides his/her success or failure, rather than their gender. It has been observed that both the purposes and outcomes of entrepreneurship, along with the qualities of entrepreneurs, tend to be masculine (Ahl & Marlow, 2012). Women are therefore viewed as lacking and inadequate to men as entrepreneurs, and thus feminist theory works as a logical ground to describe such subjection (Ahl & Marlow, 2012). Feminist theories can be divided into three groups (Ahl, 2006). In one group, male and female are viewed as basically comparative or similar, in the second group they are viewed as basically unique or different, and in the third group, likenesses and contrasts are viewed as socially constructed (Ahl, 2006). The capability approach has recently risen as a new theoretical structure about well-being, development and equity (Sharmin, 2014). Amartya Sen is the founder of this theory and Martha Nussbaum has extended it. Martha Nussbaum depicted capability theory from relative quality of life and equity based on five principles: every individual should be treated equally, independence of individuals rather than accomplishments, values, social inequities, and government initiatives (Nussbaum, 2011). The capability approach indicates that opportunity to accomplish well-being and prosperity involves what individuals can do and to be, and consequently the

sort of life they are successfully ready to lead (Robeyns, 2003). The capability approach is a theoretical structure that involves two main themes: first, the capability or independence to achieve well-being and second, the opportunity to achieve well-being (Sharmin, 2014).

Women empowerment means to increase the strength of women socially, politically, legally, and economically (Rahman, Junankar, & Mallik, 2009). Some important factors that comprises women empowerment is, right to have choices, right to access opportunities and resources, power to have self-control, and capacity to influence social change (Rahman, Junankar, & Mallik, 2009). Women living in the rural places of developing countries are often afforded equal rights to men (Hashemi, Schuler, & Riley, 1996). The conservative society of these villages tends to discourage women from participating in the economic arena. Economic empowerment would allow them to have greater control and receive more benefit from the available resources, improve their status, and overall well-being (Hashemi, Schuler, & Riley, 1996). Women empowerment can be defined by first understanding the ways in which they are oppressed, and then seeking mechanisms to remove these barriers. Women powerlessness in the society can be addressed through the gendered approach of feminist theory (Datta & Gaily, 2012). Women empowerment in the development of a nation is considered a “better deal” for rural women providing them a better life and well-being (Sen, 2000). According to Gender Gap Index 2017, gender gap of labor force participation in Bangladesh is 67% and earning of women is about half that of male counterparts. Increased participation of women in decision making, control over income, in comparison to males in the households is the primary goal of empowerment (Ali & Hatta, 2012). Field based



research in the area of microfinance provides a clearer picture of how microfinance increases women's status and power in society (Datta & Gaily, 2012).

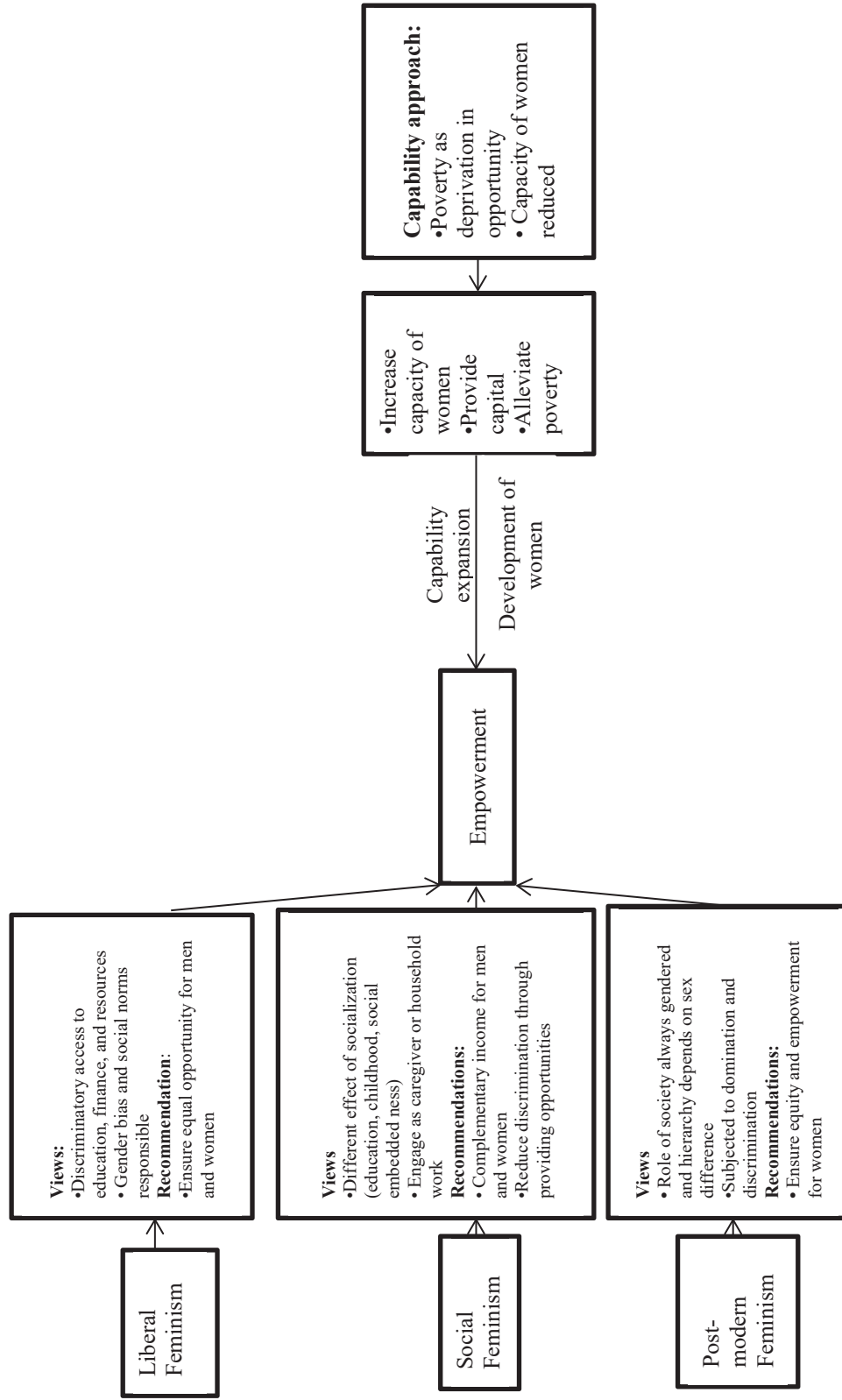


Figure 1. Theoretical model of women empowerment through loan

#### **4.1. Theoretical Lenses**

The field of microfinance and entrepreneurship has developed substantially, but its role in empowering women is still lacking (Muntean & Ozkazanc-Pan, 2016). The role of men and women in the society is not the same, and so the role of microfinance needs to have different objectives. From a gendered perspective, it is important to assess a microfinance program's impact on empowering women. This study will focus on empowerment and leadership gain among the rural poor women especially in Bangladesh through microfinance programs, which challenge the masculine dominance (Ahl & Marlow, 2012). Moreover, microfinance programs are enhancing capability development for women, through small entrepreneurship endeavors to alleviate poverty. The Capability approach can be used to see the poverty alleviation in the villages through microfinance program.

#### **4.2. Feminist theory**

From a feminist perspective on women entrepreneurship, gender issues are basically discussed on the basis of impact of women entrepreneurs in society (Muntean & Ozkazanc-Pan, 2016). If the women are empowered, they may be able to eventually achieve gender equity. Feminist theory provides multiple perspectives on the non-equity between genders in society and ways to eliminate them. Liberal feminism, social feminism, and transnational or postcolonial feminism provide a perspective on the present status of women and their empowerment through microfinance. Among these, two feminist traditions specifically have regularly been proposed in investigations of female in business: liberal and social feminism (Becker-Blease, & Sohl, 2007). Liberal feminist theorist argues for equal opportunities of man and woman with a view that

women are equally capable but are systematically discriminated against (Calas & Bourne, 2009).

Liberal feminism, often alluded to as the situational point of view, contends that men and women are naturally indistinguishable with equivalent mental strength and capabilities (Becker-Blease, & Sohl, 2007). In that capacity, dissimilarities in employment or entrepreneurship choice or achievement is because of discriminatory access to education, finance, and resources, as well as negative biases against their initiatives (Becker-Blease, & Sohl, 2007). Women entrepreneurs are seen as less successful entrepreneurs due to lack of access to resources and opportunities (Arráiz, 2018). This is due to the discrimination or socialization on women and if it is eliminated they can show equal performance like man (Arráiz, 2018). Social norms and gender bias are often deemed responsible for women's lesser financial performance in business (Jensen, 2012). According to this theory, women spent more time on household work, which results in distraction from education in their early age, and gaining work experience later (Jensen, 2012).

Social feminism sees men and women as essentially different from each other (Ahl, 2006). This view notes that male norms are typically not challenged, and seldom are complementary norms provided (Ahl, 2006). Social feminism, from the dispositional viewpoint, contends that women and men are in a general sense unique, yet with similarly valid self-perceptions, motivations, and belief structures, and these differences are the effect of socialization (Becker-Blease, & Sohl, 2007). This is because of contrasts in upbringing during childhood, and the profound social embeddedness of these experiences, and therefore that women and men create distinctive qualities, motivations,

and norms in implementing and operating businesses (Arráiz, 2018). As per this theory, women and men are inherently distinct, which would help clarify contrasts in the results of their activities (Arráiz, 2018). Social feminists argue that the society is responsible for keeping women engaged in household work and as caregivers (Calas & Bourne, 2009). Social feminism presumes that men and women are essentially different, due to socialization i.e. less education, less desire for the same sort of outcomes which have come to define entrepreneurship (Calas & Bourne, 2009). This can be reduced through providing opportunities for entrepreneurship and determining their value (Muntean & Ozkazanc-Pan, 2016). Women can also play a role in eliminating the gendered perspective that they are lesser than man. Otherwise this will reduce their capabilities by creating unconscious bias (Muntean & Ozkazanc-Pan, 2016).

Transnational and post-modern feminism are more inclined to discuss the conditions of women in the transitional economy. This theory determines that the role and action taken by the society are always gendered (Calas & Bourne, 2009). The hierarchy of the society depends on sex differences. The terms mostly used by this theorists are, *equity*, *participation*, and *empowerment* (Drolet, 2010). Developing countries should concentrate more on women development by ensuring equity and empowerment (Özkazanç-Pan, 2015). This branch of feminist theory describes the ways in which women are subjected to domination and discrimination in the society (Calas & Bourne, 2009). Women are considered ignorant, and man as knowledgeable (Calas & Bourne, 2009). Inequalities in power and the benefits the man get in the society should be recognized for gender consciousness (Wilson, 2015). The women of these countries

are poorly paid, and endure hardship due to their lower status in the society. NGOs and MFIs are playing a role in the movement to change the political and social structures.

The main causes of inequality between genders should be given priority while engaging women into economic activity (Özkazanç-Pan, 2015). Otherwise the existing patriarchal trend of the society will not be eliminated and the development program for women will be fruitful only for short period of time (Özkazanç-Pan, 2015). Some feminist scholars think that the microfinance programs, though women entrepreneurship, are not really changing the existing patriarchal social norms (Jafree & Ahmad, 2013). Entrepreneurship can promote greater gender equality if the bureaucracy and government, along with the MFIs, promote women as truly equal participants in the society (Steyaert, & Katz, 2004; Özkazanç-Pan, 2015). Feminist scholars therefore think not only from economic angle but also from an ethical and political perspective that it is an individual's right to have equal access in the society (Ahl, & Marlow, 2012). This will provide women the capacity to speak for their rights against the structures which do not allow them to have equity. The way MFIs are targeting women for taking entrepreneurship activities considering the opportunities and drawbacks of their socio-cultural or political context can solve the gender inequity and empower them (Özkazanç-Pan, 2015).

Women's specific characteristics should be given importance rather than focusing on characteristics based on gender (Ahl, 2006). Women entrepreneurs experience barriers related to their gender characterizations when seeking appropriate and adequate source of funding for their ventures (Marlow & Patton, 2005). It is often observed that female borrowers are disadvantaged in receiving bank loans, even when other characteristics are

taken into account (Brana, 2013) though they have better loan repayment (Ahl, 2006) and are similar in terms of values (Fagenson, 1993) but they access less external financing than men (Alonso-Almeida, 2013).

#### **4.3. The capability approach towards entrepreneurship**

For explaining entrepreneurial activities and launch business for women in developing countries like Bangladesh Brush *et al.*'s 5M framework is helpful (Brush, De Bruin, & Welter, 2009). An entrepreneur firstly needs 3M which is market, money, and management to start a new business (Brush, De Bruin, & Welter, 2009). Later 2M (that is motherhood and the macro/meso environment) are essential considerations for women entrepreneurs, especially in developing countries (Yousuf, & Lawton-Smith, 2012). Motherhood typically results in women entrepreneurs have more responsibilities at home than men, along with any business venture (Brush, De Bruin, & Welter, 2009). The macro/meso environment incorporates with the national arrangements of the government, culture and economic influences on women entrepreneurs beyond market (Brush, De Bruin, & Welter, 2009). Market reach and technology transfer is important factor to understand "market", available funding, and startup experience for the new enterprise is fulfilled through "money" and "management" (Berger & Kuckertz, 2016). MFIs in the developing countries like Bangladesh work towards building the 5M model to make the women entrepreneurs successful.

Grameen Bank microcredit programs are based on three C's for providing loans to the borrowers. These three C's are, 'character' which means the honesty, background and reliability of the borrower. 'Capacity' means the borrowers comfort to use the loan responsibly, and, 'capital' refers to the current assets of the borrowers. In capability

approach, 'poverty' is understood as deprivation in the capability to live a good life, and 'development' is understood as capability expansion.

Sen's capability approach can be used to frame increase of capabilities of women and poverty alleviation (Sen, 1980). Different types of deprivation and discrimination of women can be understood by the capability approach (Sharmin, 2104). Sen's approach suggests that subsets of vitally critical capacities related to fundamental needs are 'fundamental abilities' including, education, health, nutrition, and shelter up to minimally adequate levels. They might be especially useful in evaluating the degree and nature of poverty in developing countries. Eliminating the barriers of female borrowers and increasing their capabilities through access to loan and finance can be addressed through this framework.

#### **4.4. Working Propositions**

Women empowerment is a multi-dimensional concept. From the liberal point of view entrepreneurial activities are a change-making process through which individual women or groups try to break free from existing discrimination and limitations within their financial, social, or cultural system (Jennings, Jennings, & Sharifian, 2016). Women empowerment is comprised of women's feeling of self-esteem, followed by entitlement to control their own lives, both inside and outside home, and ultimately their capacity to impact social change (Singh & Gupta, 2013). Educational achievement and economic support are the key constituents in guaranteeing the women empowerment (Singh & Gupta, 2013).

Some components and techniques that can make a positive commitment to women's empowerment, are entrepreneurship training, exchange of social issues, backing



and guidance for adjusting family and business obligations, involvement in basic leadership and initiative, and possession over financial resources (Cheston & Kuhn, 2002). Women's financial commitment to the family unit and network also increases empowerment (Cheston & Kuhn, 2002). A portion of the difficulties women entrepreneurs face in developing countries are capital necessities, resource scarcity, gender bias, market involvement, limited social capital compared to men, less entrepreneurship opportunity, and less opportunities granted by government authorities (Teixeira & Sharifu, 2017). Research done by UNDP, UNIFEM, and the World Bank, among others, shows that gender disparities in developing countries repress financial development and they pay the expense of more prominent poverty, slower financial development, more fragile government and below the mark living standard (Cheston & Kuhn, 2002). Empowerment can be influenced if access to resources along with economic power can be provided, and the barriers women face from socio-cultural values are eliminated (Teixeira & Sharifu, 2017). Vulnerability is also reduced when the women in the society participate in economic and community affairs (Cheston & Kuhn, 2002). If empowerment is encouraged, a larger number of women will leave the house to work and add to the household income, and their work will minimally address their family subsistence (de Arruda, & Levrini, 2015).

The five members group is self-selected and their next loan depends on their repayment. The women in the group take the responsibility of each other's weekly repayment if any crisis emerges. One of the female members of the group who have good experience of using the loan performs as group leader. As their leadership capability

increases, they create a social network which helps the group's collective business efforts.

**Proposition 1:** The utilization of loan by the borrowers are increased and mobilized through the leadership of group leader.

Women tend to contribute more to family income after joining microcredit program. This increases their status in family and society as well. They can then take part in decisions about their children's education and welfare. They can also decide to plan their family using contraceptives. They build bargaining power which enables them to make these decisions independently from the rest of the family, especially the dominant male members. Rural women gain self-confidence through entrepreneurship, and subsequently have savings which they can invest to create new assets. They are participating in economic activity which is not common in the traditional patriarchal society. Gender discrimination may ultimately be reduced through this empowerment.

**Proposition 2:** Microcredit programs are increasing women' decision making responsibilities in the household.

It is sometimes observed that the female borrowers give their loan to their husband or other male members of the family. If the women encounter the pressure to receive the loan and provide it to the male member of the family, empowerment will not

be achieved. It is therefore important to see and observe whether they are using the loan by themselves.

**Proposition 3:** The independence of women depends on control and utilization of the loan, and control over income and expenditure.

It's not only about using the loan, but the female borrowers will be more empowered when actively participating in production. It is not about helping the male member in his work or business but it is about starting own enterprise and making it a successful asset. Women participation and contribution in economic activities can reduce poverty and change the society collectively.

**Proposition 4:** Empowerment is achieved if the female borrowers actively involve themselves in production.

The remainder of this study began from these four propositions, testing and extending them through data collection and analysis. This analysis validate the empowering women through microfinance provisioning, group structuring, establishing roles, and forging new identities.

## **CHAPTER 5: RESULTS AND DISCUSSION**

This research was guided by a broad objective of better understanding the leadership capability and empowerment of female borrower after using the loan. The group lending process showed the way group is formed, peer mentorship for the members, and the role of group leaders in making the members successful entrepreneurs. The members follow Grameen Bank's guidelines in forming groups consisting of five peers from the same locality, similar age, and same mentality, who are not blood relatives. These rules ensure an effective group because the members know each other, while including only non-relatives creates fewer problems, and allows for loans to be provided to more families. Group composition is determined by the members of the group with consensus.

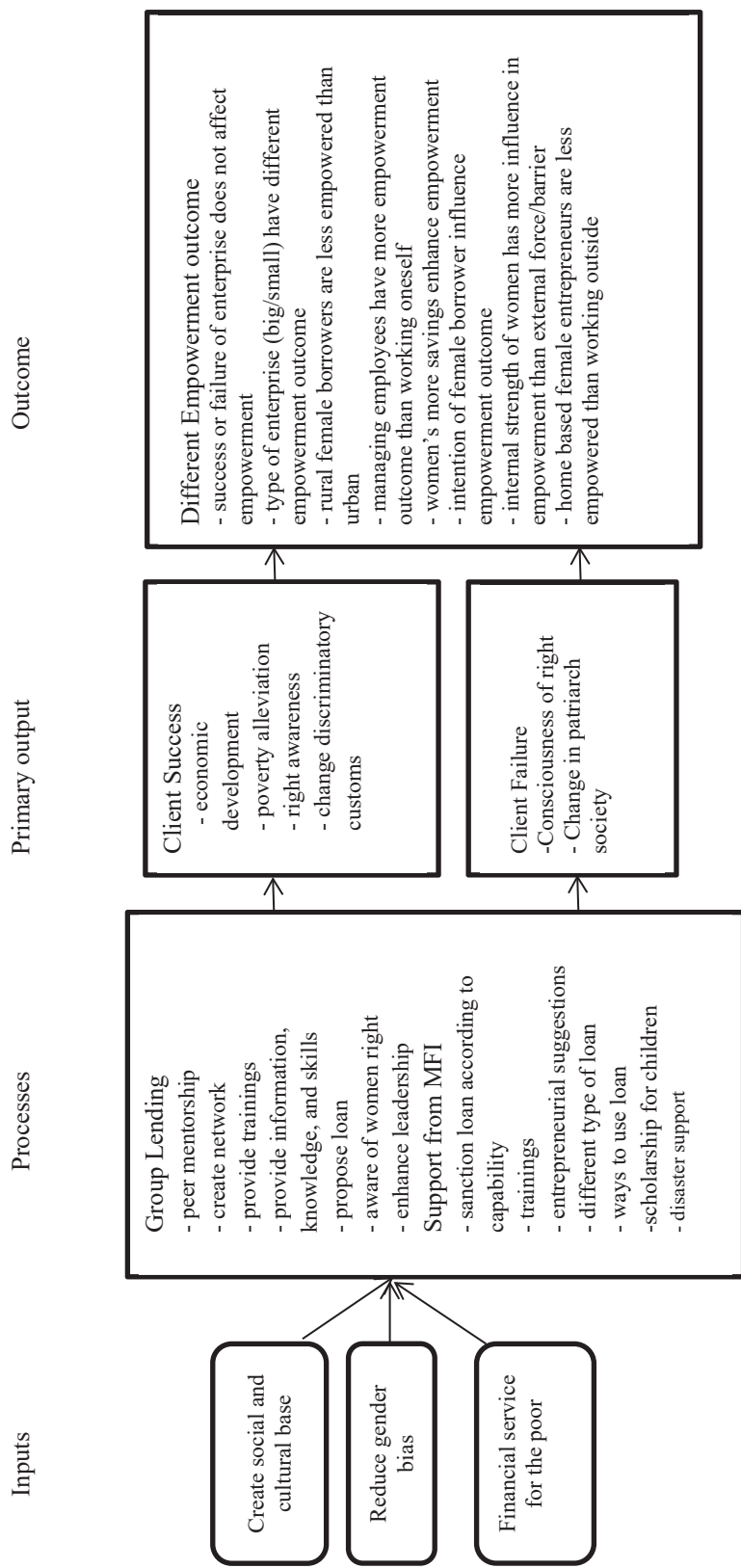


Figure 2. Multi-staged theoretical model of outcome

Figure 2 shows the data revealed from the cases. Most cases showed a better outcome for the borrower, and only a few resulted in a worse outcome. Many facts were disclosed including borrower sometimes gave the whole loan to their husband or son instead of using herself. It is because she did not have the access or was not allowed to operate an enterprise. The danger in this is that, while a financial benefit for the family occurs, empowerment of the borrower is not achieved. Likewise, family decisions are sometimes made entirely by male partners because they dominate in patriarchal societies, and do not want to provide that access to women. Nonetheless, most cases showed a positive outcome of the loan, with tangible empowerment of women. Reasons for this included increased bargaining capacity, access to resources, and overall leadership development for the women borrowers. It is evidenced from the data that these women have better access to health, sanitation, and nutritious food than earlier. They generally made productive uses of the loans, and economic outcomes such as access to resources, land, farming, cultivation, and other small businesses were also seen. These women used their loans to start small or medium businesses, retaining full control over the income and its expenditure. These women also ensured education and welfare for their children and started saving schemes in Grameen Bank for better future of their children. These female borrowers broke the custom and practice of not working outside the home, while becoming more economically solvent and independent. They contribute significantly to household income, and are trying to increase the living standard of their families. These demonstrations influence other women within the community, inspiring them to follow the example of their success. These women can be considered necessity entrepreneurs (Dencker, Bacq, Gruber, & Haas, 2019) who have very limited knowledge of business,

and thus imitate others to address their immediate needs, and those of their families. That is their need for access to finance, their economic and social circumstances, unemployment, and general need to contribute to household income, motivates them to undertake entrepreneurial activity where they otherwise would not (Dencker, Bacq, Gruber, & Haas, 2019). The capabilities they develop include managing risk, self-efficacy, and motivation to increase household living standards.

### **5.1. Observed empowerment outcomes**

Increasing women's capability and strength from social, political, economic, and legal perspective ensures empowerment. It is evidenced from the data that the female microcredit borrowers mostly have better outcome in social and economic empowerment. Legal empowerment was also observed. Table 6 below outlines the empowerment outcomes observed in the cases. Case 3 disclosed that her status in the family and community increased gradually due to her success. She is now always welcomed in making decisions in family matters. Her husband involves her in all key decision making and she often takes vital decisions independently. She also participates in community affairs i.e. helping other women in giving training she knows or helping in family affairs or business. It is observed in this case that after her economic empowerment she increased her influence in family, society, and community ensuring her social empowerment. Operating a cloth shop in the market equally competing with other male owner is creating a higher empowerment outcome for her. The main reasons for her social and economic empowerment are her business skill, capability to compete, and leadership role in the society. On the contrary from case 8 it is revealed that the women's contribution to household income is significant, but not accompanied by participation in

her family's decision-making. She added that sometimes she and her husband take combined decision in smaller matters but important big decisions are taken by her husband. Here it is observed that though she has low level of economic empowerment, she lacks social empowerment. She is not involved or influencing in community or societal affairs.

From cases 10 and 7 it is observed that borrowers can be involved in training other borrowers to develop capabilities to start a new enterprise. The social empowerment outcome for them is high because they are helping others in the society having greater influence though having moderate economic empowerment outcome. Case 6 and 15 depict that they were not involved in active production and as a consequence values and status remained the same for them as earlier and there were no empowerment outcomes. The main reason for this was lack of access to resources and resources were used by male members. Data shows that case 5 manages five employees and actively participates in production has higher social and economic empowerment outcome than the cases only involved in active production. Managing employees here is considered as higher empowerment outcome. The reason for higher empowerment here is the capability of handling situations which arise while managing employees. Having the ability to provide employment also provides higher empowerment. In one sense she is replicating the mission of MFI to provide employment. The entrepreneur is also handing over skills, opportunities, and satisfaction for the employees which gives social empowerment outcome. Case 13 having good amount of saving created own assets and have gained higher legal empowerment outcome along with other outcomes. The savings increases confidence to involve in economic sphere is considered as higher empowerment outcome.



Table 6  
Empowerment outcome observed from the cases

<b>Level of outcome</b>	<b>Social</b>	<b>Economic</b>	<b>Legal</b>
<b>None</b>	Case 6, Case 8, Case 14, case 15	Case 6, case 13, Case 14	Case 6, Case 8, Case 14, Case 15
<b>Low</b>	Case 9	Case 1, Case 8	Case 1, Case 4
<b>Moderate</b>	Case 1, Case 3, Case 13	Case 7, case 9, Case 10, Case 13, Case 16, Case 17	Case 2, Case 3, Case 5, Case 7, Case 9, Case 10, Case 12, Case 16, Case 17
<b>High</b>	Case 2, Case 4, Case 5, Case 7, Case 10, Case 11. Case 12, Case 16, Case 17	Case 2, Case 3, Case 4, Case 5, Case 11, Case 12	Case 11, Case 13,

The borrower in case 9 disclosed that access to assets and resources was a completely new idea for her. She is making productive income from vegetable farming and gradually increasing the volume of business and assets. Having saving schemes with microfinance institutions is also increasing her motivation and confidence for more participation in business and handle risk which provide her higher economic and social empowerment. From the cases it is revealed that these borrowers being economically empowered enhance their ability to empower socially. Women working in market influence business community along with society and family. So, social empowerment outcome for them is comparatively higher. Some cases revealed only economic outcome having access to finance and resources. The mechanism through MFI of having access to assets and resources, capability of decision-making at home and business, playing leadership role in the group or society or community and actively participating in production has different level of empowerment outcome as observed in the cases.

## **5.2. Role of leadership in loan utilization**

The first proposition guiding the study was that the leadership role women play in borrower groups increases the utilization of loan more responsibly by the peers. There is substantial evidence from the borrowers to support this proposition, as the group leader plays a vital role as a peer mentor for the group. There is some evidence, however, that Group leaders sometimes fail to manage peers effectively. The groups interviewed for this study were generally successful, but one group respondent revealed that their key strength is their group leader's leadership capacity and that the lack of it made another group they were involved in fail. Another reason for this is some members are involved in the group only to ensure a loan, and not to participate in the group virtue. For these reasons the group mechanism does not always work. One group peer depicted that they hardly got any support in weekly loan repayment from other peer. She had to manage it from outside the group in crisis time. The group leader was unable to pursue it to other members. Moreover, she added that like other groups their peer failed to manage big loans accordingly. The leaders in these groups' work together just to ensure the loan they need from microfinance institutions rather than peer mentor.

One of the reasons for getting support from groups is the common social background of the peers. Though all the groups are formed from the principle of same locality and mentality but group bonding is not equal in every group. Some groups successfully maintain and utilize social network and some fail. Imbalance between group leader and subordinate peer results lesser success. Moreover, monitoring function of the peers and crisis management works as important link in some groups and fail in some too. In the other cases most of the group leader helps their peers by providing valuable

information and advice to start or continue developing a business. Providing such information is valuable in the sense that it leads to better outcomes for peers. Leadership is key reason for managing group success. Leaders' contribution to the group was considered provision of support, transferring skills, managing big loans from MFI, transferring business information, and sometimes managing male members of the peers' families. A leader holds members responsible, and manages the group efficiently for its success. In the group interviews it was observed that the new members in the groups are occasionally dependent on the group leader for solving any problem they face in business and home. One of the group members depicted that her earlier financial condition was unsatisfactory and for that peers did not want to include her in their group. The group leader included her and recommended her for a small loan amount. Not all the rural women have the capability to bargain with field-officers, and so the group leaders, being the most experienced borrower of the group, use their skills and experience to benefit others in their group.

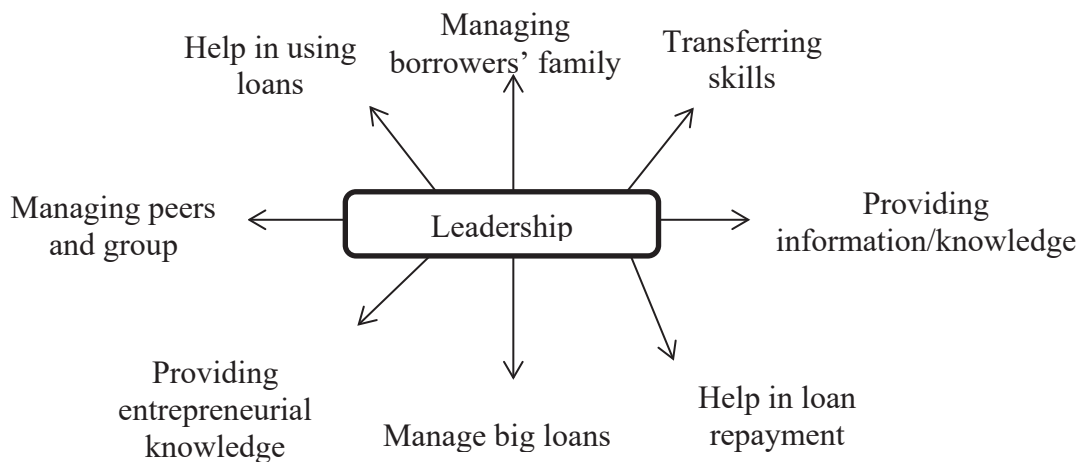


Figure 3. Components of leadership capability

There are several skills i.e. access to information and knowledge, cooperative learning, vocational skills (sewing, handicrafts), business skills, proper use of loan, etc., that group leaders or the experienced peers in the group provide to other peers. It was evidenced that the experienced peers and group leaders obtained these skills mostly from the field officers of Grameen Bank. One of the group leaders said that she took sewing and handicraft-making training from government's rural development initiative. The other skills they obtain are either from Grameen bank, or practical experience. In the same type of entrepreneurship, outcomes are more favorable if the entrepreneurs or group share their experience, knowledge, and ability (Ployhart, & Moliterno, 2011). It indicates that information transmitting is essential and the leader plays a vital role for it. For empowering women in same locality ability or skill evolution is one of the key essentials (Ployhart, & Moliterno, 2011).

It is evident from one respondent that after having access to finance from Grameen Bank, she did not know how and where to use the loan to get a better outcome. She later used the loan in cattle farming after obtaining the knowledge needed from one of her group members. Her peers suggested that she can obtain higher profits if she used the loan to buy two cows and sell them after four months in the next festival. Now the volume of her cattle farm is quite big and she makes a considerable profit. Group virtue is responsible here for her economic empowerment. With the help of the group leader and other peers these women in the group can establish a successful business and from the cases it is seen and observed that the success in their business results in better empowerment outcome. It has also been observed that the women having less success in

their entrepreneurship also enjoy considerable empowerment. The reason behind this is they are now conscious about their right to have access to assets and resources. It is evident from one of the cases and the women depicted that she with the help of peers and leader came to know about business and ways to use the loan and started working outside. She added that as a new borrower she is not enough successful in her business but she has gained some motivation, strength, and is aware about her right and goal. Her participation and confidence in household decision has increased.

#### 5.2.1. Success on leadership capability

The amount of loan the peer can obtain is determined through group consensus and approval. The group leader tries to combine the capacity and demand of the borrower for the loan and recommend it to field officer. One borrower said that she wanted a bigger loan to build a house to rent, but the group allowed only a considerably smaller loan. After using two small loans successfully, she was approved for a larger loan to build a house for rent. This borrower then felt her group's decision was appropriate, as she increased her capability to manage a larger loan through successfully paying smaller ones.

The leader manages the weekly loan repayment of every peer. General business planning, financial management, record keeping are determinants of business skills, and risk taking, innovativeness, and interpersonal relations are the determinants of entrepreneurial skills which in combination lead to better loan payment outcomes (Agbeko, Blok, Omta, & Van der Velde, 2016). The leader in the group transfers business and entrepreneurial skills to the peers to improve their performance in business, which in turn helps the peers repay loans. One member in the group interview said her

group leader influences peers to help each make payments in crisis situations. The group leader's effectiveness in working with borrowers' families opens the door for some women to participate in loan program and work outside the home. One respondent disclosed that it was her group leader who managed the male members of her family by negotiating her participation in the loan program to start a business. These leaders also work as role models for other women and society. Overall, leadership, peer mentorship, and skill transfer seemed to be highly related to better empowerment outcomes of individual members.

The cases also demonstrated that economic independence, self-sufficiency, and motivation encouraged borrowers to break the internal 'psychological prison', created through socialization, which they had fully internalized and re-enacted. The psychological prison was stopping these individuals from performing outside the home, and hence created a path to success which in turn leads them to empowerment. It was observed from the interview that more than 90 percent of group leaders' leadership capability is helping borrowers to use their loans confidently, and productively. In the initial period of entrepreneurship the groups work as a vital tool for the entrepreneurs to run the business effectively (Alonso-Galicia, Fernández-Pérez, Rodríguez-Ariza, & Fuentes-Fuentes, 2015). Therefore, the group and the leader in the group both play important roles in increasing members' empower through using loans more effectively.

### 5.3. Increase in decision-making responsibilities

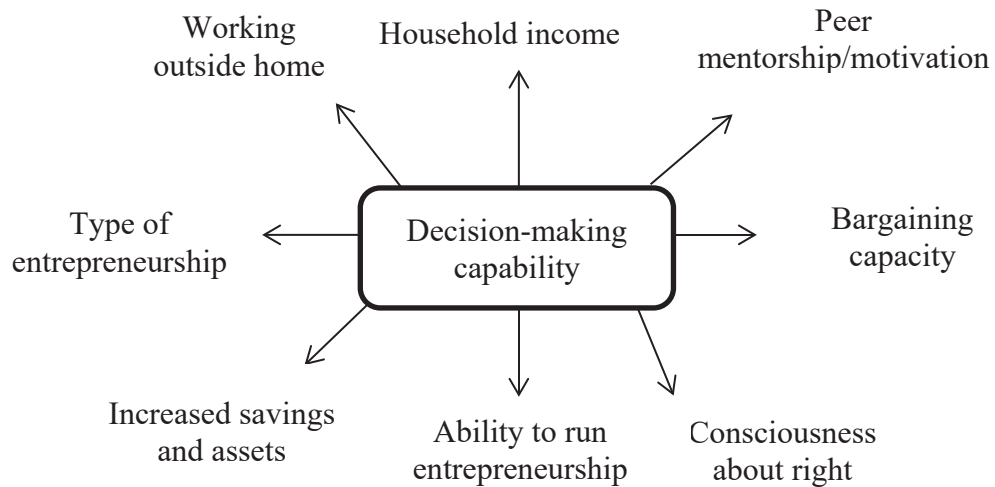


Figure 4. Factors of decision-making capability

The second proposition is about the increasing decision-making responsibilities in the household of female microcredit borrowers. One of the important predictors of women empowerment is their ability to take independent decisions at home and business. One example is women's ability to take independent decisions in family planning matters (Bernasek, 2003). Their confidence in using a loan effectively to improve household finances provides confidence and motivation to participate in decision making at home, as well. Moreover, consciousness about right, increased savings of their own, and contributing to household income enhance their bargaining capability.

Many of the women interviewed disclosed that their decision making capability had increased in comparison to their earlier condition. Women are now participating more in family decision-making, and they have also developed increased bargaining power. Their male partner now asks, and considers meaningfully, their spouse's opinions

before taking important decisions. One female respondent expressed that she used to participate in family decision-making but now her opinions are given full priority in decision making. The reason for this change, she mentioned, is her ability to run the business and contribute to household income, equally with her husband. She thinks her status in the family has changed because of her capability. Another respondent depicted that decisions related to children's education, daughters' marriage, and increasing assets are mostly taken by her. She added that after her involvement in household income their savings and assets increased considerably and for this reason she is given preference for decision making. Two of the female respondents said that they are now the key decision maker of their family. The reason they showed is not only their economic success but also their capability of planning the business increased their value and reliability. Nine of the fourteen female respondents expressed their participation in family planning decisions. Women participate in the market or working outside home increases bargaining power in decision making, and have a positive relation with household expenditure and children's welfare (Rijkers, & Costa, 2012).

#### 5.3.1. Success on decision-making capability

Most of the female borrowers' decision making capacity increased after they started working outside their homes. The success or failure of business did not influence their decision-making and bargaining capability. One borrower depicted that she was not successful in the business from her initial two loans but she was more successful after acquiring some experience. She added that though she was not successful in her entrepreneurship, she participated more in the family decision-making than she did earlier. The access to loan increased her courage to do something for household income



which provided confidence to participate in family decision making. The male members of her family did not have any reservations about her increased role. Another respondent from a group interview depicted that she did not know before working in the group that it is women's right to participate in family decision-making. She added that she is the weakest member of the group considering her success in business and loan repayment but nonetheless regularly participates in family decision-making now. She thinks peer motivation and group virtue are responsible for this change. The confidence women acquired working in a group, and individually, through the access to loan and resources helped to increase their decision-making capacity. One of the respondents said that she has substantially increased savings from her loan and business now, which boosted her confidence for decision making.

Two respondents disclosed that their male partners still retained all responsibility for decision-making in the home. These women also have considerable success in a small business endeavor, but they couldn't break the patriarchal rule of taking the decision. Their husband does not want them to participate in decision-making. The reason they attributed this to be that they had a lot more constraints in participating in the loan program and working outside rather than other women of their locality. Though they are contributing to the household income and aware of their right to participate in decision-making, the scenario did not change for them. Here the lower social empowerment outcome is due to male dominance. From the group interviews it is revealed that a few women also had lot more constraints in participating in family decision-making from their male partners. One of them depicted that her husband did not invite her in decision-making process earlier but after her considerable success in business and her will to

participate in family decision-making, she is now participating in almost every family decisions. It is a person's own thinking and behavior that will determine the action or activity they would carry out of their preference and it is always the reflection of their intention (Alonso-Galicia, Fernández-Pérez, Rodríguez-Ariza, & Fuentes-Fuentes, 2015). From the interviews of the male respondent, it was revealed that male partners welcome their wife's in decision-making if they find them reliable and capable. The reliability depends on their taking fruitful and effective decisions and capability is assessed through their work at home and outside. Minimum education or knowledge is also an important factor for capability. Three of the male respondent said they take combined decision in family matters. This does not represent women empowerment.

#### **5.4. Access to resources and independence of women**

The third proposition was that the independence of women depends on control and utilization of the loan, and control over income and expenditure (i.e. direct involvement in production and management). Among fourteen individual female respondents, twelve stated that they use their loans by themselves. Two respondents instead gave their loans to their husband and son respectively, but they had partial control over the income and expenditure. The son of one of the respondents provides her with monthly expenditure, but she has control on family decision-making. So, this woman enjoys partial empowerment in comparison to others. The lower economic empowerment outcome here is due to not having access and control on resources. One respondent gained no empowerment whatsoever through the loan program, as she did not do anything herself with the loan but instead turned it over to her husband. According to the 3M model of entrepreneurship, entrepreneurs must have access to money, market, and

management (Brush, De Bruin, & Welter, 2009). Therefore, the access to loan or money and control or management of business for the female borrower is essential to become an entrepreneur.

#### 5.4.1. Success on access and control of resources and assets

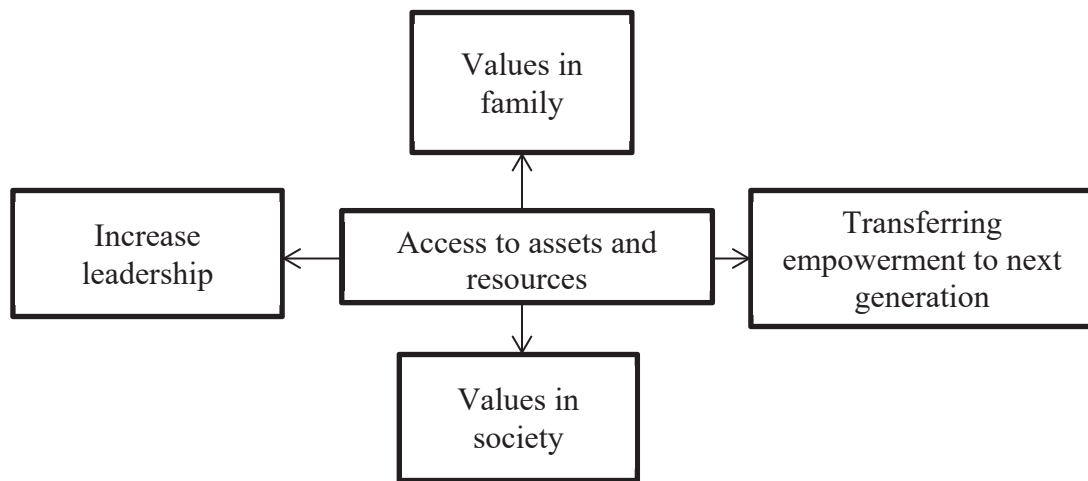


Figure 5. Result of access to assets and resources

The cases reveal that women entrepreneurs' access to assets and money is one of the vital keys to empowerment. This access has provided them independence to work outside the home and contribute to household income. It is not only the success or the failure of the business of these entrepreneurs that lead to empowerment but their right to access it empowers them psychologically. As was evidenced by the case in what one borrower depicted that before having access to loan and finance she lacked values and status at home and society. After having the access to finance, she started a small business and her contribution in household income increased her social status. Economic independence, mobility outside, social network, business skills, etc. increased her

psychological strength along with financial. Her views and suggestions are given importance by other women and males which she thinks is social empowerment. Now she can experience the difference in the attitude of her partner at home, and of others in the neighborhood. The cases also showed that the level of empowerment may not vary according to the success or failure in entrepreneurship, but that the leadership capability in women highly depends on the success of their enterprise. Differences in outcomes depend on the type of enterprise too. The female borrower operating a shop in the village market had access to work outside the home more than the borrower working on handicrafts at home, and the two enjoy different degrees of empowerment. The women working outside home works more independently without the dominance of their male partner in comparison to the women working at a home based business. One of the respondents from the semi-rural village was engaged in catering service which was not possible for the borrowers of rural village. This women supply food to the construction workers near the city of Dhaka. The borrowers of rural village mostly use their loan in the conventional sector i.e. cultivation, and farming. In both villages it is been observed that outcome for empowerment is not the same. Both enjoy empowerment but the women of semi-rural village enjoy considerably more economic and social empowerment than the rural village.

### **5.5. Active involvement in production**

The fourth and last proposition says that the empowerment is achieved if the female borrowers actively involve themselves in production. Among seventeen cases, including male and female fifteen used the loan by them, and actively participated in the production. It can be concluded that in these twelve female cases, the respondents used

their loan by themselves, and have their own business. The size and volume of business may differ, but they are actively involved in production. On the other hand, two women were not at all involved in production, while the other three were male respondents. One of the two female respondents said she had taken the loan for extending her husband's business. Her husband has a building material (sand) shop in the market, and is using the loan. Increasing household income is more important for her, and so she is doing whatever is asked by her husband. Here she has no empowerment outcome at all and the main reason is not participating in production and having no access to assets and resources.

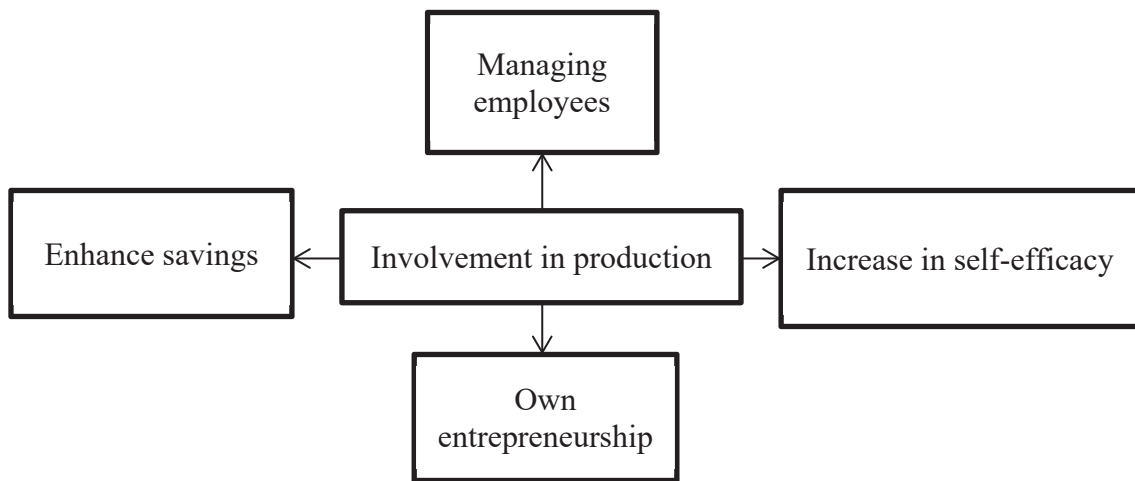


Figure 6. Consequences of women's involvement in production

#### 5.5.1. Success on managing employees and active production

From the data, it is seen that two women having considerably larger enterprises also engaged employees in their enterprise. One respondent had a restaurant in the local market engaged five employees, and one woman was doing catering services and engaged three employees. The empowerment outcome for these women is higher than the women who do not manage any employees. The owner of the restaurant disclosed that,

before starting this business, she had to equally concentrate on house work and caregiving for family members. Now the male member also takes responsibility at home, and she can concentrate more on her business. The other respondent said that among three of her employees, two are male and she is handling them efficiently. This indicates higher empowerment outcome as well. One respondent said she has always used her loan by herself, and was involved in production directly, but recently she has used part of her loan to send her husband abroad as a worker. She is repaying the loan from her husband's salary now. This borrower takes every decision of her family independently, her access to income and expenditure is present, and she has used her every previous loan by herself. She thinks that though the loan is used by her husband now she has the ability of be successful and there is no barrier that is keeping her confined at home. Specifically for this case, the women has already achieved empowerment having access to finance and successful entrepreneurship, but in other cases continued active participation in production leads to empowerment. One female respondent found that using the loan to establish her own enterprise increased her confidence, value, and status in the society. Use of the loan by a husband may increase income and result in improved quality of life for the family, but does not change the status of women. She also added that women's equal participation in family income establishes her empowerment. The other cases also revealed that the women actively participating in the production and using the loan by themselves are inclined to higher empowerment outcomes than others. In the two cases the women just took the loan and handed it over to their male partner and it is observed that they are not aware of their right to have access to loan and production and do not enjoy any empowerment outcome.

## **5.6. Empowerment through MFIs and Group lending**

There are several studies investigating the social and economic outcomes of microfinance but few literatures shed light on the impact of the loan in empowering rural women and the positive aspects of group composition and group lending mechanism. Although there is significant research on women's involvement in microcredit programs, empowerment has not been examined to a great extent, as the emphasis has been on financial gain. While there are numerous predispositions against extending microfinance for poverty reduction and empowerment of women, significant evidence is present to counter the legitimacy of this inclination. There are likewise inquiries regarding the adaptability of microcredit programs. A great part of the literature claims that microfinance has not achieved its goals. The leadership experience the women gain from the group and help to empower the other women through it. The access to loan and resources changed their way of thinking about being confined to the home. The custom of not working outside for some women remains, because they themselves participated in reenacting the custom. It is the economic independence which they did not experience before and was not aware of, that encouraged them to enforce their rights. Empowered women overcame their male partners' role, and the societal constraints, through their own capability and self-efficacy development. It is not only access to loan from the microfinance institutions that empowered them, but also their ability to use the loan, self-efficacy, and their predispositions (hardworking, education, support from family, etc.). Attitude toward entrepreneurship, subjective norm, and opportunity recognition self-efficacy are all highly correlated with entrepreneurial intention (Alonso-Galicia,

Fernández-Pérez, Rodríguez-Ariza, & Fuentes-Fuentes, 2015). It is not only the loan or money but the feeling of reaching the goal is considered as empowerment.

The process of empowerment for these borrowers is an accumulative process. After taking the loan, the borrowers gradually build their capabilities to utilize the loan and contribute to household income. Self-efficacy, knowledge, training, information for entrepreneurship, etc., mutually reinforce each other, and the successful enterprise results in greater empowerment. The group lending mechanism and the peers in the group influence and increase these abilities among the borrowers. In some cases it was seen that borrowers were not goal oriented, and self-efficacy was not evident. Some cases also showed that they have no courage to go against the discriminatory customs of the patriarch society, or that they are not very aware of their rights.

#### 5.6.1. Transferring empowerment to next generation

From the interview data, it was observed that the female borrowers are encouraging their daughter's education and ending the practice of child marriage. Girls are even sometimes sent to distance schools to receive education and earn higher degrees. In this way, borrowers are transferring empowerment to the next generation. After participating in the loan program and group meetings, the borrowers are now aware of the importance of education for their children. These women want to provide all the possible facilities to their daughters they themselves did not get. Moreover, Grameen bank is also providing scholarships and education loans for the borrowers' child, which is creating a conducive environment to send their children to school. Field officers revealed that one of their female borrowers eliminated her extreme poverty and provided education to her children, one of whom became doctor. From the interview data, it was observed that most



of the respondents were transferring empowerment to the next generation, participating in family and business decisions, enhancing bargaining and leadership capabilities and that the microfinance program had a substantial influence on it.

Common questions posed to all borrowers were “How do you work in groups?”, “Is the loan productive for you?”, and “How did this entrepreneurship change your status at home or society?”. One of the group respondents from the ‘village D’ disclosed that the group lending mechanism is a blessing for them. Group meetings help them to take an appropriate decision without hesitation and peer mentorship often helps to pay back loan weekly. Business plans and family-related matters are also discussed and effective solutions are achieved. Different entrepreneurs have different types of capabilities i.e. “intention”, “innovation”, and, “creativity” and their capabilities and learning are enhanced if working in cooperative networks which positively effects in creating a successful enterprise (Alves, Galina, Macini, Cagica Carvalho, & Costa, 2017). Their problems and needs are also placed collectively to the field officer and are often fulfilled:

“My first loan from GB was small and for small purpose. Then I needed a big loan to build a house for rent. My group members after long discussion consented to my loan proposal and placed it to field officer. Now I am one of the successful entrepreneurs in the locality. I believe it is for group virtue.”

The women also disclosed that the peer in the group not only help in loan repayment but also provide valuable suggestions and information about the business. She basically got the idea of building a house and renting it from one of her peers. The group leader plays an effective role in making the group performance successful. Group leaders always keeps in touch with other peers outside the meeting as well. She also said that one

of the group leaders of her previous group is now a member of local government. She was elected because of her leadership capability and the helping mentality she gained while working as a group leader. She also added that they included one extremely poor woman in their group knowing that she might be unable to pay during the first few weeks after receiving a loan. With the help of other peers in the initial period, she is now one of the successful entrepreneurs of that group.

One borrower respondent from the ‘village C’ said that her family and the other families of the borrowers now have more access to health and medical facilities. It is not only the government initiative, but also the ability of the borrowers that gave them more opportunities to get the health facilities. Cross-case analysis also showed more intakes in nutritious food of the borrowers. In a study by using linear and quadratic model result depicts that, microcredit borrowers consume more nutritious food than non-borrowers (Rahman, 2010). The infant and maternal mortality has also decreased for this. The consumption of food and nutrition also increased in comparison to before:

“As a cattle farmer, I and my family have enough intake of milk now. The Demand for protein and egg is also met from own farm. Other essentials of food are also met through household income. The health and nutrition condition of us is remarkably better. We are now seldom affected by diseases for deficiency of vitamin and nutrition.”

This respondent also said that the people can now afford nutritious food at a low price because some dairy and chicken farms began operating in the locality of the borrowers, as a result of loan program. Sometimes these entrepreneurs sell their products at a cheaper price if the product is not sold in the local market or have excess production. Moreover, the increased income of the borrowers enhanced their ability to afford more

nutritious food than earlier. People can now afford medicine and doctor visits, and are less dependent on village herbal treatments. Moreover, field officers of the microfinance institution also give proper suggestions for health and medication. The respondent depicted that most of the Grameen Bank borrowers now have proper sanitation and healthy living places.

Education of children is essential to eliminate poverty in long-run. The borrowers are now able to send their children to school. Sometimes borrowers also manage tutors for extra care for their children. The children of few borrowers are now even achieving higher education. These borrowers have saving schemes for their children too. The basic concerns for borrowers' different types of saving schemes at Grameen Bank are for their health care and children's education (Vonderlack, & Schreiner, 2002). Some children are attending vocational training schools to settle down early and help the family income. The borrowers do not involve their child in a laborious job now, and child marriage of daughters has been reduced. The needs of their children are also met and efforts to make them more self-sufficient are also an ongoing process:

“I want my daughter to become a doctor and for that, I am sending her to a science school far from my village. It is not a common scenario here in our village. I have a monthly saving scheme for her higher education. I am not worried about my other scarcity but want to establish my children properly.”

This respondent also added that the other borrowers and non-borrowers are now inspired by her and are making a change in their children's life. One of her neighbor's children was engaged in daily labor and was not concerned about education. Now they

are also sending their children to school, rather than sending them to laborious jobs, daily.

One field officer disclosed that leadership in women has increased because of the loan program and access to resources. The group leaders are handling groups efficiently with proper direction because of this leadership. Managing big loans and bargaining with field officers for other needs are done effectively through this representation. They are also getting training facilities from the group leaders and field officers as well. Training in every case improves the productivity of the new female entrepreneurs who did not have any business experience (Berge, Bjorvatn, & Tungodden, 2014). Through the training, the field officers are helping to broadcast knowledge that the borrowers need to run businesses and use the loan properly. Through the information provided by the field officers, the borrowers become aware of the actions needed. This also helps in leading female borrowers to higher levels of empowerment. Moreover, borrowers through the help of field officers and their own leadership are creating a network for their business and equally contributing to household income. They are also giving chance to extremely poor people by including them to their group though having a possibility to take the burden of their weekly loan payment:

“The group leader and Centre leader are taking lots of responsibilities for the welfare of the borrower. They are providing them valuable suggestions for business and even training if needed. They are helping borrowers in making social and business networks as well. Managing male members and families of borrowers if they are not allowed to work outside the home is also often done by them.”

In summary, the findings from this study show that access to a loan for the rural women in Bangladesh is giving access to economic resources. They are contributing to

household income and extending their business by receiving more loans. The group composition and lending mechanism is helping the borrowers in business development in one hand and in loan repayment in other. The leadership capability is increasing among the female borrowers working in a group and getting access to work outside. The women now can take the family and business decisions independently and bargaining capacity among them have remarkably increased. Decisions related to family planning, children's education, and welfare, working outside, and coming out from traditional custom are taken independently by women. Their self-sufficiency led them to get proper health care for themselves as well. Their value in the family and society has increased because of their economic contribution and consciousness about their own right. Ensuring better life for them, educating children is working as social empowerment and improvement of confidence, communication skills, consciousness about women right, and self-efficacy is working as economic empowerment for them. The success or failure of the enterprise are not inclined to empowerment rather their right to access to finance and assets, working outside the home as equally with men, change in their mind set of not following discriminatory customs, etc. plays a vital role for empowerment.

## CHAPTER 6: CONCLUSION

This study investigates how women are empowered through microfinance loans in an environment where they are typically less privileged than men in terms of education, economic participation, and social status. The feminist theories work as a ground to sort out these discriminations (Ahl & Marlow, 2012). Due to the effect of socialization and the gendered role of women in their society, empowerment and equity of women is often limited. Development of women especially in the transitional economies is essential for their empowerment and equity (Özkazanç-Pan, 2015). This study used qualitative methodology to understand the attitudes, beliefs, and values of the microcredit borrowers. It adds our knowledge about, understanding female borrowers' experiences, the process of their empowerment and their interpretations of their experiences.

Findings from this research will be important for management literature and will contribute to it by providing a new perspective on the effects of microcredit loan, and group lending in particular, in empowering women and reducing poverty. This research is one of only a few attempts to establish the relation between microfinance loan and empowering women in rural or slum communities. There are root causes in the patriarchal society working as an obstacle to women achieving empowerment. The root causes of inequality between men and women need to be taken into account for better outcomes of empowerment in future research. It was noted that the skills the borrowers gain are handed down from peers in their group; an initiative involved in group virtue. The training MFIs provide to the borrowers seemed to be inadequate, and should therefore be improved to ensure better entrepreneurial outcomes. The reason for this limitation is not clear, and so future research needs to examine more closely whether

MFIs can provide a meaningful service in this regards. It may be the case that those employed by MFIs are not adequately familiar with the contextual challenges faced by the poor, and that perhaps employment from with the ranks of the most highly regarded group leaders is advisable.

Finally, the ways to eliminate gender bias for entrepreneurship through empowerment of women are discussed in this study, but there are some other ways to eliminate this bias which is not discussed. Moreover research on microfinance programs and empowering women in countries other than Bangladesh is also needed.

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## APPENDICES

### Appendix 1: The codes and categories found and observed from the exploratory interviews

Table 7  
The codes and categories from the exploratory interviews

Name of Category	Codes from the interview of the respondent 1	Codes from the interview of the Respondent 2
Positive Development	<ol style="list-style-type: none"> <li>1. Flow of finance</li> <li>2. Education of children</li> <li>3. Renovate house</li> <li>4. Increase of living standard</li> <li>5. Vegetable cultivation</li> <li>6. Cattle riding from the profit</li> </ol>	<ol style="list-style-type: none"> <li>1. No scarcity of food</li> <li>2. Started a business buying a vehicle</li> <li>3. Renovated house</li> <li>4. Bought some ducks and hens</li> <li>5. Planning to build a new house</li> </ol>
Motivation for loan	<ol style="list-style-type: none"> <li>1. Others success</li> <li>2. Collateral free</li> <li>3. High interest rate of other bank and no excess to it</li> <li>4. Help from group members</li> <li>5. Easy to get the loan</li> </ol>	<ol style="list-style-type: none"> <li>1. Success of her mother-in-law</li> <li>2. Low interest</li> <li>3. Easy and fast process of getting the loan</li> </ol>
Conditions for success	<ol style="list-style-type: none"> <li>1. Hard work</li> <li>2. Accurate suggestion for proper use of loan</li> </ol>	<ol style="list-style-type: none"> <li>1. Hard work</li> <li>2. Proper utilize of time</li> <li>3. Proper use of loan</li> <li>4. GB's support during natural disaster</li> </ol>
Conditions for failure	<ol style="list-style-type: none"> <li>1. Lack of consciousness</li> <li>2. Social and family hardship</li> <li>3. Noncooperation from family members</li> </ol>	<ol style="list-style-type: none"> <li>1. Laziness</li> <li>2. Lack of judgment</li> </ol>
Change in status of women	<ol style="list-style-type: none"> <li>1. Savings for herself</li> <li>2. Key decision maker</li> </ol>	<ol style="list-style-type: none"> <li>1. Developed bargaining power</li> </ol>
Role of GB	<ol style="list-style-type: none"> <li>1. Loan as per need</li> <li>2. Easy to get the loan</li> <li>3. Proper suggestions</li> <li>4. Collateral free</li> <li>5. No mortgage</li> <li>6. Chance for retry</li> </ol>	<ol style="list-style-type: none"> <li>1. Natural disaster support</li> <li>2. Low interest</li> <li>3. No mortgage</li> </ol>

Table 7 continued

Name of Category	Codes from the interview of the respondent 3	Codes from the interview of the Respondent 4
Positive Development	<ol style="list-style-type: none"> <li>1. No need to seek loan from others or beg</li> <li>2. Getting proper nutrient food</li> <li>3. Made the kids self sufficient</li> <li>4. Bought cattle, manual rickshaw, land for cultivation</li> <li>5. Even managed entertainment equipment</li> <li>6. There is no loss</li> </ol>	<ol style="list-style-type: none"> <li>1. Pond for fish cultivation</li> <li>2. Land for crop cultivation and hybrid seeds</li> <li>3. Build a new house</li> <li>4. Moderate profit but lot for himself</li> </ol>
Motivation for loan	<ol style="list-style-type: none"> <li>1. Suggestion from an elder</li> <li>2. Easy to payback</li> </ol>	<ol style="list-style-type: none"> <li>1. Success of neighbor</li> <li>2. easy to get</li> </ol>
Conditions for success	<ol style="list-style-type: none"> <li>1. Good understanding about using the loan</li> <li>2. Own talent</li> <li>3. Hard work</li> <li>4. Spend according to income</li> <li>5. Amount of loan increases in a cyclic order after payback</li> <li>6. Group landing and suggestion</li> </ol>	<ol style="list-style-type: none"> <li>1. Hard work</li> <li>2. Fear of society</li> <li>3. Mental strength</li> <li>4. Honesty and judgment</li> <li>5. Education helps to utilize the loan</li> </ol>
Conditions for failure	<ol style="list-style-type: none"> <li>1. Lifestyle</li> <li>2. Use the loan in nonproductive sector</li> <li>3. Use the loan for other loan payback</li> </ol>	<ol style="list-style-type: none"> <li>1. Laziness</li> <li>2. Lack of education</li> <li>3. Lack of experience</li> <li>4. Husband use the loan without responsibility</li> </ol>
Change in status of women	<ol style="list-style-type: none"> <li>1. Value in society</li> <li>2. Increased size of enterprise</li> </ol>	<ol style="list-style-type: none"> <li>1. Financial independence</li> <li>2. Asset in her own name</li> </ol>
Role of GB	<ol style="list-style-type: none"> <li>1. It's a foundation for success</li> <li>2. Loan officers suggestion</li> </ol>	<ol style="list-style-type: none"> <li>1. Reliable</li> <li>2. Hustle free</li> <li>3. Get the loan in a short time</li> <li>4. No mortgage</li> <li>5. enough money to start a new project</li> </ol>

Table 7 continued

Name of Category	Codes from the interview of the respondent 5	Codes from the interview of the Respondent 6
Positive Development	<ol style="list-style-type: none"> <li>1. Cloth Stall</li> <li>2. Self sufficient</li> <li>3. Financially solvent</li> <li>4. Change in food consumption</li> <li>5. Entertainment</li> </ol>	<ol style="list-style-type: none"> <li>1. No remarkable change</li> <li>2. Still needy</li> </ol>
Motivation for loan	<ol style="list-style-type: none"> <li>1. Talking with field officers</li> <li>2. Neighbors success</li> </ol>	<ol style="list-style-type: none"> <li>1. For treatment for husband</li> </ol>
Conditions for success	<ol style="list-style-type: none"> <li>1. Self-respect</li> <li>2. Hard work</li> <li>3. Mental strength</li> <li>4. Education</li> </ol>	<ol style="list-style-type: none"> <li>1. More loan should be given</li> <li>2. More free assistance ship needed</li> </ol>
Conditions for failure	<ol style="list-style-type: none"> <li>1. Laziness</li> <li>2. Lack of consciousness</li> </ol>	<ol style="list-style-type: none"> <li>1. The should be used in productive sector</li> </ol>
Change in status of women	<ol style="list-style-type: none"> <li>1. Leadership in group</li> <li>2. Family planning decision</li> <li>3. Contribution for family</li> </ol>	<ol style="list-style-type: none"> <li>1. Self-confidence</li> <li>2. Created a social network</li> <li>3. Own savings</li> </ol>
Role of GB	<ol style="list-style-type: none"> <li>1. Easy to get</li> <li>2. Low interest</li> <li>3. Access to money needed for business</li> </ol>	<ol style="list-style-type: none"> <li>1. Easy to get</li> <li>2. Loan is insufficient</li> </ol>

## Appendix 2: Interview Guide

### Questionnaire for borrowers

1. Tell me something about the current economic condition of your family?
  - a. Do you think there is any difference in your economic condition after taking the loan?
  - b. Did your living standard increase?
  - c. What is the basic positive/negative change in your household income?
  - d. Did you increase any asset? I.e. number of cattle, land, and production machine etc.
  - e. Are you able to provide the partial loan repayment to the Grameen Bank as per condition?
2. Tell me what motivated you to take the loan from Grameen Bank?
  - a. How many of your family members use Grameen Bank or any other Microfinance institutions?
  - b. How is Grameen Bank different from other microfinance institutions in your locality?
3. When did you seek the loan from Grameen Bank and when did you obtain it?
  - a. Can you briefly describe the process of getting the loan?
  - b. Was there any obstacle to obtaining the loan?
  - c. Can you explain the process of obtaining the loan, including all steps and how long it took?
  - d. Did you have to mortgage anything?
4. Is the loan productive for you?

- a. What else do you think is needed to be a successful entrepreneur along with the loan?
- b. If it is to start a new entrepreneurship, is the loan sufficient?
5. How do you work in groups?
  - a. Do the group members help each other in the time of difficulties?
  - b. Tell me something about any of the members' role in the group which helped you a lot.
  - c. Do you think the group system is helpful?
6. How did this entrepreneurship change your status at home or society?
  - a. Do your decisions cared and valued at family?
  - b. what is your role in the group meetings?
7. What are the conditions that supported you to be a successful entrepreneur along with the loan?/ what are the conditions do you think worked as a barrier for you to be unsuccessful though getting the micro loan from Grameen Bank?
8. Is there any training or resources provided by Grameen Bank?
  - a. (If yes)Was the training or resources effective for you?
  - b. Explain how this training was given and what you learned.
  - c. Did you encounter any difficulty with the training or allocated resources?
9. Tell me about the role of the Grameen Bank in the change (increase/decrease) of household income of your family?
10. As a borrower do you have any suggestion for Grameen Bank in the procedure of giving or utilizing loan?



- a. What are the conditions that need to be taken into account along with the loan?

**Questionnaire for Loan officer/Officers/Managers/ Director (Grameen Bank)**

1. Tell me briefly about the loan program of Grameen Bank?
  - a. What is the main objective of this loan according to Grameen Bank?
  - b. Who are the main target group?
2. What are the strategies Grameen Bank follows in giving loan?
  - a. How it assesses applicants?
  - b. How it determines criteria for obtaining loans and setting amounts?
  - c. How they fix the repayment for the borrowers?
3. What are the conditions of the borrowers under which the training programs you initiate become successful or unsuccessful?
  - a. What determines whether or not to give trainings?
  - b. What are the conditions do you think can boost the loan for the borrower to become a successful entrepreneur?
  - c. What conditions works as main barriers to become an entrepreneur?
4. Tell me about what happens if a borrower is unable to pay back the loan?
  - a. Does Grameen Bank provide extra facilities for them to return the loan?
5. Tell me how the poor people are benefitted by working with Grameen bank?
  - a. What initiative do you adopt to help them use the loan effectively?
  - b. What Grameen Bank should be doing differently to have a positive impact on the country's poor?
  - c. Tell me how you help borrowers increase their standard of living?

6. What are the changes in female borrower you observe after taking the loan?
  - a. Does their confidence and status increase in the society?
  - b. Do they gain any special capability?

**Appendix 3: The codes and categories found/observed from the individual interviews in the final phase**

Table 8

The codes and categories from the individual interviews in the final phase

Name of Category	Codes from the interview of the respondent 1	Codes from the interview of the Respondent 2
Access to and control of resources	<ol style="list-style-type: none"> <li>1. Loan</li> <li>2. Income from chicken farm</li> <li>3. Flow of finance from cattle farm</li> <li>4. Will build a small shop for husband from next loan</li> <li>5. Increased in motivation now</li> <li>6. Savings for herself</li> </ol>	<ol style="list-style-type: none"> <li>1. Started an independent business</li> <li>2. Income from fuel wood business</li> <li>3. Bought machineries for business</li> </ol>
Welfare / education of children	<ol style="list-style-type: none"> <li>1. Sending children to school now</li> <li>2. Technical training</li> <li>3. Increase of living standard</li> </ol>	<ol style="list-style-type: none"> <li>1. Providing education to children now</li> <li>2. Daughter going to school now because of her</li> </ol>
Participation in family decision making	<ol style="list-style-type: none"> <li>1. Increased honor in family</li> <li>2. Key decision maker</li> <li>3. Husband asks before taking vital decisions</li> </ol>	<ol style="list-style-type: none"> <li>1. Participate in family decision making</li> <li>2. Developed bargaining power</li> <li>3. Decisions taken into account</li> </ol>
Food and health security	<ol style="list-style-type: none"> <li>1. Increase in nutritious food consumption</li> <li>2. Improved sanitation system</li> </ol>	<ol style="list-style-type: none"> <li>1. No scarcity of food now</li> <li>2. Nutritious food included in meal</li> </ol>
Participation in community affairs	<ol style="list-style-type: none"> <li>1. Helping other borrowers by good suggestion and sharing experience</li> <li>2. Even male family members listen to her for her success</li> </ol>	<ol style="list-style-type: none"> <li>1. Success increased her status</li> <li>2. Values her comment</li> </ol>

Table 8 continued

Financial satisfaction	<ol style="list-style-type: none"> <li>1. Buy daily needs</li> <li>2. Gradual development</li> <li>3. Increased self-respect</li> </ol>	<ol style="list-style-type: none"> <li>1. Can effort family need</li> <li>2. Planning to build a new house for better living</li> </ol>
Group lending	<ol style="list-style-type: none"> <li>1. Help peer in loan payback</li> <li>2. Guideline in business</li> </ol>	<ol style="list-style-type: none"> <li>1. Sometimes helps in weekly payment</li> <li>2. Helps in other monetary crisis than loan payment</li> <li>3. Took me in the group and started the loan</li> </ol>
Leadership	<ol style="list-style-type: none"> <li>1. Handling group with efficiency</li> <li>2. Accurate suggestion for proper use of loan</li> <li>3. Other women often comes for suggestion</li> <li>4. Imitating her</li> </ol> <p>Created an influence on other women of her locality</p>	<ol style="list-style-type: none"> <li>1. Peer in the group values decision Business techniques and plan followed by others</li> </ol>

Name of Category	Codes from the interview of the respondent 3	Codes from the interview of the Respondent 4
Access to and control of resources	<ol style="list-style-type: none"> <li>1. Increased assets</li> <li>2. Started cloth business and increased it</li> <li>3. Amount of loan increases in a cyclic order after payback</li> <li>4. As a woman operates a cloth shop in the market place which is not common in Bangladesh</li> </ol>	<ol style="list-style-type: none"> <li>1. Have access money after every expenditure</li> <li>2. Even managed entertainment equipment</li> <li>3. Have auto rickshaw and build a moderate chicken farm</li> <li>4. Build a new house</li> <li>5. Have savings of BDT 90000</li> </ol>
Welfare / education of children	<ol style="list-style-type: none"> <li>1. Sending daughter to study science in school far from home</li> <li>2. Made the kids self sufficient</li> </ol>	<ol style="list-style-type: none"> <li>1. Getting proper nutrient food</li> <li>2. Sending children to good school</li> </ol>

Table 8 continued

Participation in family decision making	<ol style="list-style-type: none"> <li>1. Positively increased participation in family affairs</li> <li>2. Decisions are valued by husband</li> <li>3. Decisions are valued by other male family members</li> <li>4. No embargo now from husband to work outside</li> </ol>	<ol style="list-style-type: none"> <li>1. She doesn't even have ask husband to take vital decisions</li> <li>2. Husband asks for suggestions before every work</li> </ol>
Food and health security	<ol style="list-style-type: none"> <li>1. Proper food</li> <li>2. Increased the standard lifestyle</li> </ol>	<ol style="list-style-type: none"> <li>1. Enough food with nutrition</li> </ol>
Participation in community affairs	<ol style="list-style-type: none"> <li>1. Came out of traditional <i>purda</i> and started working outside</li> <li>2. Welfare for village women</li> <li>3. Provide suggestions to other borrowers</li> <li>4. Value in society</li> </ol>	<ol style="list-style-type: none"> <li>1. Neighbor gives value now</li> <li>2. Eliminated class system for her</li> <li>3. Relatives values her and takes loan in crisis</li> </ol>
Financial satisfaction	<ol style="list-style-type: none"> <li>1. Some assets of her own</li> <li>2. It's a foundation for success</li> </ol>	<ol style="list-style-type: none"> <li>1. Happiest person in the world</li> <li>2. Financial independence</li> <li>3. Asset in her own name</li> </ol>
Group lending	<ol style="list-style-type: none"> <li>1. Help each other in loan repayment</li> <li>2. Even helped by money to start another business</li> </ol>	<ol style="list-style-type: none"> <li>1. Group meeting is fruitful for taking decisions</li> <li>2. Getting help from peer</li> </ol>
Leadership capability	<ol style="list-style-type: none"> <li>1. Group leader</li> <li>2. Managing loans for other needy women from field officers</li> </ol>	<ol style="list-style-type: none"> <li>1. Have the courage to compete next local member election</li> <li>2. No obstacle at all from family members to work outside</li> </ol>

Table 8 continued

Name of Category	Codes from the interview of the respondent 5	Codes from the interview of the Respondent 6
Access to and control of resources	<ol style="list-style-type: none"> <li>1. Access to money needed for business</li> <li>2. Owner of a small restaurant</li> <li>3. Have own assets now i.e. land</li> </ol>	<ol style="list-style-type: none"> <li>1. Owner of a car workshop</li> <li>2. Owns land</li> <li>3. Have good savings</li> </ol>
Welfare / education of children	<ol style="list-style-type: none"> <li>1. Four children attending school and the elder one is almost done with under graduation</li> <li>2. Effort private tutors when needed</li> </ol>	<ol style="list-style-type: none"> <li>1. Children goes to local school</li> <li>2. expend whatever is need for education</li> <li>3. extracurricular activities too</li> </ol>
Participation in family decision making	<ol style="list-style-type: none"> <li>1. Family planning decision</li> <li>2. Decisions valued</li> <li>3. Increased bargaining capability</li> </ol>	<ol style="list-style-type: none"> <li>1. Combine decision</li> <li>2. Husband never decides anything if she doesn't permit</li> <li>3. Bargaining capacity increased</li> <li>4. Have courage to take independent decision</li> </ol>
Food and health security	<ol style="list-style-type: none"> <li>1. Increase in food consumption</li> <li>2. Improved housing</li> <li>3. Proper medication when needed</li> </ol>	<ol style="list-style-type: none"> <li>1. Healthy life</li> <li>2. Nutritious food</li> </ol>
Participation in community affairs	<ol style="list-style-type: none"> <li>1. Helped some poor women in taking loan by taking them in group</li> <li>2. Monetary help to other people</li> <li>3. Success inspire others to take loan for business</li> </ol>	<ol style="list-style-type: none"> <li>1. Created a social network</li> <li>2. New borrowers get support</li> <li>3. Employed 5 people</li> </ol>
Financial satisfaction	<ol style="list-style-type: none"> <li>1. Self sufficient</li> <li>2. Financially solvent</li> <li>3. Her poverty would not have been eliminated if didn't get the loan</li> </ol>	<ol style="list-style-type: none"> <li>1. Fulfill all basic needs</li> <li>2. Proved to be efficient</li> </ol>
Group lending	<ol style="list-style-type: none"> <li>1. Inspired by other members</li> <li>2. Got no help from peer</li> </ol>	<ol style="list-style-type: none"> <li>1. Peer help monetarily</li> <li>2. Got lots of help in the initial period</li> <li>3. Group leader plays vital role</li> </ol>

Table 8 continued

Leadership capability	<ol style="list-style-type: none"> <li>1. Leadership in group</li> <li>2. Inspiring role in the society</li> <li>3. Pioneer in doing restaurant business in the locality</li> </ol>	<ol style="list-style-type: none"> <li>1. Independent</li> <li>2. Created employment for others</li> </ol>
Name of Category	Codes from the interview of the respondent 7	Codes from the interview of the Respondent 8
Access to and control of resources	<ol style="list-style-type: none"> <li>1. Increased the volume of business</li> <li>2. Needed a guarantor as not local</li> <li>3. Owner of a medium catering service</li> <li>4. Loan partially used by husband</li> <li>5. Access increased but not satisfactory</li> </ol>	<ol style="list-style-type: none"> <li>1. Build a house for rental</li> <li>2. Regular flow of money</li> <li>3. Owner of sand business run by husband</li> <li>4. Have cattle farm</li> </ol>
Welfare / education of children	<ol style="list-style-type: none"> <li>1. Access to education now</li> <li>2. One child taking vocational training</li> <li>3. No child marriage for daughter</li> </ol>	<ol style="list-style-type: none"> <li>1. Children go to a good school</li> <li>2. Getting scholarships from school and GB</li> <li>3. Have aim to make highly educated</li> </ol>
Participation in family decision making	<ol style="list-style-type: none"> <li>1. Previously decisions were taken by husband and now she is included</li> <li>2. Mostly big decisions by husband</li> <li>3. Bargaining increased but not satisfactory</li> <li>4. Other male family members values now</li> </ol>	<ol style="list-style-type: none"> <li>1. Decide together</li> <li>2. Values her comment</li> <li>3. Some decisions taken independently</li> </ol>
Food and health security	<ol style="list-style-type: none"> <li>1. Live in rental house</li> <li>2. Access to medical service</li> <li>3. Proper nutritious food</li> </ol>	<ol style="list-style-type: none"> <li>1. Proper medication</li> <li>2. Consumption of food increased</li> <li>3. Vegetable farming around home for nutritious food</li> <li>4. Consumption of milk from own cattle farm</li> </ol>

Table 8 continued

Participation in community affairs	<ol style="list-style-type: none"> <li>1. Status increased</li> <li>2. Participate in voluntary social work</li> <li>3. Women in same business often comes for suggestion</li> <li>4. Can go outside for work now</li> <li>5. Managed a same business for a poor women by providing training</li> <li>6. Have two employee</li> </ol>	<ol style="list-style-type: none"> <li>1. Been guarantor for many borrowers</li> <li>2. Help in others loan repayment outside group</li> </ol>
Financial satisfaction	<ol style="list-style-type: none"> <li>1. Effort daily need</li> <li>2. Moderately financially solvent</li> </ol>	<ol style="list-style-type: none"> <li>1. Extending business</li> <li>2. Mobility increased</li> <li>3. Implementing own ideas</li> <li>4. Self-confidence and respect</li> </ol>
Group lending	<ol style="list-style-type: none"> <li>1. First introduced with peer</li> <li>2. Lots of help i.e. loan payment, suggestion, managing family etc.</li> <li>3. Effective mechanism for borrowers</li> <li>4. Is of big help during crisis</li> <li>5. Preparedness for weekly meeting with payment and other update</li> </ol>	<ol style="list-style-type: none"> <li>1. Help field officer by collecting weekly payment</li> <li>2. Give loan proposal depending on peer capability</li> <li>3. Look after each other to maintain group will</li> <li>4. It's really helpful</li> </ol>
Leadership capability	<ol style="list-style-type: none"> <li>1. Not satisfied</li> <li>2. Good to see leadership in more women now</li> <li>3. Group leader and Centre leader plays good role</li> </ol>	<ol style="list-style-type: none"> <li>1. Community service gave her good prestige and value</li> </ol>



Table 8 continued

Name of Category	Codes from the interview of the respondent 9	Codes from the interview of the Respondent 10
Access to and control of resources	<ol style="list-style-type: none"> <li>1. Access to good amount of loan</li> <li>2. Have own land and house</li> <li>3. Own savings at GB</li> <li>4. Considerable big vegetable farm</li> </ol>	<ol style="list-style-type: none"> <li>1. Have small ice-cream factory</li> <li>2. Moderate income</li> <li>3. Have own house and small land</li> <li>4. Farm two cows every year for sell</li> </ol>
Welfare / education of children	<ol style="list-style-type: none"> <li>1. All the children receiving education</li> <li>2. Savings for children's future</li> </ol>	<ol style="list-style-type: none"> <li>1. Three daughter got married</li> <li>2. Educated them till grade 12</li> </ol>
Participation in family decision making	<ol style="list-style-type: none"> <li>1. Sent husband abroad by partial loan</li> <li>2. All decisions taken by own</li> <li>3. All the savings and money is administered by me</li> <li>4. Family planning decision by me</li> </ol>	<ol style="list-style-type: none"> <li>1. Treatment of husband</li> <li>2. Decisions valued</li> <li>3. Independently taken e.g. cattle farming</li> </ol>
Food and health security	<ol style="list-style-type: none"> <li>1. Live in rental house</li> <li>2. Access to medical service</li> <li>3. Proper nutritious food</li> </ol>	<ol style="list-style-type: none"> <li>1. Milk, meat</li> <li>2. Medication of husband</li> </ol>
Participation in community affairs	<ol style="list-style-type: none"> <li>1. Personal loan to one women for sewing machine</li> <li>2. Have the ability to help others</li> <li>3. Often solve family problems of others</li> <li>4. Worked for stopping child marriage</li> </ol>	<ol style="list-style-type: none"> <li>1. Two other family started the same business</li> <li>2. Gave training</li> <li>3. Help in monetarily several times</li> </ol>
Financial satisfaction	<ol style="list-style-type: none"> <li>1. Fully satisfied</li> <li>2. Able to fulfill all needs along with entertainment</li> </ol>	<ol style="list-style-type: none"> <li>1. Able to work outside</li> <li>2. Scarcity reduced</li> <li>3. Spend well in daughters marriage</li> </ol>

Table 8 continued

Group lending	<ol style="list-style-type: none"> <li>1. Select peer according to capability</li> <li>2. Recommend loan amount according to peer capacity</li> <li>3. Centre heads recommendation to take member</li> <li>4. Help in loan repayment</li> </ol>
Leadership capability	<ol style="list-style-type: none"> <li>1. Self-sufficiency gave me leadership</li> <li>2. People cares my opinion</li> <li>3. Helping mentality created an influence</li> <li>4. Have good bargaining capacity</li> <li>5. Can pursue big loan for bargaining</li> <li>6. Ability to maintain group image</li> </ol>

Name of Category	Codes from the interview of the respondent 11	Codes from the interview of the Respondent 12
Access to and control of resources	<ol style="list-style-type: none"> <li>1. Have own tools (Blacksmith)</li> <li>2. Small workshop in village</li> <li>3. Everything done from loan</li> <li>4. Small land and house</li> </ol>	<ol style="list-style-type: none"> <li>1. Sent husband abroad</li> <li>2. Land for cultivation maze</li> <li>3. cattle farm and sell cow every six month</li> <li>4. have income from van trolley for transportation</li> <li>5. Have savings at GB</li> </ol>
Welfare / education of children	<ol style="list-style-type: none"> <li>1. children getting proper education</li> <li>2. they are not involved in any labor</li> </ol>	<ol style="list-style-type: none"> <li>1. Daughter got married</li> <li>2. Another daughter going school</li> <li>3. Daughter also included in GB loan program</li> </ol>
Participation in family decision making	<ol style="list-style-type: none"> <li>1. Wife's decisions valued</li> <li>2. Allow wife working outside</li> <li>3. Help each other in business</li> <li>4. Big decisions taken together</li> <li>5. Family planning decision together</li> </ol>	<ol style="list-style-type: none"> <li>1. Mostly take decision independently</li> <li>2. Male member have full faith</li> <li>3. Full influence on husband</li> <li>4. Son and daughter obeys decision</li> </ol>

Table 8 continued

Food and health security	<ol style="list-style-type: none"> <li>1. Amount of daily food increased due to</li> <li>2. vegetable farming of wife</li> <li>3. Utilize both income for food and medication</li> </ol>	<ol style="list-style-type: none"> <li>1. No scarcity of food</li> <li>2. Milk and eggs are available</li> </ol>
Participation in community affairs	<ol style="list-style-type: none"> <li>1. Allow poor people accommodate in group</li> <li>2. Help them in entrepreneurial suggestion</li> <li>3. Share own experience</li> </ol>	<ol style="list-style-type: none"> <li>1. Influenced by others and create influence others now</li> <li>2. Monetary status increased</li> <li>3. Include poor women into loan program</li> </ol>
Financial satisfaction	<ol style="list-style-type: none"> <li>1. Self-sufficient and solvent</li> </ol>	<ol style="list-style-type: none"> <li>1. Eliminated poverty</li> <li>2. Increasing business</li> <li>3. Own identity</li> </ol>
Group lending	<ol style="list-style-type: none"> <li>1. Selection of peer is important</li> <li>2. Won't get good loan if peer default</li> <li>3. Help each other</li> <li>4. Well known to all</li> <li>5. Hardworking and good by nature</li> </ol>	<ol style="list-style-type: none"> <li>1. Evaluate capacity before including as member</li> <li>2. Help each other</li> <li>3. Meetings are effective</li> </ol>
Leadership capability	<ol style="list-style-type: none"> <li>1. Appreciate women leadership</li> <li>2. Cannot prosper alone without women help in family</li> </ol>	<ol style="list-style-type: none"> <li>1. Convince field officer for extremely poor borrower</li> <li>2. Maintain and manage group</li> <li>3. Have a good vocal in GB Centre</li> <li>4. Centre head Success gave her own name use to known by son/husbands name</li> </ol>

Table 8 continued

Name of Category	Codes from the interview of the respondent 13	Codes from the interview of the Respondent 14
Access to and control of resources	<ol style="list-style-type: none"> <li>1. No access to any resources before</li> <li>2. Land cultivation</li> <li>3. Cattle farming</li> <li>4. DPS(personal savings) every month and savings</li> </ol>	<ol style="list-style-type: none"> <li>1. Moderate poor now</li> <li>2. Cultivate in others land</li> </ol>
Welfare / education of children	<ol style="list-style-type: none"> <li>1. Children went to school</li> <li>2. They are well settled</li> <li>3. Didn't allow daughters early marriage</li> </ol>	<ol style="list-style-type: none"> <li>1. Children not well educated</li> <li>2. Not burden</li> <li>3. Working their own</li> </ol>
Participation in family decision making	<ol style="list-style-type: none"> <li>1. Value husband decision</li> <li>2. Independent decision too</li> <li>3. Cooperation exist</li> <li>4. Protested in daughter's early marriage and was taken into account</li> </ol>	<ol style="list-style-type: none"> <li>1. Give priority to wife too</li> <li>2. Major decision by own</li> <li>3. Women can come out for work</li> </ol>
Food and health security	<ol style="list-style-type: none"> <li>1. Increased in food consumption</li> <li>Getting medication for old age and savings</li> </ol>	<ol style="list-style-type: none"> <li>1. Moderate consumption of food</li> <li>2. Access to medical facilities</li> </ol>
Participation in community affairs	<ol style="list-style-type: none"> <li>1. Help poor people like her</li> <li>2. Feel good if anyone's status change because of her</li> </ol>	<ol style="list-style-type: none"> <li>1. Get help from other</li> </ol>
Financial satisfaction	<ol style="list-style-type: none"> <li>1. Proud of current situation</li> <li>2. Eliminated extreme poverty</li> </ol>	<ol style="list-style-type: none"> <li>1. Not really satisfied</li> </ol>
Group lending	<ol style="list-style-type: none"> <li>1. five members joint effort</li> <li>2. good group get good loan</li> <li>3. group members are well settled</li> <li>4. business suggestion</li> <li>5. same mentality helps</li> </ol>	<ol style="list-style-type: none"> <li>1. regular meeting</li> <li>2. consensus in loan proposal</li> <li>3. at least some capacity to run loan</li> <li>4. easier if from same locality</li> <li>5. As a senior borrower suggesting others</li> </ol>

Table 8  
continue

Table 8 continued

Leadership capability	<ol style="list-style-type: none"> <li>1. Loan increased ability and power</li> <li>2. Help by money or good suggestion</li> <li>3. Inspired by success</li> </ol>	<ol style="list-style-type: none"> <li>1. Accommodate in groups to others</li> <li>2. Encourage women to lead</li> <li>3. Community service gave her good prestige and value</li> </ol>
<hr/>		
Name of Category	Codes from the interview of the respondent 15	Codes from the interview of the Respondent 16
Access to and control of resources	<ol style="list-style-type: none"> <li>1. Build house</li> <li>2. Previously used the loan and now gave the loan to son</li> <li>3. Son gives her monthly expense</li> <li>4. Savings in bank</li> </ol>	<ol style="list-style-type: none"> <li>1. Rent house</li> <li>2. Good monthly income</li> <li>3. Pay back previous loan</li> <li>4. Received big loan</li> </ol>
Welfare / education of children	<ol style="list-style-type: none"> <li>1. Two children have graduated</li> <li>2. Sons are working well</li> </ol>	<ol style="list-style-type: none"> <li>1. Proper schooling</li> <li>2. Fulfill other needs</li> </ol>
Participation in family decision making	<ol style="list-style-type: none"> <li>1. Son's obey decision</li> <li>2. Independent decision</li> <li>3. Son provides extra money</li> </ol>	<ol style="list-style-type: none"> <li>1. Combine decision</li> <li>2. Own decision valued</li> <li>3. Other male member of family also value decision</li> </ol>
Food and health security	<ol style="list-style-type: none"> <li>1. Living environment positively changed</li> <li>2. Food consumption increased</li> </ol>	<ol style="list-style-type: none"> <li>1. Enough food with nutrition</li> <li>2. Medication for child</li> </ol>

Table 8 continued

Participation in community affairs	<ol style="list-style-type: none"> <li>1. As an elderly borrower encourage other borrower</li> </ol>	<ol style="list-style-type: none"> <li>1. Mitigate family problem of other if needed</li> <li>2. Few borrower are following her</li> </ol>
Financial satisfaction	<ol style="list-style-type: none"> <li>1. Loan made a big difference</li> <li>2. Happy life</li> </ol>	<ol style="list-style-type: none"> <li>1. Regular earning</li> <li>2. Fulfill most needs</li> </ol>
Group lending	<ol style="list-style-type: none"> <li>1. Group of five help each other in loan repayment</li> <li>2. Group leader helps in giving proper guideline</li> <li>3. Gathering information of all kind of loan from GB</li> </ol>	<ol style="list-style-type: none"> <li>1. Regular meeting with field officer and peer</li> <li>2. Update loan and business information with field officer and peer</li> <li>3. Build and renting house by peer suggestions which helped a lot</li> </ol>
Leadership capability	<ol style="list-style-type: none"> <li>1. Motivator</li> <li>2. Help and support field officer</li> </ol>	<ol style="list-style-type: none"> <li>1. Give full credit to group leader</li> <li>2. Some borrowers follow her in business</li> </ol>

Table 8 continued

Name of Category	Codes from the interview of the respondent 17
Access to and control of resources	<ol style="list-style-type: none"> <li>1. Works as blacksmith</li> <li>2. Own workshop</li> <li>3. Resources increased</li> </ol>
Welfare / education of children	<ol style="list-style-type: none"> <li>1. Educated children</li> <li>2. Engaged in business</li> <li>3. Good income</li> </ol>
Participation in family decision making	<ol style="list-style-type: none"> <li>1. Both decides</li> <li>2. Wife's decision valued</li> <li>3. Take own decision for own business</li> <li>4. Wife decides for own business</li> </ol>
Food and health security	<ol style="list-style-type: none"> <li>1. Live in rental house</li> <li>2. Access to medical service</li> <li>3. Proper nutritious food</li> </ol>
Participation in community affairs	<ol style="list-style-type: none"> <li>1. Help relatives monetarily</li> <li>2. Transfer business skill where needed</li> </ol>
Financial satisfaction	<ol style="list-style-type: none"> <li>1. Solvent now</li> <li>2. Changed in economic condition now</li> </ol>
Group lending	<ol style="list-style-type: none"> <li>1. Basically help in loan repay back</li> <li>2. Influence field officer for big loan</li> </ol>
Leadership capability	<ol style="list-style-type: none"> <li>1. Encourage women participating in business</li> <li>2. Female members of his family work outside</li> <li>3. Family cannot run without combine income</li> </ol>

Table 9

The codes and categories found and observed from group interviews in the final phase

Name of Category	Codes from the group interview 1	Codes from the group interview 2
Group composition	<ol style="list-style-type: none"> <li>1. Group of five (5)</li> <li>2. Judge the members capability</li> <li>3. No blood relative or from same family</li> <li>4. Peer from same locality</li> <li>5. Permanent resident of the locality</li> <li>6. Same mentality or having a good relation</li> </ol>	<ol style="list-style-type: none"> <li>1. Group of five (5)</li> <li>2. Members from nearby places</li> <li>3. Possibility to stay in the group without disturbance</li> <li>4. Minimum capacity to run the loan</li> </ol>
Group meeting	<ol style="list-style-type: none"> <li>1. Every week meeting</li> <li>2. Collect the weekly payment</li> <li>3. Talk about peer problems and look for solutions</li> <li>4. Ensure the monthly GPS (Grameen Bank personal saving) is running well</li> <li>5. Meet the field officer after meeting</li> </ol>	<ol style="list-style-type: none"> <li>1. Talk about peer problem</li> <li>2. Suggesting each other</li> <li>3. Collecting weekly payment</li> <li>4. Talk about others success and techniques adopted</li> <li>5. Make consensus for recommending peer for big/small loan</li> </ol>
Peer help	<ol style="list-style-type: none"> <li>1. Flexibility from peer</li> <li>2. Pay back the loan by one peer when needed</li> <li>3. Peer support for big loans</li> <li>4. Group support for loan repayment of a single peer</li> <li>5. Sometimes impossible to run the loan without peer support</li> </ol>	<ol style="list-style-type: none"> <li>1. Help each other in loan pay back</li> <li>2. Never happened peer didn't help other</li> <li>3. Helping other than loan repayment</li> <li>4. Improving business plan</li> </ol>
Qualities of peer	<ol style="list-style-type: none"> <li>1. Have some capability to pay back the loan on time</li> <li>2. Other earning source</li> <li>3. Members living nearby</li> <li>4. Recommend for a small loan to new borrowers</li> </ol>	<ol style="list-style-type: none"> <li>1. Have the capability to invest properly</li> <li>2. Hardworking or not</li> <li>3. Previous monetary record</li> <li>4. Reliability</li> </ol>



Table 9 continued

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Leadership in group	<ol style="list-style-type: none"> <li>1. Manage the group</li> <li>2. Manage loan payment of peer</li> <li>3. Look at the constraints of peer</li> <li>4. Suggest for proper use of loan</li> <li>5. Suggest proper business plan</li> <li>6. Suggestions for family affairs other than loan and business</li> <li>7. Manage family member of new borrowers to participate in the loan program</li> <li>8. Increase motivation and set competitive mind to peer</li> <li>9. Ensure overall development of peer</li> <li>10. Create influence in group and other borrowers</li> <li>11. Accommodate the group with center leader of all groups</li> </ol>	<ol style="list-style-type: none"> <li>1. Create a network in and out of group</li> <li>2. Try to accommodate week members by group effort</li> <li>3. Equity in the group</li> <li>4. Managing group by group effort</li> <li>5. Personally interact with every peer</li> <li>6. Special care for week members</li> </ol>
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Table 9 continued

Name of Category	Codes from the group interview 3
Group composition	<ol style="list-style-type: none"> <li>1. Five members as per GB rule</li> <li>2. Non relatives as per GB rule</li> <li>3. Having good relations with each other</li> <li>4. Group consensus about recruiting new members</li> <li>5. Rely on group leader</li> <li>6. Combination of strong and weak members</li> <li>7. Have the mentality to help each other</li> <li>8. At least have the capacity to work hard</li> </ol>
Group meeting	<ol style="list-style-type: none"> <li>1. Must meet weekly</li> <li>2. Ensure weekly payment of peer</li> <li>3. Talk about peer constraints and way out</li> <li>4. Talk about more loans if needed by peer</li> <li>5. Enhancing business</li> <li>6. Solve family problems if needed</li> <li>7. Saving schemes</li> </ol>
Peer help	<ol style="list-style-type: none"> <li>1. Loan repayment</li> <li>2. Engaging week members as employee</li> <li>3. Suggesting peer for better business plan</li> <li>4. Encouraging peer in crisis</li> <li>5. Place the problems to field officer collectively</li> <li>6. Support peer for big loan</li> </ol>
Qualities of peer	<ol style="list-style-type: none"> <li>1. Self-respect for peer</li> <li>2. Hardworking and capable to payback loan on time</li> <li>3. Poor member can be taken but must be honest</li> <li>4. Should be known by all the peer</li> <li>5. Clear view of spending the loan</li> <li>6. Judge the sector of investment</li> <li>7. Loan used by him or herself</li> </ol>
Leadership in group	<ol style="list-style-type: none"> <li>1. Always in touch with peer other than meeting</li> <li>2. Look after group members problem and solution</li> <li>3. Introducing productive businesses</li> <li>4. Suggesting and informing healthy life and food</li> <li>5. Manage other peer for help for a peer in crisis</li> <li>6. Managing field officer for late repayment of loan if someone in the group is in crisis</li> </ol>

Table 10  
The main codes and categories found and observed from field officers interviews

Name of Category	Codes from the interview of field officer 1	Codes from the interview of field officer 2
Qualities and strategies for borrowers	<ol style="list-style-type: none"> <li>1. Provide small or big loans according to capability</li> <li>2. Select landless and poor people for loan</li> <li>3. Trainings for new members</li> <li>4. Creating capability and confidence</li> <li>5. Investigate the sector of investment and planning</li> <li>6. Hardworking and permanent resident of the locality is preferred</li> <li>7. Provide better planning if needed</li> <li>8. Pointing problems with loan defaulters</li> <li>9. Special consideration during natural or other disaster</li> <li>10. Granting partial loan repayment if unable</li> <li>11. Encourage for savings in GB which they can use during crisis</li> </ol>	<ol style="list-style-type: none"> <li>1. Different types of loan i.e. struggle loan, agro loan, cattle farming etc.</li> <li>2. Facilitate loan program through group leader and Centre leader</li> <li>3. Making self-sufficient to landless poor</li> <li>4. Evaluate the regular change in status of the borrowers yearly</li> <li>5. Judge the demand and ability and fix the amount of loan</li> <li>6. Encourage saving schemes in bank e.g. GPS</li> <li>7. We follow “correct loan makes progress and big loan worsens”</li> <li>8. Every support for loan defaulter to overcome</li> <li>9. No repayment during natural disaster</li> <li>10. Increase the loan cycle from one year to 2 year for the defaulter</li> </ol>
Trainings and for small entrepreneurship	<ol style="list-style-type: none"> <li>1. Training for every borrower</li> <li>2. Sectorial training i.e. sewing, farming etc.</li> <li>3. Special training for proper use of loan</li> </ol>	<ol style="list-style-type: none"> <li>1. Training for start business</li> <li>2. Modern agro training</li> <li>3. Informing new techniques of cattle/chicken farming</li> <li>4. Proper use of loan</li> </ol>

Table 10 continued

Group lending mechanism	<ol style="list-style-type: none"> <li>1. Help in forming group</li> <li>2. Similarity in age, locality, mentality, and non-relatives</li> <li>3. Ensuring weekly loan repayment using group</li> <li>4. Mitigate problems in the group</li> <li>5. Ensure big loans after assessing group recommendation</li> <li>6. Weekly meeting with all the groups in the Centre</li> <li>7. Providing training to group leaders and Centre leaders</li> <li>8. Accommodate member to other group to eliminate problem</li> </ol>	<ol style="list-style-type: none"> <li>1. Prioritize members choice in forming group</li> <li>2. Maintain GB rules i.e. nonrelatives, same locality etc.</li> <li>3. Among five one works as chairman, one as secretary and rest general member (according to no.63 form)</li> <li>4. Mobilize weekly repayment</li> <li>5. Listen to group problems weekly and take proper action</li> <li>6. Provide total authority to group leader or chairman</li> </ol>
Alleviating poverty	<ol style="list-style-type: none"> <li>1. Ensure proper use of loan</li> <li>2. Investigate and suggest business plan</li> <li>3. Education for children</li> <li>4. Stop child marriage and dowry</li> </ol>	<ol style="list-style-type: none"> <li>1. Main target of GB</li> <li>2. Access to loan to landless poor</li> <li>3. Continuous monitoring for development</li> <li>4. Use of borrowers own experience</li> </ol>
Enhancing living standard	<ol style="list-style-type: none"> <li>1. Ensure healthy life i.e. sanitation, family planning, cheap cultivation process for nutritious food etc.</li> <li>2. Improved housing and provide non interest house loan</li> <li>3. Educate family planning</li> </ol>	<ol style="list-style-type: none"> <li>1. Special education loan for meritorious children of members</li> <li>2. Programs i.e. sanitation, planting trees, providing nutritious food</li> </ol>
Transferring leadership and power	<ol style="list-style-type: none"> <li>1. Creating leadership among borrowers</li> <li>2. Motivating about women right</li> <li>3. Encouraging women to come out for business</li> <li>4. Encouraging male members to let their partners participate</li> <li>5. Awareness about social constraints and ways to combat</li> <li>6. Creating courage to work and take decisions</li> <li>7. Making self-sufficient</li> </ol>	<ol style="list-style-type: none"> <li>1. 90 per cent success in empowerment</li> <li>2. One borrower is member in the local <i>union parishod</i> (wing of local executive)</li> <li>3. Educating women to perform better in business</li> <li>4. Savings and asset of her own</li> <li>5. Change in social status</li> </ol>

Table 10 continued

Name of Category	Codes from the interview of field officer 3
Qualities and strategies for borrowers	<ol style="list-style-type: none"> <li>1. Loan according to demand</li> <li>2. Judge capacity</li> <li>3. Judge the area of investment</li> <li>4. Motivate to use loan properly</li> <li>5. Give chances to defaulters</li> <li>6. Encourage DPS and other pension schemes</li> </ol>
Trainings and for small entrepreneurship	<ol style="list-style-type: none"> <li>1. Provide training</li> <li>2. Many type of training for borrowers</li> <li>3. Introduce profitable sector for business</li> <li>4. Follow praxis</li> </ol>
Group lending mechanism	<ol style="list-style-type: none"> <li>1. Same locality, mentality, non-relatives and made by borrowers</li> <li>2. Check whether the borrowers partner is of good habit</li> <li>3. Manage group problem</li> <li>4. Prioritize group chairman</li> <li>5. Solve group problem immediately</li> </ol>
Alleviating poverty	<ol style="list-style-type: none"> <li>1. Loan changes social status</li> <li>2. Economic enhancement Ensure wellness of borrower by providing scholarship for meritorious children, healthy lifestyle</li> </ol>
Enhancing living standard	<ol style="list-style-type: none"> <li>1. Healthy life</li> <li>2. Education</li> <li>3. Food and nutrition</li> </ol>
Transferring leadership and power	<ol style="list-style-type: none"> <li>1. Borrower became representative of people winning election</li> <li>2. Came out from traditional society</li> <li>3. Women are more liable about loan</li> <li>4. Centre run by women Group leader plays a vital role for collecting weekly loan</li> </ol>

## **Appendix 4: Letter of informed consent for individuals**

### **Empowering women through microfinance: An evaluation of MFIs influence in**

### **Bangladesh**

### **Informed Consent**

I am Muhammad Moinul Hasnat, a graduate student at the University of Lethbridge. I am inviting you to participate in an interview about the Empowering women through microfinance: An evaluation of MFIs influence in Bangladesh. This is required for my thesis in my M.Sc. (Management) degree. “My goal in this research is to better understand how microfinance loans can make a bigger impact on women empowerment”. To do that, I will ask you a bit about your motives for obtaining the loan or entrepreneurship, how the entrepreneurship changes your status at home or society, if you received any training or not and how this helped or hindered you in using the loan. The interview will take about 90 minutes of your time. I may contact you later within a week face to face if I have something more to ask or for clarity. By participating in this interview, you will help me gain information needed for my research.

The identity of interview participants is anonymous. I will be recording our interview and the audio recording will later be transcribed by me. Names of the participants are replaced by a code to analyze the data without the use of personal identifying information. The anonymized transcription will be stored in a password protected computer. Both the audio recording and transcription will be deleted at the end of March 24, 2023. Only my supervisor will have access to the data.

Your participation in this interview is completely voluntary. The degree of psychological discomfort that you may experience from participating is expected to be negligible. It should not exceed the degree of discomfort that you might feel when considering common activities in your day-to-day life. Although I urge you to answer all questions to the best of your ability, you may decline to answer any questions that you do not wish to answer. You can withdraw your participation at any time during the interview or during the study period. There are no consequences to you for withdrawing from the study or for choosing not to answer a question. You are free to withdraw at any time and still get the compensation of CAD 10 equivalent to BDT 650 for time given for the interview. You will not benefit directly from participation in this research except the compensation for your time. If you wish to get the feedback of the study, I can send a short summary of my key findings directly.

The results from this interview will be presented to my supervisor and committee members. It may also be presented in journals or to groups outside of the University later. Names of the participants will be replaced by a code while presenting the data without the use of personal identifying information. At no time will your name or other identification will be used.

If you require any information about this research or your rights as a participant in this interview, you may contact the Office of Research Ethics, University of Lethbridge (Phone: 403-329-2747 or Email: [research.services@uleth.ca](mailto:research.services@uleth.ca)). If you have any other questions you may contact me at Faculty of Management, University of Lethbridge

[Phone: 4039295179 (Canada), +880171136229 (Bangladesh), email: m.hasnat@uleth.ca]. The proposed research has been reviewed for ethical acceptability and approved by the University of Lethbridge Human Subject Research Committee. I would like to thank you for your participation in this research and for assisting me with my Master of Science in Management.

I have read the above information and the researcher have explained to me the study objectives and procedures and I voluntarily agree and consent to participate in this study. I will also receive a copy of the signed consent form for my record.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_



## **Appendix 5: Letter of informed consent for groups**

### **Empowering women through microfinance: An evaluation of MFIs influence in**

### **Bangladesh**

### **Informed Consent**

I am Muhammad Moinul Hasnat, a graduate student at the University of Lethbridge. I am inviting you to participate in an interview about the Empowering women through microfinance: An evaluation of MFIs influence in Bangladesh. This is required for my thesis in my M.Sc. (Management) degree. “My goal in this research is to better understand how microfinance loans can make a bigger impact on women empowerment”. To do that, I will ask your group about the group composition, loan repayment, peer attitude, and leadership role in the group. The interview will take about 90 minutes of your group time. I may contact your group later within a week face to face if I have something more to ask or for clarity. By participating in this interview, your group will help me gain information needed for my research.

For this focus group interview, participants should respect the privacy and confidentiality of others in the group, and should not discuss what was said outside of the group. By consenting to participate in this interview you are also agreeing to maintain the confidentiality of the focus group. It is your ethical duty to maintain this confidentiality. I will be recording our interview and the audio recording will later be transcribed by me. Names of the participants are replaced by a code to analyze the data without the use of personal identifying information. The anonymized transcription will be stored in a

password protected computer. Both the audio recording and transcription will be deleted at the end of March 24, 2023. Only my supervisor will have access to the data.

Your participation in the group interview is completely voluntary. The participation of the group as a whole is voluntary as well. The degree of psychological discomfort that you may experience from participating is expected to be negligible. It should not exceed the degree of discomfort that you might feel when considering common activities in your day-to-day life. One risk for you is that you are providing me your valuable 90 minutes and you could have worked in that time for your earnings. So, keeping this in mind I will compensate you for the time you will give me for the interview. I have decided to give CAD 10 equivalent to BDT 650 to you. The other discomfort you may find in answering any of the questions. Although I urge you to answer all questions to the best of your ability, you or your group may decline to answer any questions that you do not wish to answer. You can withdraw your participation at any time during interview or during the study period. There are no consequences to you for withdrawing from the study or for choosing not to answer a question. You are free to withdraw at any time and still get the compensation for the time given for the interview and will receive all remuneration. You will not benefit directly from participation in this research except the compensation for your time. If you wish to get the feedback of the study, I can send a short summary of my key findings directly.

The results from this interview will be presented to my supervisor and committee members. It may also be presented in journals or to groups outside of the University later. Names of the participants will be replaced by a code while presenting the data without

the use of personal or group identifying information. At no time will your name or other identification will be used.

If you require any information about this research or your rights as a participant in this interview, you may contact the Office of Research Ethics, University of Lethbridge (Phone: 403-329-2747 or Email: [research.services@uleth.ca](mailto:research.services@uleth.ca)). If you have any other questions you may contact me at Faculty of Management, University of Lethbridge [Phone: 4039295179 (Canada), +880171136229 (Bangladesh), email: [m.hasnat@uleth.ca](mailto:m.hasnat@uleth.ca)]. The proposed research has been reviewed for ethical acceptability and approved by the University of Lethbridge Human Subject Research Committee. I would like to thank you for your participation in this research and for assisting me with my Master of Science in Management.

I have read the above information and the researcher have explained to me the study objectives and procedures and I voluntarily agree and consent to participate in this study.

I will also receive a copy of the signed consent form for my record.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

**Appendix 6: Recruitment Poster for the interviews (English)**

University of  
**Lethbridge**



**PARTICIPANTS NEEDED FOR  
RESEARCH IN  
Empowering women through microfinance: An evaluation of Grameen Banks  
influence in Bangladesh**

You would be asked to attend an interview individually or in focus group. Your participation would involve one session for 90 minutes.

Participation is anonymous and confidential.

If you want to participate please contact me at +8801711362299, email:  
[m.hasnat@uleth.ca](mailto:m.hasnat@uleth.ca)

For more information about this study, please contact:  
**Faculty of Management, University of Lethbridge**  
**Phone: 4039295179 (Canada)**

**Office of Research Ethics, University of Lethbridge**  
**Phone: 403-329-2747**  
**Email: [research.services@uleth.ca](mailto:research.services@uleth.ca)**

**This study has been reviewed for ethical acceptability and approved by the  
University of Lethbridge Human Subject Research Committee.**

## Appendix 7: Recruitment Poster for the interviews (Bengali)

University of  
Lethbridge



### গবেষনার কাজে অংশগ্রহণকারী প্রয়োজন ক্ষুদ্র ঋণের মাধ্যমে নারীর ক্ষমতায়ন: বাংলাদেশে ক্ষুদ্র ঋণ প্রতিষ্ঠানের প্রভাব পর্যালোচনা

আপনাকে ব্যক্তিগত অথবা দলগতভাবে সাক্ষাতকারে অংশগ্রহণে আমন্ত্রণ জানানো  
হচ্ছে। আপনার সাক্ষাতকার ৯০ মিনিট দীর্ঘ হবে।

আপনার অংশগ্রহণ ঐচ্ছিক এবং গোপনীয় থাকবে।

আপনি যদি সাক্ষাতকারে অংশগ্রহণ করতে আগ্রহী হন অনুগ্রহ করে নিম্নলিখিত ঠিকানায়  
যোগাযোগ করুন: মোবাইল: +৮৮০১৭১১৩৬২২৯৯, ইমেইল: m.hasnat@uleth.ca

এই গবেষণা সংক্রান্ত অতিরিক্ত তথ্যের জন্য নিম্নলিখিত ঠিকানায় যোগাযোগ করুন  
ফ্যাকাল্টি অব ম্যানেজমেন্ট, লেথব্রিজ বিশ্ববিদ্যালয়  
ফোন: +১৪০৩৯২৯৫১৭৯ (কানাডা)

অফিস অব রিসার্চ এথিক্স, লেথব্রিজ বিশ্ববিদ্যালয়  
ফোন: +১৪০৩৩২৯২৭৪৭  
ইমেইল: research.services@uleth.ca

এই গবেষণাটি লেথব্রিজ বিশ্ববিদ্যালয়ের এথিক্স কমিটি দ্বারা গৃহীত ও অনুমোদিত