

A Development Dud: Is Microcredit in Bangladesh Actually Improving Women's Lives? A Case Study in Matlab

Abstract

For decades, women in developing countries have been considered the most cost-effective vehicle for economic growth. This belief is seen in donors' and State budgets in microfinance and cash transfers. The theory being: if women have better economic and health outcomes, a social transformation will soon follow. Presently, this transformation is being realized. Maternal mortality rates continue to decrease and household savings and spending for women increases. Thus, States and institutions deem programs and policies as "empowering" to women and girls. Bangladesh is an exemplary case study of fulfilling social and economic development targets for women, however, it is also home to highest incidences of intimate partner violence in the world. This paper will analyze married women's participation in a microcredit program in rural Bangladesh and its effects on their mobility, decision-making, and gender norms. The paper also assesses married men's attitudes amidst this social and economic shift.

Keywords: gender, mobility, microcredit, labor, global south, empowerment

Introduction

In the 1970s, second-wave, western feminism pinpointed the inclusion of women in labor markets as a central strategy in international labor and policy. This inclusion was renewed in the Beijing Declaration in 1995 after the Fourth World Conference on Women. Programs and policies galvanizing girls' entrance to school and women's entrance to labor markets sought to alleviate poverty and positively affect their social, economic, and political participation. Overall, this focus on women and girls was successful. Education and health outcomes were overwhelmingly positive across the Global South (WHO, 2014). However, policies and programs specifically targeting women's participation in labor markets faltered. Homegrown movements like microfinance in Bangladesh, Village Savings and Loans Associations (VSLAs) in Africa, and the introduction of State social safety net programs like conditional cash transfers (CCTs) in Brazil or Child Welfare Grants in South Africa, have assumed with State or NGO infrastructure, women would have the time, desire, and mobility to join the labor market. Despite these efforts, the female labor force participation continues to plateau across the Global South. (ILO Labour Force Estimates and Projections, 2017).

Bangladesh is the birthplace of innovative women-focused poverty alleviation programs (Bhuiya, 2002). In step with the international community, the Bangladeshi government and their local NGOs have invested resources to specifically target the well-being of women and girls. To address maternal mortality and high fertility rates, organizations delivered sexual and reproductive health services to women's doors. To thwart rural economic deprivation, BRAC implemented microfinance programs to support women's introduction into the labor market. Evidence indicates these programs have a positive effect on women as they are demonstrably living longer, healthier lives. However, a closer gendered analysis of this economic intervention could reveal something more complex at the household and community levels.

For decades, multinational institutions and State governments have focused on strategies that largely target economic growth and income-based returns for women. This has prevented women's capacity to generate income and fully benefit from programs and policies (Sen, 2000). As women's roles evolve in households and greater society, organizations now systematically address, measure and analyze the role gender plays in female targeted economic interventions. ***Thus, this paper will analyze the gendered effects at the household level of women who participate in microfinance in Matlab, Bangladesh.***

Literature Review

Institutional research from the UN and World Bank shows the infusion of capital alone does not have positive, long-term effects for women entrepreneurs (Buvinic and Furst-Nichols, 2014). More recently, studies and programmatic initiatives have highlighted the potentially important role of economic empowerment in enhancing the social and political participation of women in Less Developed Countries (LDCs) (Blattman et al, 2013, Feigenberg 2008, Kim et al, 2007, and Bandeira et al, 2012). Several studies of income generation programs have found that participants experienced increased mobility, decision-making, and decreased intimate partner violence (Schuler, et al, 2013; Vyas and Watts, 2009; Raj et, al 2018). Building off the microcredit model of South Asia, positive effects for children's health and education have been observed in cash transfer programs in Latin America but evidence on women's autonomy and well-being is inconclusive (Pacheco Santos et al, 2011; Mariano, 2008). However more recent evidence reveals by targeting only women while leaving aside larger gender norms they may perpetuate traditional work-family structures (Ahmed, 2008; Tabbush, 2010). Evidence from Bangladesh also reveals increases in IPV across the country (BBS 2016; Schuler et al, 1998). Practitioners and

researchers agree there is a need for more nuanced measures of women's work, their attitudes towards work, and the attitudes of their family members (Salem et al. 2015).

Many studies treat empowerment as a static stage rather than a continuously changing state over a woman's life course (Lee-Rife, 2010). Furthermore, few such studies address the structural pathways by which incremental improvements in women's empowerment and social participation might lead to more enduring and comprehensive change in the face of deep institutional and cultural barriers to transforming gender roles (Lee-Rife, 2010). Evidence of the effects of economic empowerment on women's political knowledge and participation or leadership in social institutions beyond the economic empowerment programs themselves is both sparse and inconclusive (Bleck and Michelitch, 2018). Few studies measure the role of women's economic empowerment programs on attitudes towards gender equity among beneficiaries, spouses or other members of communities exposure to such programs. Finally, few studies have considered the unintended consequences of such empowerment initiatives, including the potential backlash against women as their economic roles in the household and community change (Guarnieri and Rainer, 2018). For instance, several recent studies find evidence of higher levels of intimate partner violence in areas experiencing higher levels of delayed marriage and women's labor force participation (Lenze and Klasen, 2017; Bhattacharya, 2015). It is thus possible to imagine the conditions in which economic empowerment programs could have adverse consequences on some groups, particularly over the long term.

Data and Research Methods

Since 1966, the International Center for icddr,b has implemented a Health and Demographic Surveillance System (HDSS) which has collected data monthly since 1966 on a population of around 200,000 in Matlab. BRAC is the largest NGO in the world, has offices in 64 districts of Bangladesh, 13 countries and employs 125,000 people, of which 70% are women. BRAC and icddr,b are two of the earliest examples of women-centered development policy and practice. In response to growing evidence of socioeconomic interventions, icddr,b and BRAC joined forces in mid-1992 to measure the impacts of microcredit on women's empowerment and health. In June 1992, leaders of the two organizations created an experiment combining access microcredit and family planning services in Matlab (Bhuiya and Chowdury, 1995). Recognizing the interlocking economic and social barriers women face, researchers considered multi-dimensional interventions that built upon ongoing, successful health efforts (Bhuiya and Chowdury, 2003). BRAC designed a quasi-random assignment to villages in Matlab.

Study Site - This data is collected from the Matlab area of Bangladesh where a series of women's health and microcredit programs over a 40-year period have taken place. A population of over 200,000 has been followed since the mid-1970s. The Matlab Health and Socioeconomic Survey (MHSS) is a large-scale survey designed to measure the social and economic impacts of these programs over time and across generations, with two rounds of data collected in 1996 and 2012-2014. While DHS data from across Bangladesh and other countries has similar measures, we will link MHSS2 to MHSS1 measures which also account for women's participation in microfinance and health programs. There is a sixteen-year lag between the two surveys, therefore longitudinal effects related to gender and work will be considered. In MHSS1, we have markers of for both participation in microfinance and loan activity. Matlab is an ideal setting to better understand the path from effective programmatic efforts to change women's roles to subsequent changes in women's decision-making, male attitudes to gender equity, and other outcomes relating to women's well-being, labor, and experiences of violence.

The Survey - The MHSS2 survey includes Books III and IV which focus on women. The modules which included in this paper: socioeconomic indicators, citizenship, questions about household decision-making, questions about women's status, gender equality scale, respondents' subjective well-being, women's exposure to intimate partner violence, and reproductive health (pregnancy history; contraceptive use). All modules but the women's status module have men and women respondents. Our sample across all indices includes 2,714 married women between the ages of 16-88 years old and 2,461 married men between the ages 17 – 95 years. *Note: moving forward with this analysis, we will exclude those who were old enough to participate in microcredit in 1996.* To validate the BRAC program village treatment variable, we will estimate the association between BRAC village residence in 1996 and indicators of short-term microcredit program impact at the time of MHSS1 in 1996, including participation or leadership in BRAC in the social participation module and receipt of microcredit loans in the credit module.

Data and Item Construction - Gaps in research guide our selection of key domains of understanding men's and women's attitudes. From the MHSS2 modules, we generated four domains to consider the effects that women's participation in microfinance can have on families: (a) decision-making, (b) women's physical mobility, (c) intimate partner violence, and (d) gender norms using the GEM (Gender Equitable Men) Scale. Each domain was taken from a series of questions and coded into an index on a scale from 0 (the most gender equitable in normative terms) to 1 (the most inequitable). The paper will also include domains on sexual and reproductive health and any other variables which may illuminate men's and women's attitudes to women and work. To measure the impacts of microfinance on these domains, we created a variable of those in treatment villages ($n = 1,457$ women; $n = 1,255$ men) and those not in treatment villages ($n = 1,257$ women; $n = 1,206$ men).

Preliminary Findings - Preliminary analysis of MHSS2 data from 2012 fails to show large improvements in the domains mentioned above for women who participate in BRAC microcredit programs in Matlab. As the plots below indicate, we see only a slight increase in the decision-making index for women who participate in BRAC (Figure 1).

When women were asked, "Do you feel very scared, scared, a little scared, or do not feel scared of being attacked/assaulted or verbally harassed outside the house/bari?" 38% of women reported feeling very scared, scared, a little scared in non-treatment villages and 35% in treatment villages. And when women were asked, "In the past 12 months, how often were you physically hurt/beat by your husband? Often, sometimes, rarely, or never?" 91% in non-treatment villages answered "Never" and 92% answered "Never." However, when we considered the domains of mobility and GEM as proxies for women's well-being, the data tell a different story (Figures 2 and 3). In fact, those in BRAC treatment villages show possible signs of harmful effects. Preliminarily, when considering the four domains above, there is very little difference between villages receiving BRAC services and those that are not. Given the prevailing assumption that microfinance makes women happier and healthier, this data needs to be more thoroughly analyzed to further understand the long-term consequences of BRAC and other models like it.

Discussion - Gender is embedded in the fabric of our everyday interactions. It operates through our institutions, like microcredit, and in our personal relationships at home (Joan Acker, 1992; Connell, 2012). This paper will not use gender as a descriptive variable, but as a lens to explore the layers between attitudes/norms and actions of families affected by women's changing economic role. In the case of Bangladesh, and for future policies and programming, how do external economic interventions affect norms at the household level and what does that mean for future evidence based policy that targets women?

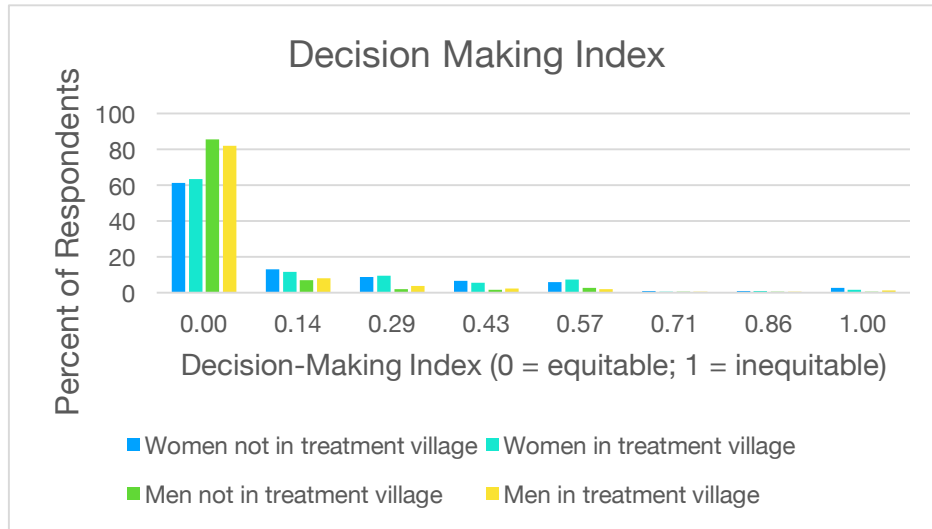


Figure 1: Decision-Making Indexes for Men and Women

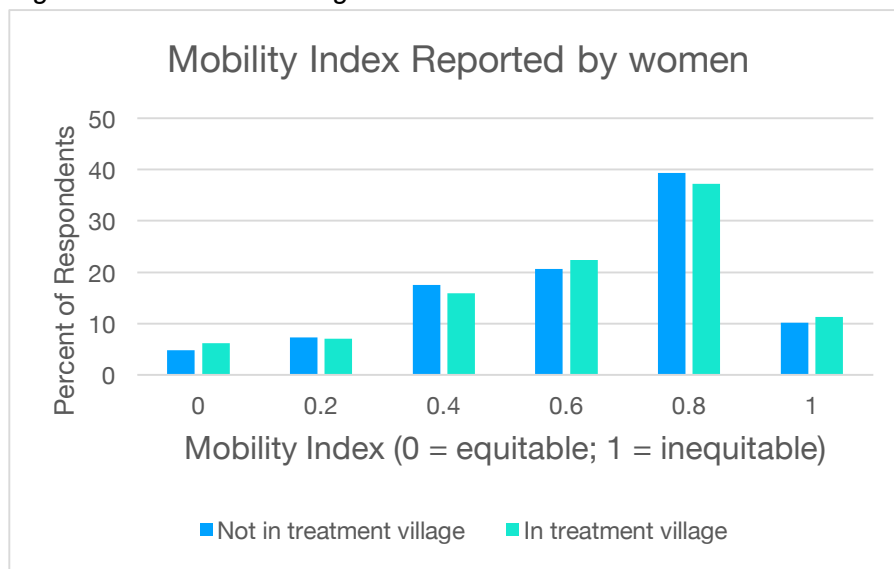


Figure 2: Mobility Index Reported by Women

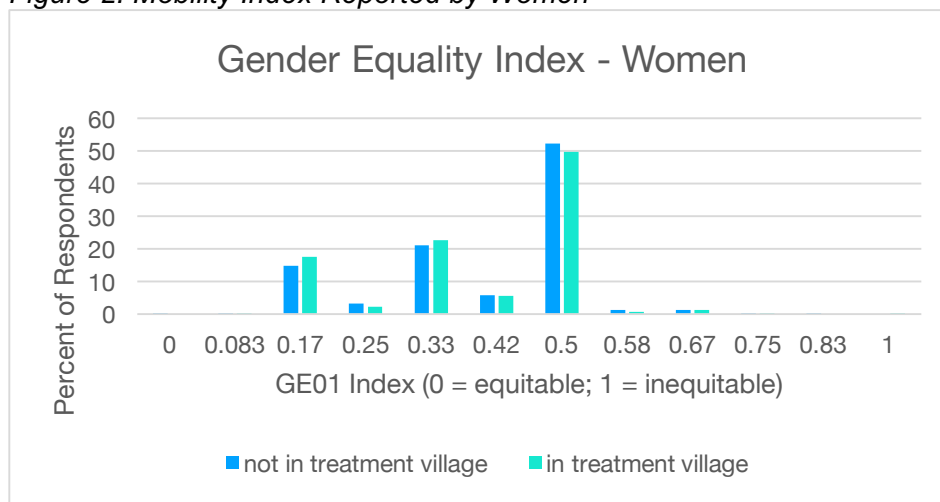


Figure 3: GE01 Index for Women

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