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Microfinance - the Silver Bullet for Empowerment: Some Questions

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Abstract

The central focus of this paper is a critical reading of literature documenting the experience of microcredit programmes in empowering women and transforming gender relations. Based largely on Bangladesh experience, the paper begins by delineating the global institutional context and the forces underpinning the emergence of women as the major actors in, and targets of, these programmes. The rise of the empowerment paradigm, the 'empowerment' impact of processes of loan use and outcomes of loan access for women, the assumed linear relationship between microcredit access and empowerment outcomes – these are some of the issues critically reviewed in the paper. Besides revisiting some of these issues in the light of the Indian self-help group-based microfinance experience, the paper suggests other research questions worthy of examination in the Indian context.

Introduction

The growth of microcredit based organizations over the last two decades, exemplified in popular literature by the frequently cited case of Bangladesh's Grameen Bank, has attracted the attention of bi-lateral and multi-lateral donor organizations, the commercial banking sector, national governments and the media. The small peer group model of financial service delivery has been eulogised by the global development community as the panacea that impacts positively on both poverty and the disempowerment of the poor, in particular, poor women. Microcredit/finance[1] programmes' record worldwide of reaching women in remote rural areas and creating a legitimate organizational space where women can meet and interact as a collective has been recognized as a development of significant potential for challenging the social isolation of women. Massive multiplication of such group based lending programmes is being advocated by powerful donor organizations as the single most effective anti-poverty intervention that can be globally adapted. The consensus at the Microcredit Summit at Washington D.C in 1997 to reach credit assistance to 100 million of the world's poorest families by the year 2005, especially the women of these families, to enable them to set up income-generating enterprises, most powerfully expresses the "micro credit/ micro enterprise as panacea" vision for structural problems of poverty and under development (Microcredit Summit 1997). Underlying the ideological construction of microcredit as panacea for poverty is the "win-win" fervour that accompanies the claim that microcredit addresses concerns of poverty alleviation (by financing micro enterprises by which the poor pull themselves above the poverty line) and women's empowerment (by routing credit directly to women so as to enhance their social status and ending their social isolation through their membership in grassroots women's collectives) and also ensures sustainability of the lending institution (through higher repayment and cost-covering interest rates).

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The central focus of this paper is a critical reading of the literature documenting the experience of microcredit programmes in empowering women and transforming gender relations based largely on the Bangladeshi experience. In the process the paper also examines the extent to which issues and concerns raised by research on Bangladesh can adequately serve as a lens through which the gender dynamics of Indian microfinance can be critically examined, even granting the crucial organizational and institutional differences between Indian and Bangladeshi microfinance. Our focus on Bangladesh is warranted by reference to the fact that Bangladesh has been home to some of the world's largest, oldest and best-known poverty-targeted microcredit programmes. The scale attained by microfinance institutions and the magnitude of their outreach has been outstanding in Bangladesh, where the growth of the NGO-financed microcredit movement has been so massive that even the formal financial sector has been overtaken and pushed to third place, with the informal sector comprising moneylenders, friends and family occupying first place. It is estimated that the semi-formal sector or the NGO financed microcredit sector provides 17 billion taka in microcredit in Bangladesh, while agricultural banks and nationalized commercial banks (including the Grameen Bank) provide 11 billion taka (World Bank 1996). Moreover, Bangladesh's rich experience of Grameen-styled microcredit programmes has inspired research interrogating the claims advanced by the 'win-win' hypothesis by showing that the pursuit of multiple, competing goals may mean the overriding of one by the other. Literature on the Bangladeshi microfinance experience, whether seeking to understand its poverty or empowerment impacts, has drawn attention to the institutional dynamics of microcredit delivery, the design of microcredit programmes and financial services and the gendered social and economic structures within which microcredit transactions are inevitably embedded. Hence the comparative focus on the Bangladeshi experience.

Section I provides a brief account of the predominance of the institutional viability paradigm in the global microcredit sector and the role of powerful donor organizations in propagating the dominant vision of microcredit. We outline the global institutional context in which the feminization of the constituency of microcredit programmes has taken place – a phenomenon concomitant with the recognition of women, by the global development community, as actors in the arena of production. We show that the growing popularity of the agenda of reaching economic resources, especially credit from institutional sources, to women in order to support their income earning activities came to acquire legitimacy within development policy planning as it was supported on the grounds of efficiency, anti-poverty and empowerment. The feminist critique of the pre-eminence of women as sought-after target groups of various state and NGO sponsored development initiatives and of the costs of integrating women's concerns into dominant development paradigms is also briefly reviewed. The rise of the empowerment paradigm within gender and development discourses is outlined on account of the foregrounding of empowerment claims by microcredit lobbies and votaries.

Section II of the paper is devoted to a review of the literature on the empowerment impact of processes of loan use and outcomes of loan access for women members of microcredit programmes. The adverse consequences of institutional sustainability-oriented organizational structure, practices and programme design upon empowerment related programme goals are discussed in the context of Bangladeshi microcredit programmes. The assumed linear relationship between microcredit programme membership and empowerment of female clients is problematized through a discussion of the variables that mediate the relationship between microcredit access and empowerment outcomes. Section II ends with a critical review of the selected indices of empowerment which recur in the microcredit literature and of the non-participatory and unilateral manner of assigning value and meaning to these indices, in which researchers are often implicated.

Section III re-visits some of these issues in the light of the Indian self help group based microfinance experience and suggests other research questions worthy of examination in the Indian context that the Bangladeshi literature has not included.

Section I

I.1 The Orthodoxies of Microcredit

Inspired by the innovative efforts of pioneers in the Bangladeshi non-governmental sector, notably the Grameen Bank in the early 1970s and subsequently the NGO Bangladesh Rural Advancement Committee (BRAC),[2] microcredit programmes have grown, especially in the 1990s, into an important component of development interventions advocated by powerful donor agencies. Micro credit programmes have been able to provide a workable solution to some of the more intractable problems inherent to rural credit programmes for the poor - whether undertaken by state or private channels - as identified by scholars working within the framework of New Institutional Economics. The joint liability, peer monitoring and peer pressure that are built into the organizational structure of neighbourhood-based borrower groups constitute the key features of the innovative institutional design of microcredit programmes and enable them to address the critical problems of screening, enforcement and recovery at reduced transaction costs to both lender and borrower (Wenner 1995; Hoff and Stiglitz 1990). The technological "innovation" in micro loaning involves the distribution of repayment installments over smaller, more frequent and consequently more manageable quantities rather than in lump sum, one-time payment towards the end of the designated period; this combines with the inbuilt safeguards to preempt default and enhance repayment behaviour (Johnson, 1997). The high repayment performance resulting from intra-group peer pressures and community level sanctions against defaulters, the substantial reduction of transaction costs for the lending institution and the relative absence of interest rate subsidies in microcredit programmes have enabled them to win a broad based constituency of admirers including multi lateral and bi lateral donor agencies, commercial banking institutions and powerful actors among Non Governmental Organizations.[3]

Microcredit evangelism has, therefore, found expression in the growing convergence towards the "New Consensus" backed by the most powerful votaries, funders and practitioners of micro credit. The "New Consensus" emphasizes the attainment of the twin prized and complementary goals of "outreach" (extending the coverage of the organization) in order to harvest economies of scale and further reduce operating costs and "financial sustainability" of the lending institution (Johnson 1997; Morduch 1999; Tankha 1999). The perspective which prioritizes cost recovery and lender viability in micro finance - also called the ‘Financial Systems’ or the ‘Institutionist’ perspective on acco unt of its primary concern with the financial viability of the micro finance institution – is backed by highly influential donor organizations including the World Bank, the USAID, DfID-UK and the UNDP’s Micro -Start Programme (Woller et al. 1999; Mayoux 1998). Programme features advocated by the institutionists to achieve the sustainability goal comprise a focus on micro entrepreneurs rather than the poorest in the interests of repayment, high interest rates, minimalist microfinance services, repeat loans of progressively large amounts, regular repayment, reduction of programme costs and group based lending where groups are used to reduce the transaction costs of financial intermediation. Institutionists also advocate the removal of all subsidized micro-finance provision in NGO and state sectors to reduce ‘unfair’ competition for financially self -sustainable programmes charging high interest rates (Mayoux 1998). The Consultative Group to Assist the Poorest (CGAP), a multi-donor initiative set up by the World Bank and other donors to promote and finance micro credit programmes worldwide, conforms to the requirement of its funders to only support organizations that subscribe to the financial systems perspective (Mayoux 1998). It has been argued that the compulsion of even those microcredit practitioners who actively critique the dominant paradigm to justify their deviation from it is an indicator of how deeply entrenched the financial systems perspective of micro credit has become (Johnson, 1997).

Maria Otero (Accion International) and Elisabeth Rhyne (formerly of USAID), two of the more influential propagators of the financial systems perspective, have outlined a stage-by-stage transition of micro finance institutions that move from the first stage of donor grants for soft loans that cover operating expenses, to a second stage wherein the MFI borrows on terms near the market rate and is able to cover a portion of the operating expenses, through a third stage where most subsidy is eliminated and finally to a fourth stage where the institution is completely financially sustainable. Otero and Rhyne’s definition of full financial sustainability in the fourth stage envisages a situation where programmes fees and interest income cover the real cost of funds, loan loss reserves, operation costs, inflation and profits and the MFI raises funds at commercial rates from formal financial institutions (Otero and Rhyne 1994). The global Micro credit summit held at Washington D.C in 1997 pledged to raise 21.6 billion dollars in order to provide 100 million of the world’s poorest with credit to set up micro enterprises by the year 2005. It is important to note that one of the important sources of the funds to be raised to meet this goal, as identified by the organizers of the Summit, was international commercial capital markets (Microcredit Summit 1997). Institutionists argue that donors being capricious cannot be relied upon to perpetually provide grants to micro finance institutions, which need to achieve the scale and outreach to appeal to the for-profit sector. The case of BancoSol, a well known micro finance institution in Bolivia, floating Certificates of Deposit on Wall Street is cited often and celebrated as an exemplary instance of a micro finance institution sourcing top notch financial institutions on a purely commercial basis (Woller et al. 1999).

Research has demonstrated that donor pressures on the attainment of institutional sustainability have been reflected in policy level decisions of Microfinance Institutions (including older microcredit organizations like the Grameen Bank and BRAC) to expand manifold the scale of programmes, increase the volume of loans disbursed, locate programmes in better-endowed regions and offer minimalist credit programmes, that sometimes imply an organizational shift away from an earlier engagement with a more integrated, holistic rural development approach to issues of rural poverty. Lender viability pressures have, in turn, had grassroots level impacts on client households of microcredit beneficiaries via changes in loan packages, lending terms, interest rates, salary and incentive of staff and organizational structure of microfinance institutions.[4]

I.2 The Feminization of Microcredit

A distinctive feature of the current generation of microcredit and microfinance programmes is the numerical preponderance of female borrowers and the concomitant ideological construction of the "disciplined" female borrower who makes timely repayments, ensuring thereby the solvency of the lending institution and prioritizes expenditure for household, especially children's needs, consequently generating greater welfare impact than achievable through loans to men. According to the State of the Microcredit Summit Campaign Report 2003, as of end-December 2002, 32.7 million of the world's poorest women ("poorest" defined by the Microcredit Summit Campaign as being the bottom half of those living below their nation's poverty line) have gained access to financial services through the current generation of MFIs, NGOs, banks and non-bank financial intermediaries. These women are estimated to account for nearly 79% of the 41.5 million of the world's poorest people currently being served by microfinance institutions (Microcredit Summit Campaign, http).

It is important to note that data on the participation of women in the leading credit programmes in Bangladesh testifies to the magnitude of change *since the second half of the 1980s* when the strong gender differential in participation in credit programmes started to disappear. The Grameen Bank, that had the highest percentage of women members in the mid-80s (39%), had raised its proportion of female participation to 93.3% by 1991-92. Over the same period, the percentage of women members in BRAC rose from 34 to 74% and in the government programme RD-12[5] from 8.3% to 59%. Association for Social Advancement (ASA),[6] which was running the third largest credit programme in Bangladesh, dissolved overnight its men's samities and set up new ones with their wives in 1990-91. Between 1989 and 1991, it was estimated that 1.8 million rural women were reached by the three largest special credit programmes alone in Bangladesh – Grameen Bank, BRAC and the credit programmes of the Bangladesh Rural Development Board (Goetz 2001).

It would be useful for our purposes to understand the global phenomenon of female membership of microcredit programmes as the outcome of a complex constellation of forces, including the growth of gender lobbies within international development bureaucracies, the emergence of women's movements in tandem with scholarship foregrounding women's productive capacities and their agency as workers, the concomitant critique of older forms of development programmes that had addressed women exclusively as mothers and house wives, and the commercial success of credit programmes targeting women borrowers, all of these acting in conjunction with each other.

(a) Emergence of Women as Producers in the Global Development Discourse

The recognition of women as protagonists in the arena of production has been preceded by years of focused research and advocacy by women scholars and development professionals, largely based in development institutions in the North, whose concerns gained credence and strength from the visibility and vigour of global women's movements in the 1970s. The term 'Women in Development' (WID) was coined to refer to a network of women development professionals within powerful development bureaucracies in the US (such as the World Bank and the USAID), whose advocacy and research emphasized the urgency of evaluating the impact of development interventions upon women's socio-economic status in developing countries and played a vital role in forcing donor organizations and the development community at large to factor women's productive contributions to their households and national economies into project planning and design (Moser 1993). The earliest WID scholarship challenged the welfarist bias of older development approaches to women that had foregrounded women's gendered identities as mothers and house-wives by channeling relief assistance and providing home making skills to them. In her trailblazing work "Women's Role in Economic Development" (1970), the single most significant intellectual influence upon WID scholarship, the Danish economist Ester Boserup advanced the claim for women's share of productive development resources on the grounds of both equity and efficiency by contesting the popular notion that women were less productive than men and therefore not entitled to scarce development resources. Hence the agenda of extending technical, marketing and financial support to women workers and entrepreneurs in the informal sector emerged as a primary component of the action strategies advocated by WID scholarship, which sought ultimately to secure the integration of women into the economy and the mainstreaming of women within development[7] (Razavi and Miller 1995). The *equity approach,* that underlined early WID scholarship, infused the World Plan of Action of the International Women's Year Conference at Mexico (1975), which called for equality between men and women and emphasized that women be accorded their due share of the fruits of development (Moser 1993).

It is important to note that gender advocacy and research emphasizing women's identities as workers and their productive contributions to the economy also gained credence on account of significant changes within the international development environment. WID's exhortations to extend support to women's invisible and undervalued contributions to the economy resonated with the dominant development concerns of the late 1960s and 1970s, which were marked by the "Redistribution with Growth" agenda promoted primarily by the World Bank and the International Labour Organization. The recognition that economic growth appeared to have bypassed poorest sections of the population of developing countries and that, in many developing countries, the distribution of income had worsened and inequalities had widened even as economic growth had taken place underscored the urgency of tackling issues of poverty through more direct forms of intervention. Hence the emergence of absolute poverty reduction, employment generation and basic minimum needs satisfaction as the prime goals of development policy (Ayres, 1983). In the 1970s, a series of ILO commissioned studies on conditions of employment in developing countries revealed the economic significance of the informal sector teeming with productive economic activity, but handicapped by the weak links of informal sector producers to formal institutions, whether those of credit or productive technology (Banerjee

1981). Studies on the informal sector demonstrated the overwhelming concentration of women workers in the informal sector, as reflected by some estimates, which showed that women owned or operated approximately one-third of all informal sector businesses (Berger, 1989). The WID agenda of supporting women's income earning activities gained validity when research showed that women petty commodity producers were usually characterized by low levels of mobility, formal skills and technical training, subjected to harassment by local authorities, often dependent on middlemen for access to markets and supply of raw materials, effectively shut out from the institutional lending sector and excluded from state protective legislation (Everett and Savara 1987).

Analysts of the gender and development discourse point to the eclipse of the "equity" paradigm that had marked early WID literature by the "*anti-poverty*" paradigm, which had gained ascendance alongside the distributional and poverty concerns that marked development policy of the 1970s. Advocating the need to enhance women's employment opportunities and income earnings with a view to reducing absolute poverty levels, the anti-poverty paradigm projected women as an important target group on account of their role in meeting the basic needs of the family (Moser 1993). In the 1990s, concern with deteriorating social support systems in developing economies due to reduction in state expenditure that followed neo-liberal economic reforms implemented in parts of the third world, the recognition that categories of "new poor" were being added to the "structural poor" in several countries and increasing evidence of the vulnerability of women and children from poor households had placed poverty concerns center-stage again. It has been argued that the re-assertion of poverty concerns in the 1990s influenced the Gender and Development discourse in two distinctive ways (Razavi 1997). The "feminization of poverty" argument, advanced by development policy institutions, NGOs and women's organizations the world over, posited primarily that women were over-represented among the poor, that the incidence of poverty among women was rising at a faster rate than among men, that an increasing number of households had become female-headed and that the poorest households were more likely to be headed by a woman than by a man (Razavi 1997).

The second strand within poverty-oriented GAD literature, most zealously promoted by advocates within the World Bank, alluded to as the 'human capital' argument for investing in women, emphasized the social gains of investing in women such as child survival, fertility reduction, the enhancement of productivity, increase of family incomes, protection of the environment etc and was therefore reflective of both efficiency and poverty concerns. Women's participation within development programmes was increasingly posited as crucial in determining the efficacy and outcome of such programmes, even as women emerged as the 'missing link' in low-cost poverty alleviation strategies (Razavi 1997). The consequent construction of women as the ideal target group of development programmes assumes that women's interests and all other development goals necessarily and automatically coincide in an unproblematic manner - the premise of the 'synergy' argument so popular with the development establishment (Jackson, 1996). The pre-eminence of women within development policy in the last two decades has also been attributed to the emergence of 'gender mainstreaming' as a dominant concern of development policy. The agenda of mainstreaming gender, conceived as a response to the feminist critique of the ghettoization of women's issues to small, peripheral and under-funded women's units, was aimed at ensuring that gender concerns were institutionalized at all stages of policy making and implementation (Baden and Goetz 1998).

It has been observed that the integration of women's concerns into the dominant development discourse, whether anti-poverty or efficiency, strategically deployed by gender advocates to circumvent opposition to women's issues within male-dominated, international development agencies, did secure benefits in terms of support to the income-earning activities of women petty commodity producers in the informal sector (Razavi and Miller 1995; Razavi 1997). The agenda of extension of micro-enterprise assistance and institutional credit facilities to women came to acquire legitimacy, when argued on the grounds of women's greater poverty and deprivation relative to men, their greater responsibility for child welfare and the cost-effectiveness of reaching development resources to women. The issue of women's access to credit received specific emphasis at the first International Women's Conference in Mexico in 1975. Support to women's micro enterprise projects was furthered by the United Nations Decade for Women (1976-1985) which prioritized the goal of strengthening women's ability to earn income both as a component of poverty alleviation at the household level and as a precondition to gender equity. A multitude of small scale, NGO-implemented, donor-sponsored enterprise promotion programmes for women in developing economies were launched between the late 1970s and the early 1980s. NGO sponsored microfinance programmes gained further momentum in the wake of the Nairobi International Women's Conference of 1985 (Mayoux 1995; Moser 1993).

Notwithstanding the theoretical advances that the engendering of the development discourse represented, the actual benefits to women of development projects aiming to enhance their income earning capacities were found to be more uncertain. Early feminist analysis of the experience of women in fragmented, small-scale enterprises and family based production systems foregrounded the greater embedding of women within marriage, family and kinship, and the spatial restrictions on them which were reflected in the distribution of women workers in those occupations that bore a structural resemblance to their family/domestic roles, the non-availability of ideologies of autonomous entrepreneurship to women and the greater capacity of men to better utilize higher return economic opportunities (Moser and Young 1981). In addition to critically examining the track record of income programmes for women from low-income households, gender analysts also developed a persuasive critique of the terms on which women and gender issues where incorporated within the dominant paradigms of development and of the instrumentalist appropriation of women's interests to serve the efficiency needs of development policies. Feminist analysts have been wary of the instrumentalist impulse underlying the "human capital" argument which constructs women as the ideal target group of development programmes and assumes synergy between women's interests and development policy objectives (the "win-win" hypothesis) (Jackson 1996). Even as the integration of women into the poverty agenda as the "poorest of the poor" or into the efficiency agenda as "under-valued food producers and micro-entrepreneurs" does entail short term payoffs, Kabeer (1999 a) cautions that integrationist strategies can remain limited within the parameters set by institutional priorities and their transformative potential stunted.

(b) The 'Win-win' Hypothesis: Institutional Sustainability, Women's Empowerment and Poverty Alleviation

As we have seen, the incisive critique by gender advocates located within powerful development agencies of welfarist development policy approaches to women had paved the way for mainstreaming women within poverty-oriented development interventions, microcredit serving as an exemplary instance of a development intervention in which women have been quite successfully mainstreamed. Female membership of microcredit programmes has been welcomed on the grounds that it serves the three-fold purpose of (a) facilitating effective household level poverty reduction through greater expenditure on child and family welfare and better targeting of the poorest of the poor, viz., women (b) providing the organizational space and the means for the empowerment of women clients and (c) enabling viability of the lending institution through disciplined repayment behaviour of female clientele. Mayoux (1998) points out that participants at the Microcredit Summit in Washington D.C in 1997 have extolled the abilities of microcredit to contribute towards the attainment of all three major programme goals. This optimism has also been reflected in the formal declaration of the Microcredit Summit. We note therefore that the synergy argument manifests itself within the discourse of microfinance by positing that the emergence of women as the preponderant members of microcredit programmes is good news for their families, the lending institution, the economy and for women themselves.

Mayoux (2002) observes that the incorporation of gender concerns within the dominant efficiency paradigm, the increasing influence of WID practitioners in mainstream development organizations and accumulating evidence of women's higher repayment rates have been the principal factors accentuating the targeting of female clients within microcredit programmes. The principal legitimization for targeting women is couched in the language of efficiency and projects women as disciplined borrowers and a valuable and under-utilised resource for development. In the course of interviews with leading microfinance donors, Mayoux mentions that a key member of the CGAP had admitted that it was unlikely that gender would have figured to the degree it has in microcredit programs were it not for the possibility of using repayment and efficiency arguments. She also notes that the fact that gender does not appear to be as prominent in several other poverty targeted interventions would support the above contention. Likewise, Cheston and Kuhn (2002) observe that microfinance programmes that largely serve men are more likely to use extensive monitoring procedures and to require collateral to reduce default risk, while programmes targeting women were more likely to take the inexpensive route of tapping social guarantees and informal mechanisms including "client capacity for self monitoring and cooperation" (p 11).

The 'feminization of poverty' thesis provides yet another powerful incentive to target credit to female clientele, on the premise that female targeting is, by itself, effective poverty targeting due to the over-representation of women among the world's poorest people. Furthermore, several studies have established that reaching credit to women could potentially trigger off a multiplier effect through women's observed propensity to spend a large proportion of their micro loans and incomes on household welfare needs of food, clothing, health care and educational material for children (Mayoux 1998; Cheston and Kuhn 2002). An often-quoted finding from a rigorously executed study of three of the leading microcredit programmes in Bangladesh (BRAC, Grameen, BRDB's RD-12), based on data from a multi-purpose household survey of 1,798 households in 29 thanas, reports an increase in annual household consumption expenditure by 18 taka for every 100 additional taka borrowed by women from the selected credit programmes compared to an increase of 11 taka for men. In the case of all 3 programmes, the impact on consumption of borrowing by women was found to be twice as great as borrowing by men in terms of per capita expenditure (Pitt and Khandker 1998). Such findings have further augmented the resolve of the global development establishment to target credit to women borrowers.

The gender impact indices of microcredit, commonly used by donor-commissioned assessment studies or by independent research, encompass access to financial services, economic wellbeing and social/political impacts (Mayoux 1998). Mayoux (1999) posits that the popular conception informing the conceptual link between women's credit and empowerment is that women's access to financial services leads to mutually-reinforcing 'virtuous spirals' that increase women's economic empowerment (by generating female employment and increasing income and assets under women's control), promote women's well-being (by diminishing vulnerability of the household, improving women's health, nutrition and literacy levels) and lead to larger political, social and legal empowerment of women (by enhancing women's role in household decision-making, increasing their confidence levels, improving women's access to non-kin networks and leading to the engagement of women in political activity). As Ackerly (1997) puts it, the empowered woman borrower of a microcredit programme is expected to invest money in a successful enterprise, free herself from domestic violence, send her children to school, improve her family's health and take part in important household decisions. However, several studies have sought to establish that microcredit programmes can produce quite the contrary effect of disempowering some women in certain contexts, especially when programme goals and institutional priorities overtake commitments to the transformation of gender relations through microcredit. Consequently, the empowerment potential and claim of microcredit programmes has merited considerable scrutiny by researchers who caution against a simplistic equation of the incorporation of women as clientele by MFIs with transformed gender relations and point to the multitude of factors that mediate this assumed relationship (Goetz and Sengupa 1996; Ackerly 1997; Ebdon 1995; Rahman 1999; Mayoux 1998; 2002). In the microcredit impact literature, the empowering outcomes and processes of microcredit programmes have been established and refuted by different researchers, operating on the basis of differing theoretical and ideological frameworks, even as the conceptualization of empowerment itself remains a contested terrain (Kabeer 2001). Differing conceptualizations of women's empowerment, which underlie the microcredit impact literature, are examined in Section II of the paper.

At this point, it would suffice to note that the agenda of extending microcredit to women has mustered considerable conceptual support from the anti-poverty, efficiency and empowerment based gender planning frameworks and has therefore provided compelling grounds on which to legitimize the targeting of women as the most sought-after clients of microcredit programmes. Before we examine, at some length, the controversies surrounding the empowerment claim and potential of microcredit programmes, we would do well to dwell briefly on the antecedents of the empowerment approach within gender and development discourses and the prime concerns and issues that empowerment advocates have foregrounded.

I.3 Evolution of the 'Empowerment Approach' in Gender and Development

It has been maintained that the impetus for the origin of the empowerment approach to gender and development, which emerged primarily from the writings of third world feminists, was the cooption of equity by anti-poverty and efficiency approaches and the disenchantment of feminist activists and researchers with the managerial and technocratic orientation of the welfare, anti-poverty and efficiency paradigms. The latter have been perceived as not distinguishing between women's material 'condition' and their so cial and economic 'position' relative to men, or between women's 'practical' and 'strategic' interests (Batliwala 1994; Moser 1993). Feminist researchers have developed a persuasive critique of the terms on which women and gender issues where incorporated within the dominant paradigms of development and of the instrumentalist appropriation of women's interests to serve the efficiency needs of development policies, as exemplified by the case of the 'human capital' argument for investing in women (Jackson 199 6). They have been critical of the inherent limitations of integrationist strategies or those that have sought to integrate women into the dominant development discourse viz., the integration of women into the anti-poverty paradigm as the 'poorest of the poor' or into the efficiency paradigm as 'under-valued food producers or micro-enterpreneurs'. While integrationist strategies have helped engender the mainstream development agenda, Kabeer (1999 a) cautions that they can remain limited within the parameters set by the priorities of powerful institutions and their transformative potential stunted.

The DAWN document of Gita Sen and Caren Grown is most frequently cited as an exemplary instance of empowerment concerns which seek to address development from the vantage point of poor, Third World women (Sen and Grown 1987). The political underpinnings of the empowerment paradigm were reflected in its understanding of women's differential experience of subordination deriving from their position in the international economic order and their structural location in terms of race, class, ethnicity and history. By emphasizing the need for long term strategies aiming to achieve national liberation, freedom from neo-colonialism and the damaging implications of export-led growth in the third world, the empowerment paradigm challenged the assumption that women needed to be integrated into development and that Western-Capitalist definitions of development served the interests of all women (Moser 1993). Empowerment has therefore been identified as a key goal of feminist grassroots organizations desiring to move beyond the objective of formal equality with men (Kabeer 1995).

Definitions of empowerment are unequivocal about the centrality of power relations to the concept of empowerment. As Kabeer (1995) puts it, 'the concept of empowerment is clearly rooted in the notion of power and in its reverse, powerlessness or the absence of power". Empowerment is seen as changing power relations in favour of those who previously exercised little power over their own lives (Sen 1997), and as the process of challenging existing power relations and gaining greater control over sources of power (Batliwala 1994). Empowerment is perceived both as the *process* of acting to change oppressive power relations and the *outcome* of the process and is manifested therefore in the redistribution of power (Batliwala 1994). The agenda of collective action by women in the interests of their empowerment gained appeal as feminist researchers accorded centrality to power dimensions and accepted that gender redistributive changes necessarily entailed conflicts and losses for some. Hence the imperative of action oriented political strategies at grassroots levels initiated by those whose interests the changes were most likely to serve (Razavi and Miller 1995). Naila Kabeer (1995) has argued that the single most important lesson for feminists to learn from past decades of development has been that the political will needed to confront obstacles to the attainment of women's strategic interests such as freedom from sexual exploitation and male violence, the abolition of gender division of labour and other institutionalized forms of discrimination, is contingent on women directly organizing for change.

Kabeer (1995) underscores the significance of 'the power from within' or the experiential recognition and analysis by women of pervasive forms of subordination and male dominance that are rendered invisible and natural by social rules, norms, practices and values and therefore kept away from the decision-making agenda. Empowerment advocates understand power as manifested not only in the capacity of certain actors to make and veto decisions, but also in their ability to confine decision making to 'safe' issues. As arenas of 'non-decision making' are also perceived as manifestations of power, it is acknowledged that empowerment requires transformation in women's consciousness so that they begin to grasp the socially constructed nature of reality (Kabeer 1995). Definitions of empowerment therefore place much value upon the transformation of consciousness, in addition to control over the external world of material resources. Empowerment is conceived as being as much about control over ideological systems or the ability to generate beliefs, values and attitudes as about control over intellectual (knowledge and information) and material resources (physical, financial and human resources) (Sen 1997; Batliwala 1994).

The element of choice is central to notions of empowerment. Kabeer (1999 b) defines empowerment as the processes by which those who have been denied the ability to make choices acquire such ability. Literature on empowerment emphasizes the need for the pace and processes of change to be directed by people themselves. While external agents play an important role as catalysts in initiating processes of change by providing women access to new ideas and information, it is generally accepted that empowerment is not something that can be done to someone by someone else. This is emphasized in the context of the current celebration of empowerment among development agencies that appear to view it as yet another handout that can be doled to people (Sen 1997). While empowerment literature emphasizes the importance of the agency of individual women in challenging gender inequality and has documented such initiatives in wide-ranging cultural and developmental contexts, it acknowledges that the impact of individual-level changes on the situation of women overall will be limited. Hence the irreducible importance of larger structural change and of women's movements in creating the conditions for change and reducing the costs that individual women who make unconventional life-choices are forced to bear. Advocates of the empowerment paradigm maintain therefore that the process of empowerment must grow into a political force by organizing large numbers of women into collectives and generating national mass organizations of women (Kabeer 1999 b; Batliwala 1994). However the goal of building women's collective action is not uncomplicated, as gender solidarity is not pre-given, but undercut by class and other social identities. Therefore it is argued that solidarity amongst women is most likely to be effective when built from bottom up, in response to locally identified needs and priorities, rather than imposed from above by a false notion of universal sisterhood (Kabeer 1995).

We have seen above that definitions of empowerment, as reflected in the gender and development literature, have come to emphasize women's capacities for choice and self-determination and their abilities to confront structures of power, the transformation of women's consciousness deriving from their ability to understand demystifying ideologies that sanctify women's oppression, the greater control of women over material (in addition to ideological) resources, and the organization of women into collectives that work towards gender justice. In Section II, we will be reflecting on these dimensions of empowerment as we seek to understand the ways in which microcredit programmes have, or have not, enabled women to gain a greater measure of control over their lives and over choice-enhancing resources.

Section II [*]

II. 1 Targeting Women in Microcredit: A Case of Repayment rather than Empowerment?

Close examination, based on micro level studies, of programme rationale for targeting women borrowers of microfinance programmes and of which social classes of women are deemed suitable for programme membership has suggested that the efficiency consideration of enhancing repayment and ensuring lender viability may have substantially influenced recruitment policy and practice of microfinance institutions. Critics have noted that large scale preference for all-women microcredit groups evolved both in deference to global donor pressures on mainstreaming women into development programmes as well as to field level staffs' experience of repayment related difficulties with male borrowers. Rahman's ethnographic study of the micro level functioning of a Grameen branch uncovered discrepancy between Grameen's official view on targeting female clients in the interests of empowering women and building their solidarity and the viewpoint of field level programme staff on targeting women as a strategy to better recover investment and loans. Bank workers accepted that women were recruited primarily because of their 'positional vulnerability' deriving from their limited physical mobility and culturally patterned behaviour of 'docility' and 'submissiveness' and men's incentive to repay women's loans so as to safeguard women's honour. On the other hand, male borrowers were described as irregular in attendance at meetings, argumentative, arrogant and sometimes even threatening bank workers (Rahman 1999). Helen Todd's study on the Grameen also corroborates the picture of Grameen staff shifting to women members from the mid-1980s due to repayment problems with men (Todd 1997 in Rahman 1999).

Goetz's interviews with field workers of the BRAC and the RD-12 on the reasons for working with women, as they perceived it, reveal their appreciation of women's tendency to "talk nicely" and stay at home", with male field staff of the RD -12 even adding that their recovery performance had improved since they started using women as "middlemen". Goetz (1997; 2001) notes the essentialized conceptualizations of masculinity as rebelliousness and femininity as submission that underlay field worker perception and the resultant stereotyping of men as much as women. In his study of the NGO ASA, Rutherford

[*] An assessment of the scope and methodology of the literature reviewed in this section is provided in the appendix at the end of the paper.

(1995) notes the absence of village-level resistance to the establishment of a credit programme targeting women, which was accepted on the practical grounds that men had no time for meetings, women could free up men's time by attending meetings and that quiet meetings of women in a secluded area rarely threatened gender norms on female propriety. Women's limited access to public spaces and low rates of market engagement in Bangladesh ensured time and availability to attend regular weekly meetings (Rutherford 1995 in Goetz 2001). As Goetz (2001) observes, this could possibly explain why the emulation of Grameen type programmes in other parts of the world, especially in Africa, has faced considerable organizational difficulties as women clients, who frequent market places and are actively engaged in income earning activities in the public sphere, have objected to the demands made on their time by the frequency of group meetings.

The literature on Bangladeshi programmes suggests therefore that the MFI's rationale for the incorporation of women into microcredit programmes reveals more about programme orientation towards lender viability and repayment performance than about commitment to the cause of empowerment of women clientele or transformation of gender relations.[8] Moreover, the observed phenomenon of microcredit NGOs assessing the earning potential of household male members and securing their permission before allowing eligible female beneficiaries to join groups has given way to fears that women's independent access to credit may be compromised by the foregrounding of their gendered identities as wives and mothers as eligibility criteria to secure access to loans and even to group membership. Fernando's study of microcredit programmes implemented by the Grameen Bank and Association for Social Advancement (ASA) in Gachabari Mouza of Madhupur Thana, Tangail district found that membership eligibility criteria included an earning male member in the family, that widows were likely to be excluded unless they had the guarantee of a group leader or a male relative and that unmarried girls were also likely to be excluded from programme membership for fear that they would leave their natal village after marriage (Fernando, 2001). Ackerly (1997) found that the Grameen Bank and BRAC exhibited overt preference for married female borrowers and ascertained the earnings of husbands of potential members and their family resources to assess membership eligibility. Goetz (1997, 2001) found field workers selecting women whose husbands were capable of manual labour. Her case studies, which document instances of the denial of loans by the field office to a woman without a husband or child, on the premise that a single woman was a poor credit risk, and of the efforts of women in abusive marital relationships to ensure that the field office handed over the loan directly to them, rather than to their husbands, testify to the struggles of single women and women in conflictual marital relationships to assert their independent rights to loans.

As suggested by the above studies, the instrumental targeting of women borrowers for repayment and lender sustainability purposes by programmes seeking to maximize performance targets could undercut women's entitlement to credit as independent agents and even lead to gendered exclusionary dynamics against certain social classes of women. By revealing the effects of using women clientele as targets to better attain other goals prioritized by the lending organization, these findings allude to the adverse implications of the 'efficiency' rationale for targeting women clients on the 'empowerment' objective of microcredit programmes. Moreover, we note that lender viability oriented microcredit programmes do not portend too well for the 'anti-poverty' rationale of female lending either. As we have seen in Section I.2, advocates of the 'feminization of poverty' argument assume that targeting women is synonymous with effective poverty targeting as women are believed to be among the poorest of the poor in several parts of the developing world. The expectation of development organizations that lending to women inevitably entails lending to the poorest women or women from female headed households, that are not supported by male incomes, would run aground when faced with the above-reviewed research findings which showed that poorer women, widows and single women were likely to be excluded by lender sustainability-oriented microcredit programmes. These are some of the instances of contradiction, (as we briefly noted in the Introduction to the paper), between the competing goals of micro-credit programmes, leading to the precedence of one over the other.

The empowerment potential and claim of microcredit programmes has merited much more extensive scrutiny by researchers cautioning against a simplistic equation between overwhelming female membership and transformed gender relations and pointing to the multitude of factors that mediate this assumed relationship as we see in the following section.

II. 2 Examining Intra-household Processes of Loan Use

a) Gendered patterns of loan use, market participation and control over loan proceeds

When studying the implications of women's participation in microcredit programmes, Kabeer (2001) has argued the utility of analytically distinguishing between "*process*" or the pathways by which particular changes are expected to occur (including decisions about loan use, repayments, marketing of loan-funded products) and "outcomes" or the anticipated impacts/achievements that contain the potential for empowerment such as exercise of purchasing power by women, reduction of the gender gap in well being, heightened sense of self-esteem, women's increased participation in the public sphere etc. Kabeer has suggested that the contradictory empowerment findings of microcredit impact research have to do with the differential emphasis of researchers on the *processes* of *loan use* vis-à-vis the *outcomes* of *access to credit* and that most researchers who have examined processes of loan use have emphasized the disempowering effects of credit programme membership on women's well-being. On the other hand, those who have focused on outcomes of credit access, in terms of transformatory impact on different dimensions of women's lives, have emphasized that access to credit could well have empowering implications for women despite processes of loan use by which women lose control over the investment of the loan or the loan-financed activity (Hashemi et al. 1996; Kabeer, 2001). In this section, we review the literature that focuses on women's engagement in processes of loan use before we proceed to examine the work of researchers who have emphasized the outcomes of access to credit and membership in a microcredit programme. The processes by which a loan is put to work within the household including decisions about who uses the loan, who manages the loan-financed enterprise, the division of labour in the loan-financed activity and varied repayment scenarios have merited considerable research attention.

The degree of control that women exercise over loan use, once it enters the household, has emerged as an important "process" index of the empowerment potential of microcredit. Researchers have debated whether loan access necessarily entails the woman's control over income generated from the loan or her involvement in marketing and accounting or managerial control of the enterprise financed by her loan. Goetz and Sen Gupta's study of loan use patterns of 275 loans in 4 microcredit programmes in Bangladesh (BRAC, Grameen Bank, RD-12 and Thangemara Mahila Sebuj Sengstha, a women's NGO) defined the index of "managerial control" as measuring control over loan use and accordingly classified the degree of control that women exercise over loan use as "full" (control over entire productive process including marketing), "significant" (over entire process excluding marketing), "partial" (labour inputs provided but little managerial control), "very limited" (only supporting a male managed activity) and "no involvement" at all. The study reported that women borrowers exercised no control at all in 22% of the loans and had 'nil', 'very limited' or 'partial control' in an overall 63% of the cases. Goetz and Sen Gupta maintained that their study findings were unsurprising given that earlier studies had also pointed to similar processes of loan use. Sarah White's study of 140 Action Aid loans in Bola region of Bangladesh reported that at least 50% of women's loans were being used for men's productive activities, while the gendered patterns of control over the rest of the loans were more ambiguous (White, 1991 cited in Goetz and Sen Gupta, 1996). Ebdon (1995) also noted a high rate of loan transfer from women borrowers to their husbands in a study of borrowers of the Grameen Bank and of Muhilar Shasto, a small reproductive health care NGO.

Goetz and Sen Gupta's study sought to understand whether women's control over loan use increased with time on account of their greater experience of managing enterprises, participation in training programmes and increasing confidence levels. The study found that high degrees of control of women borrowers in three to five year old programmes were accompanied by diminishing loan control beyond that point of time. Since loan amounts increased with time, women's economic activities were too small to absorb large loan sizes and rational household decisions mandated an investment of large sized loans in higher yield male activities (Goetz and Sen Gupta 1996). Osmani's study of women borrowers from a Grameen Bank branch in Hemnagar, district Tangail, Bangladesh also found that joint enterprises emerged as loan amounts increased (Osmani 1998). Microcredit research has also indicated the existence of a trade off between women's participation in non-traditional, high-return, 'male' activities and the prospects of women's independent control over loan use since the promotion of women's entrepreneurship in non-traditional areas was found to have increased the risk of male takeover of female businesses. A greater likelihood of female control over loan use tended to show positive association with investment in traditional, low-productivity female activities (poultry, sericulture, livestock and milch cow rearing), smaller loan amounts and female headship of households (Goetz and Sen Gupta 1996). While BRAC had started innovative 'mahila' hotels or small restaurants run by women with the explicit purpose of promoting women's involvement in non-traditional enterprises, Montgomery et al (1996) found women cooking in the back while men were sitting in the front and managing the clientele. Such studies point out that conscious efforts to upgrade technologies and skills in women's activities or introduce women to hitherto male-dominated activities could carry the risk of increasing male appropriation of such enterprises unless, as Goetz and Sen Gupta (1996) observe, these are supplemented by strong support for women's right of ownership over new resources.

Based on an evaluation of BRAC and the Thana Resource Development and Employment Programme (TRDEP), Montgomery et al (1996) concluded that loan use patterns tend to perpetuate preexisting practices within the household and that most loan-financed activities were carried out through the existing gender division of labour. Of the first time women borrowers, 9% of the women reported that they were in charge of the loan activity as against 33% of the first time male borrowers who said that they were in sole control. Data collected on how women kept the cash proceeds from the loan-financed activity found no change before and after the loans were taken and that only a minority kept the cash with themselves since most members pooled it under the authority of male family members. Women however sought to exercise indirect means of control by onlending small amounts of their loans and investing in small livestock such as ducks and chicken (Montgomery et al, 1996). On the basis of the maintenance of status quo within beneficiary households on issues pertaining to the utilization of loans, management of enterprises and gender division of labour, Montgomery et al (1996) concluded that women receiving credit through their membership in microcredit programmes were more likely to be empowered vis-a-vis poorer women in their communities without access to credit, than their own men.

Microcredit researchers have also drawn attention to the phenomenon of income from the micro enterprise, earned by the labour of many, entering the household through the male head of the household on account of the socio-cultural constraints impeding women's access to public markets (Ackerly 1995). A typical case of an economic activity financed by microcredit programmes in Bangladesh involving women's labour and men's access to markets is that of paddy processing which entails the purchase of unprocessed paddy through the woman's loan by her husband in the market, the processing of the paddy into puffed rice by the woman, sometimes assisted by other family members, and the sale of the processed paddy in the market by the husband. In such enterprises, women were usually left vulnerable to their husband's willingness to share market information with them (Ackerly 1995). In her study region in Sudan in Africa, Linda Mayoux (1998) found that *Fikka* women were not allowed to go to the market to sell their products had no idea who their customers were and sent their children instead. In some cases social pressures had even led women to give up more lucrative activities in non-traditional areas. In an attempt to identify those aspects of borrower involvement in the loan-financed activity which most enhanced the probability of empowerment outcomes from credit programme membership, a study of 826 loans taken for productive purposes by 613 borrowers of three credit programmes in Bangladesh found that 'involvement in selling' and 'accounting involvement' contributed significantly to borrower knowledge while 'labour involvement' had the least effect (Ackerly 1995). The study concluded that the woman's knowledge of accounting, identified as bearing the most significant relationship to knowledge and empowerment, was found to emerge from market participation and access and not from her labour contribution to the production process alone.

We need however to take note of the tremendous cultural and regional variation in household structures, women's history of market engagement and access to public spaces and the ways in which these differentially impact women's control over loan use across nations, regions and cultures. Mayoux's study of microfinance programmes in several regions of Africa found that the prevalence of polygyny and the existence of separate 'hearthholds' in some areas implied that individual control over income was both expected and desired by the women themselves (Mayoux 2002). In a programme in rural Niger, Muslim Hausa women often owned plots of land on which they raised livestock, cultivated crops and controlled the profits. Divorce was frequent and in the event of divorce, women were allowed to take all their personal belongings, including livestock and other assets. In this socio-cultural context, microcredit had enabled women to set up and strengthen their businesses and to build up an independent resource base (Mayoux 2002). A review of the microcredit programme of the Sinapi Aba Trust in Ghana found that all women had some business experience before they joined the programme and that women in Ghana were usually involved in trading commodities such as plantains, cassava, tomatoes, oranges. Complete appropriation of women's loans by men was rare and there was a near complete absence of the husband's interference in decision-making about loan use in the study region in Ghana (Cheston and Kuhn 2002).

b) Repayment scenarios

Yet another critical dimension of intra-household credit-based negotiations that has warranted attention has been repayment related tensions and pressures. Researchers have cautioned that women's dependence on male income to repay their loans on time or lose face before their co-members could be increasing gender tensions within the household and creating new forms of dependency of women upon men. Goetz and Sen Gupta (1996) observed three possible repayment scenarios that ranged from men's use of the loan and acceptance of full responsibility for repayment, to men's *inability* to repay so that women had to use up their savings or make sales from home-grown vegetables, milk and eggs, to men's *unwillingness* to repay (noted in a minority of cases) which provoked pressure from their wives and led in turn to violence. Outlining a similar scenario, Brooke Ackerly (1997), categorized men's response to the repayment imperative as encompassing (a) handing over most of their earnings to the wife who managed household expenses, repayment and savings, (b) handing over the household expenses and the repayment amount, while retaining management of finances overall, (c) giving her only the household expense from which she had to manage the repayment installment by cutting down on essential consumption, if necessary and (d) in extreme cases denying the obligation and even abandoning her. While the woman gained knowledge through management of household finance in scenario one, the last two scenarios could have serious consequences for women who were mere conduits for family credit, gained no financial management skills and in fact incurred serious losses (Ackerly 1997). Goetz and Sen Gupta (1996) have pointed out that gender relations within the household may be manipulated by microcredit programmes to recover loans where men do not cooperate easily and that the household could therefore be internalizing the high transaction costs of lending to men. Mayoux's study of a host of microcredit programmes found that women reported facing considerable hardship in order to meet loan repayments, even forgoing food and other consumption expenditure (Mayoux 1998). In addition to domestic tensions, it has been found that membership in a microcredit programme could place a huge pressure on the personal and social networks of women borrowers as defaulters, sometimes ostracized, stood to lose a source of local support and networks (Gifford 2002; Mayoux 1998).

c) Gender asymmetries in work burden

Microcredit programmes, that promote home-centred small-scale activities, have been charged with evading concerns regarding the redistribution of gender-specific work responsibilities in the home (Goetz and Sen Gupta 1996). In a study of fifteen African micro-finance programmes, Linda Mayoux (2002) found that in Cameroon, Zimbabwe and Zambia, women members reported an increasing expectation that they should earn an income, in addition to performing unpaid domestic work. Microcredit practitioners, interviewed in her study region, had expressed strong fears of serious adverse effects on women's health and well being as they struggled to combine income earning with unpaid domestic responsibilities as well as negative effects of women's outside work on children and the elderly on account of the absence of substitute care for small children, the disabled and the aged within the family (Mayoux 2002). Reports indicated that women clients of microcredit programmes were mobilizing the labour of daughters and daughters-in-law as unpaid family labourers, thereby reducing school attendance of daughters (Mayoux 1998; 2002). Mayoux's observation suggests that the imperative to maintain regular repayment and ensure enterprise profitability could have been reinforcing life-cycle related intra-household gender asymmetries between women. A more rigorous study of three microcredit programmes in Bangladesh (BRAC, Grameen and RD-12), which was based on a multi-purpose household survey of 1,798 households in 29 thanas, used data on labour supply (time spent in income earning activities) and leisure as one of the impact indices of credit upon male and female borrowers (Pitt and Khandker 1998). The study found that borrowing by women from all the programmes studied increased women's labour supply, in contrast to borrowing, both by men and by women, which reduced the labour time of adult male members. The researchers note that while women gained from borrowing by increasing the value of their non-land asset holdings, this development appeared to have taken place at the cost of their leisure.

The literature is not, however, entirely negative on this dimension of women's engagement in micro-credit finance enterprise activities. Based on group discussions and interviews with 261 women and 49 men belonging to 16 women's savings groups and 4 men's groups in 4 districts of Bangladesh, Govind Kelkar, Dev Nathan and Rownok Jahan report that an increase in women's economic activities had increased their working hours and that the women interviewed resented and complained about men's greater leisure. However they note that men had begun to share domestic work (however little their contribution might be) and that women's increased involvement in income-earning activities, by increasing the pressure on their time, had led to near-abandonment of labour-intensive methods of processing rice, particularly, the manual pounding of rice. The researchers maintain that neither the adoption of labour-saving forms of domestic work, nor the phenomenon of men's participation in household work would have come about in the absence of an intensification of women's income earning activities (Kelkar et al. 2003).

On balance, the above research findings point to the dangers of assuming that women's engagement in any form of paid employment is empowering by itself and underscore the imperative of investigating the conditions under which women take on loan related labour responsibilities, the nature of the additional work burden and their household situation especially with reference to the degree of cooperation from other family members and men's willingness to undertake 'women's work'.

As we have outlined above, researchers who have focused on intra-household dynamics relating to loan use or the processes of loan use have identified the structural asymmetries of gender that have impeded women's participation in the more empowering processes of loan use and have sometimes even implied disempowering consequences, especially for women borrowers who confront longer work days and struggle to face repayment commitments without male support. Issues pertaining to the instrumental targeting of women for repayment and lender viability purposes and the disempowering processes of loan use, which we have outlined above, are of considerable importance as they point to the possible conflict of interests between the distinctive agendas of poverty reduction and gender justice (Jackson 1996). Jackson's paper on the imperative of rescuing gender as a distinctive analytical and conceptual category from the 'poverty trap' argues that the structural relations of disadvantage that constitute poverty do not necessarily overlap completely with those that constitute gender inequality. Therefore poverty-targeted development interventions might well exacerbate gender inequities and asymmetries at household and community levels unless consciously designed to be gender sensitive (Jackson 1996). Our review of the literature on the disempowering implications of some dimensions of microcredit programmes for women members underscores the need to rigorously examine from a gender perspective the dynamics of the anti-poverty intervention in question - microcredit programmes that extend institutional credit for self-employment and development purposes to poor households - in order to understand the ways in which they re-configure gender relations at various levels.

Discussions of the instrumental targeting of women to maximize repayment performance, repayment-oriented recruitment strategies and their exclusionary implications and the prospects of women's independent control over loan use are incomplete without a more comprehensive examination of how the NGO/MFI is implicated in these processes, which we turn to in Section II.3

II. 3 Donor Pressures, MFI Policies and Programme Design: Implications for Gender Equitable Microcredit

As we have already seen, local offices of major microcredit programmes in Bangladesh also targeted women on account of their reputation as docile and disciplined borrowers and have been known to have recruited women into the programme on the basis of the presence of an earning, able bodied male household member. The Non governmental organization / microfinance institution is an important institutional actor, whose organizational dynamic and incentive structure have been examined by researchers with a view to ascertaining the manner in which its intervention reconstitutes gender relations at the household and community levels in the project area. Feminist research has cautioned against the assumption that non governmental organizations by virtue of their location in civil society and by virtue of being non-state formations are inherently capable of more responsive, gender sensitive, accountable and creative modes of mobilizing those they reach vital services to than are bureaucracies located within the state sector. Goetz (1997) has argued that development organizations located in the non-state sector may be deeply structured by male privilege and as bureaucratic and hierarchical as government organizations. By the same token, when the success of the microcredit programmes that NGOs design hinges critically on their acceptance by local community leaders and power brokers, we need to pay attention to which gendered dimensions of the community ethos they challenge and which they reproduce, consciously or otherwise.

Goetz (1997; 2001) has drawn attention to the everyday practices of actual policy implementers or lower level bureaucrats and field workers, which constitute an important site of struggle over the interpretation of women's needs and interests waged at different levels of policy making. In his study villages, Fernando (2001) found that field officers of the Grameen Bank rarely mentioned concerns of gender or even women and spoke instead of helping poor families improve their living standard. When introducing the programme to a new area, it was customary for field officers to explain that it sought to increase income and wealth of participant households and that it required the participation of women on account of the condition imposed by global donors (Fernando 2001). Researchers have observed that field worker indifference to issues of intra-family gender relations was primarily reflected as the lack of concern with monitoring loan use patterns, from the point of view of supporting women's decisions on loan use, once loans enter the household as monitoring loan use was perceived by the NGO as an unnecessary interference in the internal affairs of the household (Goetz 1997; 2001; Fernando, 2001). In her study of field worker discretion in policy implementation in BRAC and RD-12, Goetz (1997, 2001) has noted that male field workers were more likely than their female counterparts to explain women's lack of market access as being an outcome of their "incapacity", "dependence", "lack of courage", "backwardness caused by their own ignorance" and "low confidence". Women programme staff, on the other hand, who were the first to raise the issue at staff meetings, were more likely to disapprove of the practice and to draw a parallel between the surrender of their salaries to husbands and female clients' handing over of their loans. Their greater sensitivity to the "oppression" of women borrowers was accompanied by frustration at their incapacity to defend women's independent rights to loans. Goetz (2001) observes that field level implementers' collusion in the loss of women's control explains, in part, the absence of resistance to a potential gender equity programme such as microcredit that targets women on a scale (as in the case of Bangladesh) that transcends more socially acceptable "deserving" categories such as widows, disabled or abused women by foregrounding the category of woman itself.

Research has shown that field worker reluctance to engage directly with issues of gender from the perspective of enhancing equity was not just a reflection of individual level discomfiture at the prospect of disturbing the status quo but also, and more importantly, an outcome of *donor pressures on sustaining institutional viability and the organizational design of microcredit programmes.* The issue of whether the organizational design of credit programmes prioritized repayment performance at the expense of enhancing women's control over loan use and whether it provided sufficient incentives to borrowers, their male relatives and field level programme staff to support processes more closely related to building women's solidarity within groups and bargaining power in their households has also been investigated. Ackerly's study of the impact of credit programme design on the agenda of empowering women analysed the overall organizational goals and the incentive structures that guided fieldworkers in the Grameen Bank, BRAC, the Bangladesh field office of Save the Children, USA, an international NGO and the Shakthi foundation, a local NGO working in urban slums of Dhaka (Ackerly 1997). Grameen's stated goal of profitable lending to the rural poor translated into a lack of concern with women's participation in loan use and a practise of lending largely to married women so as to ensure repayment through husbands' earnings. Its borrower selection process exercised a negative effect on the empowerment of women. As Grameen's high track record on repayment came to be seen by donors as a standard for others to emulate, BRAC, with its stated goal of empowerment of the poor, found itself in competition with the Grameen. Given the difficulty in evaluating empowerment, the more tangible measures of repayment came to be used instead by BRAC's management. When the goals of empowerment and repayment clashed, field workers resolved the dilemma on the basis of organizational incentives and performance evaluation criteria that prioritized the attainment of repayment targets. As the organizational goal of Shakthi explicitly prioritized the social and economic empowerment of poor women, programme incentives to familiarize women with the market and to discourage men from seizing control of women's loans included the provision that smaller second loans be offered to women who used the first to buy rickshaws for husband's use and that female loan seekers satisfy the bank manager that they had knowledge about all dimensions of loan use comprising input cost, labour needed, selling prices, profit expected etc (Ackerly 1997).

It has been pointed out that pressure from donors on incorporating sufficiently impressive numbers of women in microcredit programmes could have compounded the problem of women's low involvement in loan use in regions where the proportion of women involved in income generating activities was low due to historical and cultural reasons. The CGAP's eligibility criteria for extending grant facilities to MFIs, that at least 50% of MFI clients be poor women, had resulted in female members who were spouses of male participants in several parts of Northern Mozambique, where less than 11% of micro enterprises were female owned (Athmer 2002). Sustainability-oriented programme design has also been held responsible for not allowing the incentives that reward a more direct confrontation with forms of patriarchy encountered by field staff at the level of the household or the wider community. For instance, Fernando (2001) found that NGO policy on strict adherence to weekly repayment schedules demanded cash in regular and timely installments that were, in most cases, generated only by male incomes (Fernando 2001). Goetz and Sen Gupta (1996) have observed that sustainability measures initiated by the RD-12, such as upscaling credit delivery (which were just being introduced at the time of their study) in the face of withdrawal of support by the funding agency, could potentially exercise adverse effects on poor women borrowers including the pressure to take larger sized loans without corresponding support for the viability of enterprises and the heightened propensity for men to appropriate female loans owing to the greater productivity of male activities.

Punitive repayment strategies deployed by field staff responding to management's insistence on fulfillment of targets have also been found to directly harm the interests of female clients in some cases. Aminur Rahman's ethnographic research on the operation of a Grameen branch found that Grameen practice of detaining all center members at the branch office for several hours, even if a single member defaulted on the weekly installment, constituted a punitive method that delayed women's performance of their household chores and led to tensions at home with husbands, who were incensed by the prolonged absence of their wives. The violence implicit in the disciplining of potential defaulters by credit programme staff and the gendered forms of repercussions for women borrowers is exemplified in the reported case of a Grameen Bank branch in which a woman who had failed to pay instalments for a few weeks and was locked inside a room in the branch office as punishment hung herself with her sari (Rahman 1999). Rahman's study therefore raises significant questions about the empowerment potential of a programme marked by unequal relations of authority, power and hierarchy that defined dealings between programme beneficiaries, viz., rural poor women and male programme officials, even as it testifies to the routine nature of verbal abuse, humiliation and similar practices deployed by largely male employees to chastise largely female borrowers.

Competitive NGO strategies of mobilization and global donor pressures to increase the outreach of microcredit programmes were found to have generated field level practices that reinforced, rather than challenged, inequitable relations of gender at local levels. Intensive local rivalry and competition among microcredit programmes in Bangladesh resulted in men being promised loans by programme staff if they allowed their wives to join the programme (Rahman 1999; Goetz 2001). 108 of the 120 women borrowers of a Grameen branch interviewed by Aminur Rahman (1999) in the Tangail region reported that they had been made to join the group by their male guardians who had been promised loans if their wives joined the programme. Goetz (2001) argues that this process, which legitimized the role of men in mediating the relationship between their wives and the outside world, served to shore up social norms that accord women lesser authority in the world of public affairs and underscored women's subordinate status as clients of development services. Ebdon's field research found that staff of BRAC and Grameen Bank resorted to aggressive cut throat recruitment strategies that involved bribing men with larger packages of loans if they could persuade or coerce their wives to switch allegiance even when they may have already joined a smaller microcredit organization. These pressures engendered violence and intra-family conflict and damaged the long-term agenda of building women's solidarity and consciousness-raising through sustained group activities and intra-group cohesion over a period of time. Ebdon (1995) characterizes the resultant dynamic as one of 'upward accountability' of the NGO to the donor, a process that was furthered by donor emphasis on repayment and quantum of loan disbursement.

We have seen that organizational priorities, practices and incentive structures of microcredit programmes can have significant implications for enabling or inhibiting, as the case may be, the agenda of empowering women. While the literature that we have reviewed so far places much value on women's independent control over loan use as an integral component of empowerment, some gender analysts of microcredit programmes have challenged the emphasis on control over loan use to the exclusion of other dimensions and implications of credit access for female borrowers and have thereby challenged the conflation of the single index of control with empowerment of female clients (Kabeer 2001). The possibility of empowerment, in other words, is not precluded by women's lack of control over processes of loan use. We elaborate this position in Section II.4

II. 4 Contesting the Pre-eminence of 'Control': Empowerment despite Loss of Control

In socio-cultural contexts where women's independent control over income and market engagement had a certain degree of social sanction and did not appear as transgressive as they did in Bangladesh, other issues of concern bearing serious implications for intra-household gender relations such as the widely-reported phenomenon of declining male responsibility for household survival reflect the embedding of credit transactions at the household level within society wide relations of gender inequity. Where women members of microcredit programmes in Vietnam controlled enterprise activities and the income thereof to a substantial degree, men enjoyed greater opportunities for leisure-related expenditure (Mayoux 1998). Mayoux (2002) notes that some of the African microfinance programme staff had expressed the fear that supporting women's income earning through credit might be encouraging polygamy because of the freeing up of male income and the economic attractions of having more than one wife.

These findings testify to the price that women MFI clients have had to pay for their economic independence and to the trade-offs that resulted from their enhanced market participation. It has also been pointed out that women's control over their enterprises does not automatically translate into an enhanced role in decision making within the home. For instance, despite the high rate of women's control over their enterprises, as shown by the case study of female borrowers from the Sinapi Aba trust in Ghana, it was observed that men continued to have the final word on major decisions within the household and more importantly, that very few men showed signs of change in their belief about gender roles. All the men interviewed expressed satisfaction that their wives' "character" and performance of traditional duties as wife and mother continued undisturbed and that they had not turned "arrogant" or "disdainful" after financial independence but remained "cooperative" and "considerate" (Cheston and Kuhn 2002).

Even researchers who have examined patterns of loan use with a view to determining the degree of women's control over loans have accepted the limitations of the control variable as an index of empowerment of women. Goetz and Sen Gupta (1996) have emphasized the need to avoid a facile equation of control over loan use with "empowerment" and loss of control with surrender to male power and to view transactions over loan use and repayment in the context of the gender based division of labour, responsibilities and resources within the household and of a poor household's collective struggle for survival. They make the important observation that loan use patterns per se may not directly reflect decisions about such use and that it was quite likely that joint decision making involving both partners was high, in their sample of loans studied, despite the high prevalence of loss of 'managerial control' (Goetz and Sen Gupta 1996). Indeed, Kabeer's study of 50 female and 20 male loanees of the Small Enterprises Development Programme (SEDP) in Faridpur and Mymmensingh districts of Bangladesh testifies to high levels of participation of women in decision making about loan use as 40% of sample female loanees were 'primary-decision makers' with regard to the use of the loan, while as many as 90% were 'joint decision makers' (Kabeer 2001). As Mahmud (2003) points out, the variable "who uses a loan" by itself reveals little unless accompanied by information on whether women have a say in how loans are used and whether they exercise control over income from the loan. On the basis of intensive personal testimonies, Kabeer (2001) maintains that the women interviewed by her study did not appear to value individualized forms of control over resources as much as their ability to participate in decisions about how loans were used. *Furthermore, Kabeer (2001) has also drawn attention to the need to analytically distinguish between different moments in the decision making process wherein women may be losing control.* She argues that Goetz and Sen Gupta (1996) have conflated distinctive moments of the decision making process as their index of 'managerial control' does not distinguish between 'control' or policy decisions on how loans were to be used and repaid and 'management' or decisions regarding the implementation of policy decisions.

On the basis of their study of female clients of Grameen Bank and BRAC, Hashemi et al (1996) have argued that loss of control over loan use did not prevent women from attaining significant positive impacts from credit programme participation. By directly investigating empowerment outcomes, in addition to estimating the incidence of women's loss of managerial control over loan use, they found that a greater percentage of women who reported handing over their loans to male kin came within the "empowered" category (36%) when compared to non-members in Grameen villages (15%) and women in villages without any credit programme (9%), prompting the researchers to assert that *membership in credit programmes was likely to be empowering even for those women who were handing over their loans to male relatives* (Hashemi et al. 1996). Based on group discussions and interviews with female and male members of savings and credit groups in 4 districts of Bangladesh, Kelkar et al (2003) contend that women's position as conduits for loans used by their menfolk was not entirely without its advantages. Women loanees testified that their power to take loans was accompanied by their power to not take loans, which was exercised as a strategic lever to control their men and thereby increase their voice and influence in the household.

Endorsing the contention of Hashemi et al (1996) that microcredit programmes can have transformatory implications for women's lives despite processes of loan use by which women lose control, Kabeer (2001) has argued that empowerment of female clients needs to be independently examined and cannot be substituted by proxy variables such as 'managerial control'. Cautioning against assuming a straightforward cause and effect relationship between 'process' and 'outcome' variables, Kabeer (2001) contends that outcomes such as women's participation in forms of public/political action and relative freedom from domestic abuse may have little to do with processes such as participation in accounting or management of loan-funded activity and may be attributed to the new social relationships that credit programmes represent. Much more information is therefore required about the relationship of process variables such as 'accounting participation', 'control' and 'management', to other valued achievements before empowerment findings may be either established or refuted.

II. 5 Empowerment as Outcome of Microcredit Access: Impact on Women's Well-being and Position within the Household

In addition to studying processes of loan use and repayment related negotiations within the household, researchers have also attempted, as we had briefly noted above, to assess the effect of microcredit programme participation upon women's well-being and status within the family in a more direct fashion. A survey of 1300 married women under 50 years (categorized into four groups of 'Grameen members', 'BRAC members', 'non-members in Grameen villages' and a 'women eligible to join a microcredit programme in villages where neither Grameen nor BRAC were operational') was carried out as part of a study of 120 households in 6 villages (20 households in a village) of Bangladesh (Hashemi et al. 1996). The study sought to assess the impact of microcredit programme membership on the following selected empowerment indicators: mobility in the public domain, economic security, reported magnitude of women's contribution to family support, ability to make large purchases, involvement in major decision making within the household, relative freedom from domination within the family, political and legal awareness, and involvement in political campaigning and protests. Both Grameen and BRAC programmes were found to have a significant effect on the five indicators of economic security, ability to make small and large purchases, political/legal awareness, contribution to family support and the composite empowerment score. The greater impact of BRAC membership on women's mobility and higher levels of political participation was attributed to opportunities offered by BRAC to its members to participate in training programmes, thereby necessitating travel outside the village, and BRAC's concern with community development and its emphasis on creating awareness around social and political issues, unlike the 'minimalist', credit-only approach of the Grameen Bank. Where both programmes had a significant effect on the same outcome, the odds ratio for Grameen Bank was larger, especially for the index of "contribution to family support". That Grameen gave more loans more quickly (starting two weeks after membership) as against a three-month waiting period in BRAC, was used to account for the more substantial contribution of Grameen members to financial support of their families. Grameen's requirement that homestead land be transferred to the name of the female borrower as eligibility criteria for the housing construction loan may have facilitated the transfer of land by men to their wives strengthening thereby the "economic security" dimension (Hashemi et al. 1996). The authors maintain therefore that *minimalist credit based approaches of organizations such as the Grameen can produce empowering outcomes for women and challenge the viewpoint that more direct confrontation with power structures alone holds the key to empowerment.*

Studies have also pointed to the complexity of empowerment assessments by showing that different dimensions of women's empowerment may be differentially impacted by development interventions such as microcredit. Based on a sample of 84 women (half of them being members and the other half non-members) in Tangail district, Osmani (1998) analyzed the direct and indirect impact of Grameen membership upon women's well being. The study attempted to assess the *direct impact* of Grameen on women members' well-being, which it defined as the autonomy with which women run their lives, their ability to control decision making within the household and their relative access to household resources. It was found that the effect of Grameen membership on women's autonomy (defined as their ability to spend income freely) and women's access to resources such as health care and food was positive, whereas it had positively impacted only one dimension of decision-making viz., family planning decisions. The *indirect effect* of Grameen participation on well-being was assessed through its impact on women's bargaining power. Amartya Sen's exposition of women's bargaining power within the household was used to study the effect of Grameen membership on the 'breakdown position of women relative to their male partners', 'women's perceived contribution to the household' and their 'perceived self interest' (Sen 1990). The study found a contradiction between the effect of participation on women's breakdown position (determined by whether land was owned by the woman in her own name, women's ownership of non land assets and whether she thought she could support herself if alone) which was found to have improved, and its effect on perceived contribution (perception of value of women's labour and time by other household members) and on perceived self interest, both of which showed no significant change on account of programme participation (Osmani 1998).

Mahmud's analysis of data from the first round household survey of 2000 households in 91 villages in 22 rural thanas of Bangladesh studied the effect of microcredit on three domains of empowerment, viz., the *condition of empowerment* or access to material resources (paid employment and education) and non-material resources (mobility to male-dominated public domain), the *route to empowerment* or exercise of women's agency (measured through increased access to household income and active participation in decision making about household expenditure) and *achievements* (adoption of welfare-augmenting behaviour and welfare outcomes). Mahmud (2003) found the impact of microcredit uneven across the three dimensions of empowerment. Improvement in women's access to material resources due to participation in microcredit programmes was small as only self-employment had increased and not higher-return wage employment. Programme participation had improved mobility to the NGO office and the health center but not the bank or the bazaar. However the positive impact of the programme on women's *agency or the route to empowerment* was found to be greater - as reflected in the greater engagement of female clients in household processes that determine welfare - than on the *condition of empowerment*. Where time allocation in home-based work was selected as an index of *achievement*, programme participation was found to be associated with a significant re-allocation of women's home based work. Participant women spent more time in income-earning, regardless of poverty status of household, while in poor households, participants spent less time in child care compared to non-participants. Mahmud (2003) notes therefore that programme participation was more likely to increase women's absolute and relative welfare through more equitable intra-household gender relations, even as it had little effect in altering the condition of empowerment or women's gender based access to material resources, within the household or outside. She offers the explanation that norms governing intra-household gender relationships, such as decisions pertaining to fertility regulation and time spent by women on housework and child care, appear more responsive to programme participation as households may be induced to improve relationships if they produce outcomes, whose benefits exceed costs. However, where benefits to households are limited by the external opportunity structure determined by institutions like purdah, marriage and inheritance, there is much less incentive to re-allocate resources in favour of women in areas such as health or education (Mahmud 2003).

Besides seeking to assess significant changes, if any, in women's intra-household status and position relative to men, two other important variables that have been identified, in the microcredit literature, as constituting evidence of women's empowerment have been those of freedom from domestic violence and fertility reduction. We review the literature on the effect of programme participation upon these dimensions of women's well-being in Sections II.6 and II.7.

II. 6. Increase in Violence or Improvement in Domestic Relations: The Evidence Examined

While some studies have reported instances of domestic violence and abuse of women by male family members as a direct effect of programme - generated tensions and pressures, others have sought to examine whether women's access to economic opportunities and resources have earned them a measure of protection against male violence in the family. Out of 120 female borrowers of a Grameen Bank branch interviewed by Rahman (1999) in district Tangail, 70% claimed an increase in violence within the household manifested both as verbal aggression and physical assault, fuelled primarily by men's frustration at the pressure to keep up weekly repayment in the loan center. Goetz and Sen Gupta (1996) have noted that delay in loans to women could provoke men's frustration and anger at their wives' failure to bring home credit. Mayoux (2002) reported that concerns over increasing domestic violence and abandonment of women had been voiced by many participants at a workshop on Microfinance and Women's Empowerment in East Africa.

Ethnographic research carried out in 6 villages from 2 regions of Bangladesh between 1990 and 1996 found that expanding women's access to credit had not earned them immunity from violence, at least not immediately after access to credit (Schuler et al. 1999). It was found that men beat their wives as the latter gained increasing economic independence and that conflicts over the control of income and assets became commonplace as women attempted to protect themselves against domination by men. In the village, which had the highest contribution by women to family support, 60% of women of the reproductive age group had admitted to being beaten by their husbands during the previous year, whereas only 14% of the women reported being beaten in the village where women's contribution to family support was the least. The relative immunity from beating enjoyed by the most economically successful women with the highest income contribution suggests that a positive association between women's income and protection from domestic violence perhaps came into effect only when women's contribution reached high levels. The study concluded therefore that the impact of credit programmes on violence against women within the household was ambivalent and that credit could create a new arena for hostility and competition, even as it enhanced the perceived value of women's contribution to the household (Schuler et al. 1999).

The relationship between credit programmes and mental health and emotional well being of women has been explored by an analysis of data collected from 14 villages in 1995 pertaining to the mental state, familial crises and coping mechanisms of ever married women between 15 and 55 years grouped as 'poor BRAC members', 'poor non-BRAC members' and 'non-BRAC better-off households' (Ahmed et al. 2001). The study found no difference in the incidence of emotional stress reported by poor BRAC and poor, non-BRAC women members. However levels of stress among non-BRAC better off households were found to be much lower. While poverty-related causes for stress were high among the first two groups, marital problems, threat of a second marriage by the husband and death of household members were more important reasons among non-BRAC better off households. An assessment of the odds ratios of factors predicting emotional stress found that being married, being in good health, generating family income, possessing land holdings and having children predicted less emotional stress. More importantly, BRAC membership was found to have had no effect on the prevalence of emotional stress among the poor (Ahmed et al. 2001).

An unequivocal finding of several studies pertains to the lack of interest evinced by the microfinance institution in addressing the issue of domestic violence and the silence maintained by other group members and programme staff, the latter lacking direct guidance on intervening in this issue and fearing antagonizing local interests. Mayoux's study of Microfinance Institutions operating in Africa likewise found that women facing the threat of violence and abandonment received no support in most programmes and that women members of the Cameroon Gatsby Trust (CGT) had explicitly demanded pro-active programme support in protection against male violence (Mayoux 2002). Ahmed et al (2001) also observe that issues such as the gap between expectation of programme clients and actual achievement, the tensions generated by the non-traditional roles assumed by women in development programmes and domestic violence against women on account of their participation in credit programmes were rarely addressed by the development programme in question (Ahmed et al. 2001). Schuler et al (1999) recommend that microcredit programmes adopt a more pro-active approach perhaps by starting group meetings with discussions of domestic violence and point to the case of NGOs and women's groups in Bangladesh that have been raising these issues at national and policy levels.

The case studies cited in the literature indicate that, in addition to repayment related tensions, women's attempts to assert ownership rights over their loans and assets financed by loans were perceived as especially mutinous and deserving of reprisal. The studies also suggest that MFIs have not taken cognizance of the need to neutralize the potential adverse effects of targeting credit exclusively to women in socio-cultural contexts marked both by the overall paucity of development resources and pervasive patriarchal norms that view women's independent ownership of resources as transgressive. As Goetz and Sen Gupta (1996) warn, the shrinkage of institutional credit through the older generation of credit based poverty alleviation programmes in Bangladesh and the impression that men's access to formal credit was declining in relation to women's could be exercising a damaging effect on household well being and intra-household gender relations. Microcredit programmes, that exclusively address women as sought-after clientele, do not appear to be assuming responsibility for the implications of the perception that men are being marginalized and can only hope to access resources like institutional credit through their wives and other female relatives. The disinterest of microcredit programmes in dealing with the consequences of the potential hostility and adversarial environment that such a perception can create between the genders at the household and community levels implies that individual women lack institutional support when dealing with situations of conflict and violence. We will be dealing with the level of engagement of MFIs and microcredit NGOs in conscientization and gender training programmes as well as in broader movements challenging the gendered and class basis of socio-economic structures subsequently in Section II.8.

II. 7. Fertility Control – a Microcredit Spin off?

The issue of whether participation in credit programmes has enabled women to alter their fertility regulating behaviour, to their advantage, has provoked considerable discussion. Schuler and Hashemi's study of 1305 married women less than 50 years from 6 villages in Bangladesh sought to test the hypotheses that participation in credit programmes increases the likelihood that women use contraception (Schuler and Hashemi 1994). While Grameen membership had a stronger effect on contraceptive use than BRAC membership, the level of contraceptive use among non-members in Grameen villages was 5 points higher than among comparison group members in villages with neither BRAC nor Grameen. The researchers note however that in one village, the Grameen staff expressed an overt preference for women who used contraception and sometimes pressured women to accept contraception (Schuler and Hashemi 1994). Schuler, Hashemi and Riley (1997), who further pursued the association between credit programme membership, women's empowerment and contraceptive use, attempted to determine whether the relationship between credit programmes and contraceptive use could be attributed to the programme's impact on women's empowerment and if so, which dimensions of empowerment were more important in influencing women's contraceptive use. Of the eight dimensions of empowerment identified by the study, "freedom of mobility", "freedom from family domination" and "economic secur ity" were found to have had statistically significant effects on contraceptive use. When further analysis of the data suggested that the effects of programme participation and of empowerment on contraceptive use were largely independent of each other, the researchers have argued that credit programme membership may have generated other forms of empowerment, not measured or captured by the study, that have influenced women's contraceptive use. Their ethnographic data includes instances in two villages wherein programme staff openly expressed their displeasure at women members carrying little children to the meetings, cut off loans when a woman became pregnant with her third child and made it clear that they believed that higher fertility interfered with women's loan management practices. The authors admit that the impression that women with smaller families were more likely to receive programme benefits may have been fairly widespread even if actual instances of loan denial on these grounds were rare.

The underlying assumption of the researchers appears to be that women's earlier lower rates of contraceptive use were because of family pressures on women and their low levels of autonomy and that the "empowered" woman who borrowed from a credit programme, generated independent income and contributed to family support was able to successfully defend her rights to undergo sterilization and adopt modern forms of contraception. This interpretative framework effaces the possibility that lower rates of contraception earlier could have been the rational response of poor families to the uncertainties of child survival and the need for additional income earners to ensure subsistence consumption, a logic that women could have equally internalized. It ignores the possibility that the greater economic security resulting from microcredit programme membership might have induced a rational decision by family members, especially the male household head, to limit family size by insisting that their wives undergo sterilization and forms of contraception that may be damaging to the latter's health. We have no evidence to conclude that higher levels of contraceptive use are indeed related to an assertion of women's autonomy or agency given that the voices of female clients are absent in the study. At this juncture, we note that studies seeking to probe the relationship between fertility decline, female autonomy and girls' schooling in South Asia have found that fertility decline cannot be interpreted as evidence of female autonomy and might be perceived instead as the outcome of dynamics of male-dominated family systems wherein low fertility is seen as economically rational (Jeffery and Jeffery 1998).

It is perhaps illustrative that the literature on domestic violence and microcredit programmes in Bangladesh does not include instances of domestic conflict deriving from women's assertion of their right to limit family size by adopting modern forms of contraception. Moreover, the finding that credit programme staff did make their preference for women who underwent sterilization known through some subtle and other not-so-subtle means indicates that microcredit programmes may have constituted yet another arena where women may have found themselves trapped between the contending expectations and pressures of community and kin and the state's fertility reduction dictates. The ways in which women negotiate both family pressures and pressures from the state, acting directly through its development programmes or through NGO programmes, that may have internalized the logic of the state's population control impulses, may be better captured through personal testimonies and case studies. Critical of the tendency to read data on fertility decline as evidence of greater autonomy of women, Padmini Swaminathan's review of micro level studies have pointed to low levels of women's participation in crucial decisions concerning their education, marriage, sexual health and reproductive labour in Tamilnadu, a state which has provoked considerable interest on account of its record on fertility reduction. The studies argue that the reduction of fertility rates in Tamilnadu would be better understood as outcomes of processes of economic transformation, by which larger families become a liability. Micro level studies point to the widely-observed phenomenon of coercive Intra Uterine Device (IUD) insertion in public hospitals and suggest that women's choice of sterilization, at considerable cost to their health, might, in effect, be a reflection of absence of choice and despair, rather than an assertion of women's independent will (Swaminathan 2002).

II. 8. Empowerment through Collective Action and Conscientization

As we have seen in Section I.3, literature on empowerment, in addition to emphasizing changes in women's access to material resources and inner transformation, has placed great value upon women's collective action in defense of their gender interests or their struggles to access livelihood resources. Such action, it has been argued, transforms women's consciousness, politicizes local struggles and establishes women as legitimate political actors in wider, public arenas (Razavi and Miller 1995). Microcredit research has also investigated the issue of whether the social capital generated by locally-based peer groups has led to community level action defending the rights of the poor, challenging elite privileges and demanding accountability from public institutions or entitlements from the state or private sector. A related issue has been that of whether the institution building efforts of the NGO have promoted collective action at local levels and conscientization through appropriate training. While collection action by women that challenges existing gendered structures could be an outcome of women gathering together and finding the space to articulate pressing demands, advocates of empowerment (Sen 1997; Batliwala 1994; Kabeer 1995) have also emphasized the role of the external agency or NGO in facilitating the process of empowerment by providing women access to new resources including information and ideas.

Where some of the big microcredit programmes in Bangladesh are concerned, it appears that it was customary for field officers of NGO programmes, who were usually outsiders, to establish contact with and seek the patronage of locally influential people including traders, school teachers, religious leaders and landlords (Fernando 2001). Microcredit programmes were careful to not interfere with religious norms and to consciously cultivate good relations with the 'new elite' - those who earned incomes from employment in the Gulf or were the principal suppliers of agricultural inputs after the government withdrew agricultural subsidies, and who were also firmer on the maintenance of purdah when compared to the 'traditional elite' (Fernando 2001). Montgomery et al

(1996) report that none of the thirty village organizations of BRAC they visited narrated stories of collective action challenging elite privilege on account of BRAC's institutional imperative of maintaining good ties with the local elite and of the unwillingness of poor members to break patronage ties with the powerful due to the fear of losing employment. They have also been critical of BRAC's policy of avoiding the promotion of secondary level federations of its village organizations for fear that it might lead to pressure from below to change its rigid savings and loan policies, entail costly expenditure on federation building and signal an active interest in political engagement that could antagonize locally powerful interests.

Several researchers on microcredit programmes in Bangladesh point to the declining time available for staff to engage with non-credit issues due to mounting programme emphasis on repayment performance and cost-cutting preoccupations deriving from donor imperatives. The rapid expansion of BRAC's microcredit programme had reduced the earlier one-year induction period with literacy training to two months of functional education and awareness training (Goetz and Sen Gupta 1996). In the case of the Grameen, the time devoted to the discussion of social issues at center meetings had significantly reduced due to the expansion of operations and the enormous work load of Grameen workers (Rahman 1999). The microcredit programme of ASA endeavoured since its inception to reduce dependence on donor funds through lower levels of investment in group development and member training and greater emphasis on supervision and repayment control (Jain and Moore, 2003). Fernando (2001) observes that ASA's ideological thrust shifted considerably since its inception in 1979 when it was founded with the radical aim of broad-based structural transformation of society and mobilization of the landless. Since the 1980s ASA's emphasis on credit was found to have marginalized its social development programmes and even led to an abandonment of its legal aid programme for the landless. An important research observation that emerges from the study of microcredit programmes such as ASA in Bangladesh is the drift of microcredit organizations away from an earlier phase of intense and pro-active engagement with the agenda of transforming anti-poor social and economic structures (Fernando 2001).

The content of training programmes offered by MFI/NGOs has been scrutinized with a view to examining the emancipatory dynamics it could potentially generate. Montgomery et al (1996) found that the paralegal training provided to BRAC's microcredit members on marriage, divorce and land rights, with the objective of indirectly facilitating a challenge to power structures, was unlikely to actually effect a change in the economic and social position of the poor vis-a-vis wealthier classes. An internal BRAC report characterized the functional education as didactic and pedagogical, marked by little member participation in discussion and by non-implementation of decisions taken during the training sessions. Montgomery et al (1996) note that the training was a highly structured and passive experience that reinforced patronizing tendencies embedded in a university educated, middle class, lecturing to the 'ignorant" poor. Excepting smaller women's NGOs that explicitly prioritized concerns of gender, Goetz and Sen Gupta (1996) found that training offered by microcredit programmes was not gender specific and revolved around issues of leadership qualities, the rules of credit society management and accounting practices. Goetz (2001) found that even though BRAC did offer a women's health and legal training project, the staff of such programmes were different from microcredit programme staff, who had to deal with violent men preventing their wives from going to meetings. She notes that women field staff were more likely than men to raise the issue of the relative neglect of social development and awareness building at staff meetings and to perceive women's subjugation within the family as a direct constraint on their work. Male staff were found to have claimed issues of women's rights were hardly raised during group meetings by women clients, that men in the community were not interested in these issues and that male staff who sought to discuss such issues were not respected by other men (Goetz 2001).

Goetz (2001) has outlined the key differences between mainstream microcredit NGOs and women's NGOs in terms of their active promotion of women's rights. While BRAC's organizational culture predisposed it towards avoiding conflict in any situation and promoting consensus, NGO such as Proshika accepted that social change inevitably entailed conflict and required their staff to participate in struggles of the poor against elite interests. However Proshika was reluctant to admit the possibility of conflicting interests between men and women and tended to emphasize gender harmony and gender role complementarity as much as BRAC. Women's NGOs such as the Thengemara Mohila Sebuj Sangstha (TMSS) and the Saptagram Nari Swanivar Parishad, which engaged in microcredit activities, were involved in advocacy of women's gender interests and were actively engaged in defending their rights. Legal aid for women victims of illegal divorce, harassment, rape and inheritance deprivation constituted an important part of the workload of staff of the TMSS. Saptagram Nari Swanivar Parishad, which considered itself part of the women's movement, worked actively for the ratification of the Convention for the Elimination of all forms of Discrimination Against Women (CEDAW). Saptagram followed a deliberate policy of choosing women staff who were divorced or abandoned by husbands or social outcasts as its experience had demonstrated that women from better off households were not likely to mobilize women around class issues. Training sought to provide a theoretical framework on class and gender relations and focused on leadership development in order to build self-assertion and confidence of women staff and to validate their life experiences. Resistance to violence against women and growing religious fundamentalism in the course of the 1990s constituted the key concerns of women's NGOs. However, work centred around a pro-active defense of women's gender rights was not likely to be central to the work schedules of microcredit programme staff of big NGOs like BRAC (Goetz 2001; Yasmin 1997).

II. 9. Organizational Dynamics of MFIs: Empowering Development Agents

Our discussion of the degree of commitment of MFIs to the agenda of gender equity and empowerment is incomplete without a brief examination of the gendered dynamics of microcredit organizations and the mechanisms by which they empower / conscientize their staff, whether male or female, to take up issues pertaining to gender justice or pro-poor social change. Researchers have analyzed the transformation of the organizational culture of MFIs, in response to upscaling and financial viability imperatives, not only in terms of their impact on organizational priorities, but also on working conditions of staff.

BRAC's dramatic transition from a small, closely-knit collective of committed individuals to a corporation, reflected in the enormous expansion in its area of coverage and complexity in programme content, resulted in a race for target achievement and a high-quality work environment or a '24 hour work culture' (Goetz 2001; Rao and Kelleher

1997). BRAC's insistence that staff live in official quarters and its preference for unmarried staff enabled monopoly of the energies and time of its employees in order to meet the goal of providing tangible, quantifiable results, which accounted for its great popularity with donors. Therefore, about 35% of the women employees of BRAC interviewed by Goetz (2001) were found to have identified normal working hours and clearly defined work schedules as facilities that could help them in their work. Goetz's study also found that the privileges of management rode roughshod over worker rights in BRAC, as evidenced in transfers at very short notice and easy dismissal of staff. Some Project Assistants had reported a cut in their salary in the event of failure of 100% repayment performance. Measures such as frequent transfers not only compounded women employees' problems and eroded capacity of staff to build long-term relations with clients, but also resulted in stifling dissent and open debate within the organization for fear of victimization by management. In RD-12, the introduction in 1993 of a system of linking rewards to improved loan disbursement and recovery rates led to a new work ethos that was oriented towards the goals of financial management and attached greater value to economic development relative to social or institution building objectives. The resultant changes implied that women staffs' achievements in social development related work might not be adequately acknowledged or rewarded by the organization (Goetz 2001).

Rao and Kelleher (1997) note that measures initiated by BRAC to accommodate women staff's special needs remained incremental and did not restructure the dominant organizational culture, space and ways of working which continued to remain gendered. Women were consequently expected to fit into a system that was designed to fit men. Women staff faced harassment from male colleagues and villagers when they rode bikes, lived singly and worked late but were blamed for their vulnerability to violence if they protested. Goetz (2001) observes that women staff of BRAC, who were required to conform to counter-cultural values, to be 'social pioneers', in order to signal the progressive image of the organization, were poorly supported by their institution and colleagues in this new role. In marked contrast, women's NGOs, which explicitly prioritized working with women and building the skills and capacities of women development agents, were found to have consciously adopted gender sensitive policies that included hiring women living in their areas of work in order to avoid separation of women from their families, flexible time management so that the working day provided women opportunities for interaction with family and rest, total or near-total female management structures that enabled women's discussion of their problems at the highest levels, open and consensual decision making mechanisms, the considerable blurring of boundaries between 'work' and 'living' spaces and permission to husbands and children to share official accommodation with women. Drop out rates of female staff were therefore as low as 2-3%. Neither the TMSS nor Saptagram Nari Swanivar Parishad insisted that women staff conform to an organizationally mandated image and allowed them to decide on how best to manage their public image. Consequently, the female staff of both women's NGOs reported significantly lower levels of harassment, relative to staff of BRAC, despite the former's more active engagement in overtly feminist work. The absence of time bound targets on the number of women organized or credit disbursed enabled slow, intensive and thoroughgoing work at the grassroots (Goetz 2001).

We find therefore that organizational commitment to transformation of gendered organizational dynamics was usually a reflection of its commitment to the goals of gender distributive change and feminist mobilization through collective organization of women. While large NGOs like BRAC did offer special measures in order to accommodate better the needs of women staff, the gendered and therefore discriminatory nature of the organizational culture was not challenged in ways that would render it more gender sensitive overall (Goetz 2001).

As we have seen in the preceding section, the relationship between participation in microcredit programmes or access to credit and a host of desirable, valued empowerment outcomes has been found to be ambivalent, context-dependent and mediated by crucial factors such as programme design, organizational dynamics and institutional incentives of the microcredit programme and the wider economic and social relationships, including the prevailing 'gender order'. Gender analysis of microcredit programmes has also grappled with the complex methodological and ideological issues that emerge from the process of assigning value and meaning to empowerment indices, an exercise potentially fraught with researcher bias, as we see in Section II.10

II. 10. Listening to Women's Voices: Empowerment from whose perspective?

Debates over issues such as independent control over loan use have, in turn, provoked a more reflective analysis of the conceptualization of empowerment and of the theoretical frameworks of researchers. For instance, Kabeer (2001) points to the positive value attached to 'individualized' forms of behaviour by negative evaluations of microcredit programmes, in contrast to the emphasis of more positive assessments upon 'cooperative' forms of behaviour within the household. To paraphrase Kabeer, the differences are based on "differing judgments embodied in these evaluations as to what kind of changes constitute evidence of empowerment, differences which in turn reflect different models of households and the power relations within them, which these evaluations draw on" (Kabeer 2001, p.67). Some gender analysts have also argued against assigning rigid, context-independent meanings to the selected indices of empowerment, unilaterally determined by the researcher, and emphasized the imperative of actively seeking out the viewpoints and rationale of women beneficiaries of microcredit programmes (Kabeer 2001; Mahmud 2003).

A common characteristic shared by studies arriving at radically different conclusions on microcredit programmes has been, as Kabeer (2001) notes, the absence of the perspectives of the women members themselves. Kabeer's reliance on personal testimonies of female loanees has not only revealed new dimensions, that have been ignored by most other evaluations, whether positive or negative, but has also enabled fresh ways of perceiving what have become fairly well-established, feminist truths. Kabeer contests the negative interpretation of the workload increase, that several microcredit studies have attested to, by arguing that women were keenly aware of the distinction between paid and unpaid work and the mitigation of their dependent status and that they consequently perceived the credit-financed income generating activity as transforming the meaning of work rather than signifying an intensification of work burden. Furthermore, the varied and subjective meanings that women gave to participation in outside work, as they experienced it, demonstrate the myriad ways by which class and social location mediated the relationship between women's empowerment and their participation in public activities. While poorer women in Kabeer's sample (who had earlier starved invisibly at home due to the high social costs of seeking outside labour) used their credit to set up home-based enterprises and earn small amounts of income, some of the poorest women in the sample, already occupied in wage employment in public spaces, used it to withdraw from public engagement. Kabeer (2001) notes that this had as much to with conditions prevailing in the female segments of the wage market as with purdah constraints. She argues that if empowerment is understood as an expansion in the range of potential choices available to women, we see that the actual outcomes vary as they reflect the specific choices that the women in question value. This helps understand why women may have opted to use their credit to work from home and how some of the most economically successful female entrepreneurs among her sample respondents were women working from within the confines of their homestead, who subscribed most strictly to notions of purdah and also described themselves as the main decision makers in their households.

Kabeer's study also found that it was women in conflictual relationships, characterized by exceptionally high levels of violence and abuse, who used their loans to effect a "divorce within marriage" through the creation of a parallel economy by actively seeking financial independence, hiding their savings, separating their assets and registering newly acquired assets in their names. Feminist tendency to valorize the index of independent control over loan use and independent decision making was consequently problematized by Kabeer (2001), whose interviews with women loanees showed that individualized forms of behaviour were more likely to signal conflict within the household rather than empowerment. In socio-cultural contexts marked by rigid seclusion norms and constraints on women's sexuality and mobility, joint or cooperative decision making with husbands and male kin was more likely to be experienced by women as empowering in situations that involved access to markets, public spaces, legal and financial agencies (Mahmud 2003). Moreover, the dangers of assigning a uniform positive value to independent decision making are compounded by the observed weakness of the empirical relationship between women's independent role in decision making and welfare outcomes. Mahmud (2003) argues that independent decision making by women does not always have the best welfare outcomes as it is usually associated with female-headed households, which are likely to be poorer and report lower levels of aggregate welfare relative to male-headed households.

Besides issues arising from the valorization of independent decision making by women, the emphasis laid on 'decision making' as empowering by itself appears unwarranted in contexts where the specific decisions taken by women belong within traditional realms in which women have always exercised considerable decision making agency (Kabeer 1999 b). In most cultures, the hierarchy of decision making responsibilities within families has traditionally assigned particular spheres to women in their gendered capacities as wives and mothers, such as the purchase of food and items of household consumption and decisions pertaining to children's health in many parts of South Asia. The qualitative distinction that Kabeer (1999 b) outlines between women's greater decision-making efficacy as agents in their gendered roles of wives and mothers and their exercise of transformative agency signals a crucial difference that decision making indices need to capture in order to better reflect processes of empowerment. Likewise, the inherent value of the index of 'mobility' and 'women's access to public spaces' is problematized when we consider Kabeer's finding, based on her interviews with female loanees of the Small Enterprise Development Programme in Bangladesh, that the distinction between the public and private domains, rather than being a stark dichotomy, was manifested as a range of locations in the public domain, marked by the differing values of dishonour attached to women's presence in these spaces (Kabeer 2001). Visits to the district headquarters and the NGO office were acceptable, in stark contrast to visits to the rural markets, which imposed severe social costs on the women who needed to frequent them. The tendency of MFIs and NGOs to declare any sign of collective action on the part of women as evidence of empowerment has also been contested by researchers who point out that the predominant perception of women as passive, mute, browbeaten and subjugated has been responsible for interpreting any action as evidence of empowerment (Montgomery et al. 1996; Kabeer 2001). For instance, Montgomery et al (1996) found that action taken by women members of BRAC, who rallied around their fellow member suddenly divorced by her husband, had been mentioned by BRAC staff as evidence of the power that they had recently acquired. However field investigation revealed that such instances of collective action were hardly new as women had resorted to forms of collective action on similar issues even before the formation of BRAC's groups.

Literature on the relationship between women's empowerment and microcredit or other development interventions has argued the primacy of determining whether the observed improvement or empowering outcome necessarily entails an assertion of women's agency (Kabeer 1999 b; Mahmud 2003). As Mahmud (2003) notes, the development goals of women's empowerment have broadened more recently to integrate notions of women's agency in the attainment of well-being, which have been consonant with a shift in emphasis from passive acceptance of assistance to women's active participation in the attainment of well-being objectives. It appears to us that this perspective is critical in terms of understanding the meaning of indices of empowerment in specific contexts. We have already questioned whether statistical correlation between women's participation in credit programmes and sterilization rates can be interpreted as empowerment outcomes without evidence of the exercise of women's agency in Section II.7. Kabeer (1999 b) argues that the pathways by which credit programme participation lead to women's access to welfare-promoting household resources may be better explored by enquiring whether they entailed a greater role in decision making for women about the distribution of household resources, a more active and direct exercise of purchasing power by women or greater appreciation by the household head of women's role in accessing credit and therefore a recognition of their well being. In other words, it would be important to ascertain whose agency was involved in the translation of loan access to effective impact in order to better understand the relationship between changing intra-household negotiations and access to credit.

To reiterate, the literature on the gender dynamics of microcredit programmes in Bangladesh foregrounds the significance of understanding the organizational structures by which microcredit programmes are delivered, the gender dynamics of the MFIs and NGOs that populate the microfinance landscape, the gender sensitivity, or otherwise, of programme design, the wider socio-economic relations of gender inequities and hierarchies that inevitably influence the operation of microcredit programmes and their outcomes, the differential social and class location of women clientele and their subjective life experiences that mediate the value of microcredit programmes for women's well-being.

Despite the inconsistent and patchy nature of the positive evidence of microcredit programmes upon the agenda of women's empowerment, gender analysts of microcredit are reluctant to disengage microcredit from issues and concerns of empowerment entirely (Mayoux 1998). Mayoux (1998) has contested the viewpoint that the role of microcredit programmes would be best limited to the provision of cost-effective financial services that mitigate poverty and that empowerment should be addressed by other means. She points to the evidence indicating that microcredit programmes contain the potential for empowering outcomes, which necessitates an exploration of ways by which this possibility can be strengthened. Moreover, even effective poverty alleviation for women through microcredit cannot take place without wider social and political empowerment. However, the aggressive propagation of financially sustainable, minimalist microcredit programmes as the primary weapon for poverty alleviation and for empowerment is dangerous as donor funding could be substantially diverted from gender rights based mobilization of women and social service provision to low-income communities. Mayoux (1998) contends therefore that *the empowering effects of microcredit programmes are contingent upon and can never supplant welfare and social security provision for women and forms of radical, feminist organization of women* and that women would, in fact, be able to use microcredit services better where strong women's organizations and adequate welfare provision already exist.

In the light of the interrogation of the empowerment claims of microcredit programmes by the research literature on the Bangladesh experience, we examine some gender dimensions of self help group based microfinance in India in Section III. The objective would be to ascertain whether the same sets of questions may be used as an entry point to better understand the Indian microfinance experience from a gender perspective or whether the organizational and institutional specificities that distinguish India's self help groups from Bangladesh's Grameen styled microcredit programmes warrant a different set of research questions.

Section III

III.1. Emergence of Women as Agents of Production in India's Development Planning

By way of introduction to this section, we make brief note of the policy environment in which support to women's roles in the arena of extra-household production emerged as part of the development agenda of the Indian state.

As in other parts of the Third World, the immediate post-independence state-sponsored development measures were primarily welfarist in their modes of addressing women. The Mahila Mandals or village level women's groups organized as part of the block-centred community development programme, which constituted the thrust of rural development efforts from the 1950s to the mid-1960s, offered women training in "family management," "home economics" and "social education" comprising arts and crafts based skills, child care, health and nutrition training, thereby addressing women primarily as housewives, dependents and marginal workers (World Bank 1991). Women were addressed as the primary constituency of the state's welfare services (directed also to Scheduled castes, Scheduled Tribes and the physically and mentally handicapped), on account of the perception of planners that women's problems arose primarily from their being handicapped by social customs and values, that women were essentially home-makers and sometimes also victims who required assistance (Buch 1998). The First Five-Year Plan document acknowledged the predominant role of voluntary agencies in organizing welfare activities targeted towards women and children and provided for the establishment of a Central Social Welfare Board that would support the activities of the voluntary sector in the area of social welfare. The early Five-Year plans made no mention of women either with reference to the industrial sector or agriculture which employed the highest percentage of women or in terms of extending credit facilities for women through the cooperative or banking sector. The failure to perceive women as an economically productive human resource was also reflected in the absence of the prescription by planners of any form of administrative structure that would promote women's development (Seth 2001). The welfarist perception of women as mothers and housewives that underlay the community development phase was reproduced by the New Agricultural Strategy (NAS), in which village level workers and community development officers targeted male household heads, with the Green Revolution package of high yield seeds, chemicals and fertilizers (Sharma; 1985; World Bank; 1991). From the Fourth Plan onwards, the growing urgency of poverty and population concerns implied that women, in addition to being perceived as welfare recipients of the state's largesse, also came to be seen as agents of reproduction, upon whom the full force of the state's population control policies were brought to bear (Vasavi and Kingfisher 2003).

Agnihotri and Mazumdar (1995) argue that the recognition of women as 'economic beings' by India's policy planners, as reflected in a separate chapter on Women and Development in the Sixth Plan, evolved gradually in response to stimuli both national and international. The "Towards Equality" report submitted by the Com mittee on the Status of Women in India in 1974 undertook, for the first time in Independent India, a systematic enquiry into the socio-economic status of women, supplied statistical evidence on the various forms of disadvantage that women continued to endure and galvanized women's groups across the country (GOI 1974). In the aftermath of the publication of the Report, the Women's Studies Programme of the Indian Council of Social Science Research launched a research program on the hitherto invisible women labouring in rural and poor, urban areas - a process which drew women academicians to the emerging women's movement in India. The creation of grassroots based organizations of informal sector women workers, the most notable instance being that of the Self Employed Women's Association (SEWA), as well as the growing voice and presence of national women's organizations in the 1980s pressured the state to recognize the legitimacy of the rights and demands of unorganized women workers and to promote women's interests within state sponsored development and employment generation programmes. One of the earliest joint statements by women's organizations "Indian Women in the Eighties: Development Imperatives" (1980) demanded that the Sixth Plan take adequate cognizance of women's developmental needs, recommended that the family/household approach to programmes be replaced by women as 'individuals in their own right' and insisted that women be provided joint land titles along with men. The international decade of women announced in 1975 by the UN and the Nairobi conference as well as the publication of early WID writing had also served the purpose of influencing Indian development policy planners to rethink the gendered social roles conventionally attributed to women (Agnihotri and Mazumdar 1995).

The Sixth Plan, noted as a historic watershed for its separate chapter on Women and Development, underscored the imperative of promoting women's skill training and equal access to education and employment opportunities, in addition to reaching them health and family planning services. The Plan document unequivocally stated, for the first time, that women's economic independence would accelerate improvement of their status and outlined a three-fold strategy for women's development including education, employment and health (Seth 2001). The Plan document recommended that all anti-poverty programmes include women as targets, prescribed the establishment of district level cells to monitor women's self-employment programmes and stipulated that women constitute at least one-third of the beneficiaries of the Training for Rural Youth in Self-Employment (TRYSEM) scheme. The Development of Women and Children in Rural areas (DWCRA) programme, introduced as a pilot initiative of the UNICEF in 50 districts, in response to findings that identified women as the social group most likely to be excluded by the Integrated Rural Development Programme (IRDP), was initiated in 1982 during the period of the Sixth Five Year Plan. DWCRA was designed primarily as a scheme to extend the IRDP programme of credit cum subsidy assistance for financing self-employment activities of targeted below poverty line households exclusively to female beneficiaries. Launched as a pilot project in 50 districts, with funding assistance from UNICEF, it was extended to all states in 1982-83 (World Bank 1991).

Increasingly, during the 1980s and the 1990s, the efforts of the state to strengthen and support women's economic roles as agents of production took the form of support to women's self employment activities through the extension of institutional credit. The Women's Economic Programme launched in 1982, more popularly known as the NORAD scheme, provided financial assistance to Women's Development Corporations and voluntary agencies to train poor women in non-traditional trades such as computer programming, electronics, watch assembling and radio and TV repair, while the Support to Training and Employment Programme for Women (STEP), started in 1987, sought to provide updated skills and new knowledge to poor women in the traditional sectors of agriculture, handicrafts, animal husbandry and sericulture. The Seventh Five Year Plan (1985-90) recommended the creation of Women's Corporations in every state for promoting employment through skill training with the central and state government's contributing equally to equity participation. Incorporating 'Empowerment of Women' as one of its nine primary objectives, the Ninth Plan (1997-2002) directed the Centre and the States to adopt a strategy of 'Women's Component Plan', according to which, at least 30% of funds were to be earmarked in all women-related sectors (GOI 2001).

Two important reports published in the 1980s attempted to further the state's commitment towards ensuring women's equitable access to development resources and programmes, institutional credit being identified as an important component of a comprehensive support package by both reports. The *National Perspective Plan for Women 1988-2000 (NPPW)*, issued by the Government of India in 1988, which constituted the first major initiative of the State to undertake a critical review of the status of women in India and of development programs targeting women, after the publication of the "*Towards*

Equality" report (1974), strongly recommended that special allocations be made for women in mainstream development programs, with an emphasis on the generation of employment and the provision of basic services. The NPPW also suggested the setting up of Departments/Directorates of Women' s Development in all states and had called for two implementing bodies at the state level: Social Welfare Boards that would support welfare services and Women' s Development Corporations that would support economic programmes for women. The recommendations of the NPPW boosted the efforts of state governments to establish Women' s Development Corporation (WDCs), based on the early examples of Andra Pradesh and Tamilnadu. The mandate of WDCs was to identify women entrepreneurs, prepare viable projects, ensure availability of credit from banks and financial institutions, establish marketing linkages, and provide training in technical skills and financial management by linking women producers with relevant institutions. The focus of WDCs was to be on poor and needy women including single women and female-headed households (World Bank 1991).

The *Report of the National Commission for Self-Employed Women and Women in the Informal Sector* or the *Shramshakti Report* drew attention to the vulnerable working conditions of women in the rural and urban sectors of India and demanded that policy makers widen the definition of work to include all women engaged in production and reproduction, recognize women as major rather than supplementary wage earners, enhance women's control and ownership over resources and extend the regulatory protection, hitherto available to less than 10% of the work force, to the masses engaged in the unorganized sector (John 1996). The Shramshakti report recommended that the Government of India strengthen grassroots institutions working with women in the informal sector, reform the attitude of banks towards the informal sector and form a separate institution to facilitate credit extension to women. The Report also recommended that such a body channelize its credit support to women workers mainly through the existing NGO network rather than create a huge bureaucratic apparatus. Hence, government efforts to support the recent involvement of the NGO sector in organizing the SHG-linkage programmes began with the establishment of the Rashtriya Mahila Kosh (RMK) or the National Credit Fund for women, sponsored by the Department of Women and Child Development in March 1993. Established with a one-time corpus fund of Rs.31 crore, the RMK's mandate was to support the enterprise and livelihood related activities of poor women workers in the informal sector (Mishra 2000).

Agnihotri and Mazumdar's analysis of the two reports indicates divergences between the perspectives of the Government of India and initiatives within the women's movement with reference to the role of the informal sector in the economy and the nature of development processes. While several activists endorsed the government's promotion and special emphasis on women in home-based and self-employed sectors in the Shramshakti report, others critiqued this approach for betraying a lack of sufficient commitment, on the part of the state, to the agenda of securing women's entry into the organized and productive sectors. Women's NGOs and groups have also been critical of the non-participatory process of preparation of the NPPW and of its uncritical perspective on bringing women into the 'mainstream of development', which ignored the reality that women's marginalization may have been the outcome of mainstream development processes (Agnihotri and Mazumdar 1995).

In the preceding section, we have seen that pressures on the state to acknowledge and to consequently support women's productive contribution to the economy, deriving both from the resurgent Indian women's movement of the 1970s as well as the visibility of the women and development agenda within the international development community, were reflected in state-sponsored programmes that both sought to integrate women better within the existing employment and income-generation programmes and to establish separate projects/programmes that exclusively addressed women workers' access to development resources, institutional credit being one of them. Before we consider the gender dimensions of microcredit operations in India, we need to make brief note of the defining structural and organizational features that distinguish the operation of self help groups in India from Grameen-styled microfinance programmes in Bangladesh.

III. 2. Evolution of the Indian Microfinance Sector: A Differential Trajectory

A defining feature of the evolving microcredit scenario in India that several scholars have observed and identified as marking the Indian microfinance landscape as distinctive from that of other countries, particularly Bangladesh, has been the significant role that public sector formal lending institutions, especially the nationalized commercial banking structure, has played in the establishment and expansion of financial intermediation through SHGs (Harper 2002 a). The role of NABARD, the prime institution promoting agricultural lending in the country, in generating widespread policy acceptance for the novel idea of linking NGO-promoted neighbourhood based self help groups with commercial banks, has been one of foremost significance. It has been observed that the Indian microcredit experience did not rely on considerable conceptual support from external donors since NABARD possessed the requisite professional capabilities to conceptualize the linkage program and to study and select the most appropriate experience from among the early SHG bank linkage projects in Asia (Kropp and Suran 2002).

NABARD's policy initiatives, supported by the RBI, have been instrumental in the development of the NABARD-MYRADA three year action research project, initiated in 1986-87, into a nation-wide pilot project linking 500 SHGs with nationalized commercial banks in 1992, which eventually culminated in the mainstreaming of SHG banking as a corporate strategy of banks in 1996. A narration of this development is available in the literature and will not be recounted here (NABARD 1999; Fernandez 2000; Dasgupta 2001; Kropp and Suran 2002). It has since grown into what is described as the world's largest microfinance programme in terms of outreach. As of March 2004, under the SHG bank linkage programme, 16.7 million poor households in 563 districts covering all the states and Union Territories in India had received microcredit through the intermediation of 10,79,091 self help groups credit linked to banks (including RRBs and cooperative banks). Nearly 35,294 branches of 560 banks including 48 commercial banks, 196 RRBs and 316 cooperatives had participated in the programme (NABARD 2004).

The self help group-bank linkage project, pioneered and popularized by NABARD, involved a three-way relationship between the SHG as village-level retailer, the NGO as sponsor or promoter of the group (a role which entails formation of groups, training of group coordinators in accounts maintenance, supervision, monitoring, trouble shooting etc) and the commercial bank as financier of the group (Fernandez 2000). NABARD (2004) estimates that (of the total number of SHGs credit-linked to banks under the SHG bank linkage scheme),[9] only 8% of groups have been financed by banks through the intermediation of NGOs (i.e, the NGOs assume financial intermediation for bank credit in addition to SHG promotion responsibilities). The numerically preponderant model, accounting for 72% of self help groups linked to banks, comprises SHGs that are promoted by NGOs and government departments and linked to banks for sourcing institutional credit. About 20% of groups credit-linked are directly promoted by banks without the mediation of an NGO, MFI or any other agency.

We have seen that Indian self help groups attempt to harness to the optimal extent the existing banking infrastructure and to link the rural poor to formal credit institutions from which they have been hitherto excluded. The emphasis is on establishing viable linkages between self help groups and the nationalized banking sector, that could potentially benefit both parties by reducing the costs of transaction, rather than on creating a parallel structure as in the case of the large Bangladeshi MFIs. Aloysius Fernandez's account of the evolution of SHG banking in India describes the NGO MYRADA's struggle against the attempted imposition of the Grameen Bank model in India, which would have implied the establishment of a parallel banking structure to cater exclusively to SHGs (Fernandez, 2000). Arguing that India has had 196 Grameen Banks (the Regional Rural Banks), older than the Bangladesh model, created so as to provide low-cost, easy-access credit to the poor in a flexible manner and that the nationalized banking infrastructure in India, particularly in the Southern and Western states, was much more widespread than in Bangladesh, Aloysius Fernandez, Executive Director of MYRADA, states the case for strengthening the alternate system of SHG based lending, governed by its own rules and supported by the official banking sector, rather than creating a new structure altogether. Fernandez (2000) notes that some high-ranking Indian officials, enamoured of the Grameen model, had summarily informed him that the only way was to establish Grameen clones. After the entry of big funders such as the World Bank and the CGAP into the arena of microfinance in the mid 1990s, the agenda of initiating Grameen clones was renewed afresh and a few microfinance organizations in India did adopt the Grameen model so as to become eligible for funding support from the CGAP[10] (Fernandez 2000).

III.3. Peer Group Based Lending in India and Bangladesh: Operational Differences and their Implications

The Grameen style microcredit programmes[11] consist of small borrower groups of about 5 members each at the primary level that are integrated into a center consisting of 6-8 such groups at the level of the village. The center members hand over their weekly savings to the field staff of the MFI and borrow from the MFI on terms that are set by the MFI. The MFI in turn may be sourcing subsidized funds for on-lending purposes from donor organizations at concessional rates or from a microfinance wholesaler. The terms of lending including repayment schedules, interest rates and loan packages are usually standardized for all group members and decided by the MFI. The financial resources of the group are controlled by the field staff of the MFI and members gain no skills by way of savings or loan management. Analysts have noted that the group exists primarily so as to reduce the transaction costs of the lending institution (Dasgupta 2001).

In marked contrast, the self help group, comprising about 10-20 members, is an autonomous, self-managed collective and lends group-sourced funds to members on the basis of intra-group decision making. Member savings are a primary source of group loans and are circulated within the group, whether for consumption or income-generation purposes, on terms set by group members. Coordinators selected from within the group assume responsibility for maintaining group accounts, liaising with banks and government departments. The group may choose to borrow from external sources, whether from the commercial bank (in which it maintains its deposits) or the NGO/MFI promoting it, in order to supplement its loanable resources. Borrowing from the commercial bank is usually undertaken through non-subsidy schemes such as the SHG-bank linkage programme or poverty-alleviation programmes of the Central Government which involve a subsidy component including the Swarnjayanthi Gram Swarozgar Yojana (SGSY).

As SHG members maintain their individual accounts with the SHG (and not with the sponsoring NGO), the village-level primary group or self help group is the retailer in the Indian case and performs most of the transaction functions, unlike in Bangladesh, where the microfinance institution is the retailer. Therefore member-controlled and self-managed SHGs, by virtue of being 'micro-banks', are posited as being financial organizations in their own right (Harper 2002 b). Ownership over interest income and group-generated resources is yet another distinguishing feature between SHGs in India and Grameen-styled microcredit programmes in Bangladesh. In the case of Bangladeshi MFIs, interest income paid by clients on MFI loans belongs to the MFI and is perceived as a potential source of income for the MFI. As interest income on group loans is used to augment group corpus funds in the case of self help groups, studies have found that the SHG system, relative to the Grameen system, leaves more money with communities (Harper 2002 b). Harper (2003) notes that the SHG linkage programme, based on the principle of "savings first", in which no outside agency should try to control the way people use their savings, reinforces group savings as a means to build group solidarity and enables the group to not borrow from outside at all, thereby representing a genuinely empowering approach to microfinance.

In Section III.4, we briefly review the context underlying the well-documented phenomenon of preponderant female membership of self help group based microcredit programmes in India. In the subsequent sections (III.5 to III.8), we reflect on some questions that a gendered reading of microcredit programmes in Bangladesh has thrown up, in the light of the Indian self help group based microfinance experience. While considerable and in-depth research output on the Bangladesh microfinance experience is available, we see that the Indian experience has not yet attracted such rigorous analysis of similar magnitude.[12] In this section, the paper does draw upon some case studies from the earlier work experience of the researcher with a rural development organization that has been mobilizing women in SHGs in parts of Tamilnadu.[13] At this juncture, we add that the questions raised in this section in order to enable a more gender-nuanced understanding of the self help group scenario in India are applicable, whether the groups are sponsored by state government agencies, commercial banks or organizations in the non-state sector. To say this is not to imply that institutional contexts in which SHGs operate are irrelevant to concerns regarding the impacts of SHGs on diverse dimensions of the economy or the lives and livelihoods of SHG members, but only to point out that we do not yet have research findings that conclusively establish that the questions that we raise are valid only for SHGs sponsored by specific formations or functioning within specific institutional contexts. As the argument proceeds, we do indicate areas where the institutional context of SHGs would be of particular significance to factor in.

III.4. Feminization of SHG based Indian Microcredit

a) Instrumentalist gains for commercial banks

It is important to note that the SHG-bank linkage programme of India was promoted by the RBI and NABARD and adopted by commercial banks in the context of the heightened sensitivity of the banking sector to efficiency considerations of recovery performance, institutional viability and transaction costs reduction, that have gained significance since the inception of banking sector reforms, as a component of overall financial sector and economic policy reforms. As C. Rangarajan, former Governor, RBI puts it, the SHG bank linkage program evolved in a macro policy environment dominated by the concerns of revitalizing Rural Financial Institutions (RFIs) in order to restore their efficiency damaged by the "twin problems of non-viability and poor recovery performance" (Rangarajan 1997). Hence the eager receptivity of banks to the potential of SHGs and NGOs to enable the "externalization of a part of the work items of the credit cycle viz., assessment of credit needs, appraisal, disbursal, supervision and repayment, reduction in the formal paper work involved and a consequent reduction in the transaction costs", as outlined by the earliest NABARD circular on the operational features of the SHG-bank linkage (NABARD 1992).

When explaining the emergence and expansion of the SHG bank linkage programme, official documents such as NABARD's Task Force Report on Microfinance (NABARD, 1999), have been candid in their admission of failure of the commercial banking sector to effectively reach financial services to very poor rural households in a systematic manner. The Taskforce report attributes the commercial failure of public sector banking with individual borrowers from poor households to the high transaction costs involved in meeting the frequently recurring credit needs of a large number of geographically dispersed individual borrowers and in providing safe saving opportunities to small and scattered savers. The costs involved in frequent visits to banks, the "urban mindset" and orientation of bankers and inflexibility in their operations have created the perception of the bank as an "alien institution" inaccessible to the poor. Therefore community based self help groups that encourage savings and permit rotation of group savings at low costs to members and subsequently attempt to link the group with the bank are perceived to offer the ideal solution (NABARD 1999). The NABARD handbook on SHG banking prepared for branch level bankers elaborates the advantages of banking with SHGs as being the reduction of transaction costs ("as only one account is needed for 20 members, if there are 100 accounts you service 2000 customers"), the minimal costs incurred in appraisal and monitoring of the loans ("moral authority of group members on the borrower means supervision of effective utilization and repayment of the loan"), increase in deposit base ("though the savings are of a small amount, they can grow to lakhs of rupees and SHG financing will become big business over a period of time") and increase in the social base of the bank in the rural area (earning social recognition and commanding the good will of the people enables development of the bank's business with development of the village") (NABARD, undated). That SHG banking is profitable and confers benefits upon the beleaguered banker struggling to adhere to the commercial principles of banking and to simultaneously fulfill the developmental dictates of a welfare state appears to be the single most important message that is being disseminated within the banking sector.

An influential factor fuelling official interest in the development of the linkage program has been the publication and dissemination of studies that have shown significantly lower transaction costs for the lending institution and improved repayment rates where SHGs and NGOs have been involved in various stages of intermediation. A study by Puhazhendi compared bank lending directly to borrowers without any intermediation (Model I), bank lending directly to borrowers where SHGs and NGOs were non-financial intermediaries (Model II), bank lending to borrowers where SHGs were financial intermediaries and the NGO was a non financial intermediary (Model III), and bank lending to the borrower through the NGO and the SHG as financial intermediaries (Model IV) (Puhazhendi 1995 cited in McGuire and Conroy 1997). The study found that bank transaction costs were much lower where NGOs and SHGs were used as financial and non-financial intermediaries when compared to direct bank lending to individual borrowers. Repayment rates, that were 97% in Models III and IV, were 34% in the case of Model I. A study undertaken by the National Institute of Bank Management (NIBM) of SHGs promoted by the Maharashtra Rural Credit Project in 4 districts of Maharashtra compared data on bank loans for three types of clients – the typical weaker section borrower, SHG member borrowing directly from a bank and the SHG borrowing as an entity and found that repayment rates on the three forms of transaction stood at 58.1%, 66.7% and 83.1% respectively (Dasgupta 2001).

Some of the recommendations made by NABARD's Task Force on microfinance (NABARD 1999) are indicative of the extent to which policy makers have come to count on the potential of SHG lending by banks to revive the profitability of rural commercial bank branches and branches of Regional Rural Banks. The Task Force anticipates that the small credit needs of the poor members of SHGs would grow with improvement in their social and financial position, alongside their transformation as micro-entrepreneurs, and that they would eventually graduate into bank customers providing an ever increasing volume of business for banks. The Task Force emphatically asserts that the profitable avenue of SHG linkage is one of the more important means of ensuring the long term sustainability of RRBs. The tendency to utilize SHG banking as a viable and potentially profitable corporate strategy is not limited to credit institutions in the public sector. The Task Force Report notes the case of the Bank of Madura Ltd, a private sector commercial bank, which in its capacity as the principal self help promoting institution, has adopted the SHG linkage for turning around and making viable its 104 rural branches.

The feminization of the SHG based microfinance constituency in India conforms closely to the global scenario, which has been marked by preponderant female membership in group-based micro lending programmes. We note that in India the SHG-bank linkage programme was conceived and initiated after the conversion of men's groups into women's groups in some of the well-known microcredit programmes of Bangladesh had taken place and after the notion of "women as disciplined borrowers" had gained the status of a development truism. Early reviews of the SHG-bank linkage programme, especially the quick studies undertaken by NABARD in the three states of Andra Pradesh, Karnataka and Tamilnadu, found that the participation of women's savings and credit management groups in the linkage programme was quite high, especially in resource-poor regions. As of 30 June 1994, out of the 637 groups that had established credit links with 16 commercial banks and 12 RRBs in 11 states, 509 were women's groups (Nanda, undated, http). Official efforts to extend financial assistance to NGO run microcredit programmes have further reinforced the propensity of programmes to exclusively target female clientele. The Rahstriya Mahila Kosh, as we have already noted, was set up with the mandate of lending to women workers in the informal sector and on-lent funds to NGOs and MFIs that targeted women borrowers.

The connection between disciplined repayment behaviour and female participation in microcredit programmes has been celebrated by policy makers and practitioners in India as elsewhere. The NABARD Annual Report (2002-2003) estimates that around 90 per cent of the SHGs linked to banks in India are exclusively women's groups and notes that repayment of loans by SHGs to banks has been consistently over 95 per cent. Kropp and Suran (2002) attribute the numerical preponderance of women's groups in the linkage programme to the supposed homogeneity of women's groups, greater group solidarity and female members' willing acceptance of peer pressure. They note that men's propensity to migrate outside the village in search of work makes it difficult to form men's groups; further, the process of decision making about intra-group fund allocation, in men's groups leads to "heated discussions" and creates greater problems of sustainability than women's groups (Kropp and Suran 2002). Literature on microfinance programmes in India has also been important in reiterating the instrumentality of securing women's participation as a pre-condition for the viability and success of the SHG programme. The conditions of success of microfinance programmes, as spelt out by Tiwari and Fahad (2002) of the Housing Development Finance Corporation (HDFC), comprise the savings first principle, community governance, near market rates of interest, recovery based on social intermediation, the ability to leverage funds from formal markets and *the participation of women*. Explaining why men's groups account for only 3 of the 450 SHGs promoted by the Oriental Bank of Commerce (a public sector bank that has adopted the Grameen model of lending to the poor), C. L. Dadhich (2001), Director of the Department of Economic Analysis and Policy, Reserve Bank of India, emphasizes that women were encouraged to form SHGs due to their "trustworthy", "sincere" and "committed" natures, their excellent repayment record, their willingness to use peer pressure for ensuring the proper utilization of loans and timely repayment, the tendency of male relatives to ensure repayment so as to not let down their wives/sisters and the status of women as the borrowers of last resort within the family. The Rashtriya Mahila Kosh, in its website, argues the case for its exclusive service to women as much on the grounds of efficiency as on equity. It argues that groups of women are better customers than men, that they are better managers of resources, that the benefits of loans are spread wider among the household if loans are routed through women and that the record of all-male groups is worse than that of all-women groups everywhere (RMK, http).

We see therefore that a combination of factors including a critical appraisal and acknowledgement by high ranking policy makers of the inability of formal lending institutions to reach the poorest sections, the high costs of implementation and monitoring of individual beneficiaries in credit cum subsidy programmes such as the IRDP, the global consensus regarding the multiple spin-offs of female targeted microcredit programmes and the growing concerns of profitability and portfolio quality within the banking sector since the inception of the reforms have helped create a conducive environment for the growth of the SHG bank linkage programme. When analyzing the dynamic of bank interaction with self help groups, we need to problematize the instrumentalism implicit in the official expectation that lending to all-women self help groups ensures that commercial banks in India are able to meet their priority sector lending quotas and make loans to 'disciplined borrowers' in a liberalized financial environment marked by overriding preoccupation with cost recovery, repayment performance and portfolio quality. By reducing banks' transaction costs and delivering impressive repayment rates, women organized into self help groups appear to have earned their right to bank credit. Crudely put the argument is that banks need women's self help groups for their own financial solvency even more perhaps than women's credit groups need banks. We note that this is quite different from arguing women's right to credit as equal citizens or on the grounds of women's earlier exclusion from formal institutions entitling them to larger shares of resources that redress former disadvantages. As we have observed in Section I, feminist researchers have been critical of the instrumentality inherent in forms of development planning that have emphasized the instrumental value of reaching development resources to women, rather than the intrinsic value of developing women's capabilities.

b) Poverty and empowerment concerns

In addition to the instrumentalist repayment considerations of the commercial banking sector, the state has promoted the incorporation of self help groups within economic support programmes for women as a viable organizational means of reaching development schemes and welfare programmes to rural women. The Indira Mahila Yojana (IMY) is a case in point. The Annual Report (2000-2001) of the Department of Women and Child Development describes the IMY as being based on the idea of the strength of the self-help group (GOI 2001). Launched by the Government as a central sector project in August 1995 with the stated purpose of providing women an organizational structure to come together, access central and state government schemes as well as institutional credit, the Indira Mahila Yojana promotes the formation of small savings groups of women in the Anganwadi area of selected blocks. The self help groups are aggregated to constitute Indira Mahila Kendras, comprising 100 – 250 women at the Anganwadi level and representatives of the Indira Mahila Kendras form Indira Mahila Block Societies at the block level. The Kendras are required to be integrated with women's groups constituted under adult literacy and health programmes. The Indira Mahila Kendras, aggregated at the Anganwadi level, are expected to help government functionaries in their execution of rural poverty alleviation programmes and to exercise a role in the formulation of the district level plan so that it reflects women's needs and priorities (GOI 2001).

The government's commitment to the agenda of fostering the growth of SHGs has been further consolidated since the implementation of the Swarnjayanti Gram Swarozgar Yojana (SGSY) in April 1999, a credit-cum-subsidy based asset creation and self-employment programme, which replaces the IRDP and the DWCRA. Being a target oriented programme, the SGSY guidelines (GOI 1999) have emphasized the desirability of using SHGs as the ideal vehicle of routing credit cum subsidy assistance to eligible BPL households and therefore necessitated the formation of a sufficient number of SHGs comprising eligible borrowers in order to absorb the funds allocated under the programme.

The guidelines of the SGSY have mandated that at least half of the groups in a block that receive assistance under the scheme be all-women's groups (GOI 1999). It would be instructive to note the contrast between the IRDP, which in the early years of its operation, showed such dismal rates of coverage of women borrowers (less than 5% of total borrowers) that the DWCRA was introduced so as to make amends for the embarrassing scale of the exclusion, and the SGSY which in the year 2000-2001 had included 43% women among the total beneficiaries. It is important to note that the targeting of SGSY assistance to SHG members has resulted in the mainstreaming of self help groups within a centrally-executed, nationally-implemented, self-employment based poverty alleviation programme. Mooij and Dev (2002) point out that the term "self help group" entered the budget speech of the Finance Minister to Parliament from 1998 and the promotion of SHGs was thereafter projected as a new development exerting a positive influence upon local development processes. Since the year 1998-99, the Union Budget has issued a directive each year to NABARD on upscaling the number of SHGs linked to banks (Sheokand 2000; NABARD 1999).

In addition to being institutionalized within the government's anti-poverty schemes, self help groups have also been perceived as a strategic component of government programmes explicitly articulating empowerment goals, besides poverty-related concerns. The Indira Mahila Yojana, for instance, is premised on the notion that organization into groups enhances women's access to information, knowledge and resources. It has prioritized the objective of empowering women to demand their rights from family, community and government; increase their control over material, political and social resources; enhance their awareness, improve their skills and raise issues of common concern through mobilization and networking (GOI 2001). The promotion of women's self help groups are likewise the pivotal component of the Swa-Shakti Project, which aims to strengthen the processes and create an environment for the empowerment of women. Earlier known as the Rural Women's Development and Empowerment Project, the Swa-Shakti, sanctioned in October 1998 as a centrally-sponsored project for a period of 5 years, is supported by the World Bank and the International Fund for Agricultural Development (IFAD). The State Women's Development Corporations are the implementing agencies in most states, while NGOs are actively associated with the process of operationalizing the programme. As of November 2004, 17,647 SHGs have been established under this project in 57 districts in the 9 states of Bihar, Gujarat, Haryana, Chattisgarh, Jharkhand, Karnataka, Madya Pradesh, Uttar Pradesh and Uttaranchal (GOI, 2004 a). At the end of five years, the project aims to have increased self-esteem and self-confidence of women, improved their management and technical skills, enhanced women's social status in the family and the community, increased mobilization of public and private sector services in women's interests and improved women's well-bring by reducing drudgery and introducing time-saving devices (GOI 2001).

Programmes that marked the Women's Empowerment Year (2001) included the launching of an integrated SHG based programme for the empowerment of women and strengthening the Rashtriya Mahila Kosh by enhancing its corpus with the stated aim of making microcredit easily available to women all over the country (GOI 2001). Launched at the end of 2000-2001 for a period of 6 years in 650 blocks (IMY blocks and new blocks) in 33 states, Swayamsidha, described as an integrated project for the development and empowerment of women, is also based on the formation of SHGs. Emphasizing the convergence of services and the promotion of microenterprises, its long-term objectives include the social and economic empowerment of women by ensuring their direct access to, and control over, resources through a process of sustained mobilization and convergence of all ongoing sectoral programmes (GOI 2004 b).

We see the form that the "win-win" formula assumes in the Indian context: SHG based lending is able to help (i) commercial banks meet their priority sector lending requirements and thereby fulfill the social goals of banking, (ii) reduce transaction costs to the lending institution and thereby address viability concerns, (iii) simultaneously address poverty concerns of the Indian state and policy planners by serving as an effective organizational mechanism that delivers institutional credit to women from economically marginalized households, and (iv) ensures a cost-effective way of reaching other government and welfare programmes to organized groups of poor women. Furthermore, (v) self help group based microcredit also offers the possibility of attaching empowerment rhetoric to programmes that claim to support group-based social mobilization processes.

III.5. Significance of Government Institutions in the Indian Context

As we have seen in Section II of the paper, analytical literature on microcredit programmes in Bangladesh has identified the village-level borrower group, the NGO (or the bank as in the case of the Grameen) and the donor supporting the NGO as key institutional players in the arena of microcredit. State rural development institutions at local levels are conspicuous by their absence in studies assessing the dynamics of microcredit programmes, whether NGO or government. In the context of India, we need to remember that government institutions at the local levels of administration and nationalized banks are important institutional actors. The proliferation of self help groups constituted predominantly by rural women and the government's decision to route welfare and enterprise promotion schemes through them has perhaps brought larger numbers of women than before in direct contact with nationalized bank branches, block level extension officers attached to the Block Development Office, officials of the District Rural Development Authority and state-sponsored women's development corporations. Considerable policy support extended by the RBI and the NABARD have opened up institutional spaces within the nationalized banking sector that rural women's self help groups can legitimately access, while the introduction of the SGSY has enabled women to press their demands upon rural development officials at the block and district levels. While banks have a decade long history of dealing with self help groups (since the inception of the pilot project of linking 500 SHGs with banks since 1992), the BDO, the DRDA and the Panchayats have entered the arena of self help group based microcredit after the introduction of the Swarnjayanti Gram Swarozgar Yojana scheme in April 1999.

Therefore, in order to contextualize and analyze micro credit in India, we need to identify the specific institutional terrains that are involved in constituting the practise of self help group based micro credit. These arenas may be identified as follows:

At the level of the village, the rural women's micro credit group of 20 members and households of members.

At the level of the block / district, the apex federation of the village level groups, the NGO or voluntary agency promoting the groups, the local bank branches, block/district level government institutions such as the block development office (BDO) and the District Rural Development Authority (DRDA), and Panchayat institutions at village, block and district levels.

By and large, studies on the Indian microcredit scenario have commented favourably on the capacity of self help groups to serve as a window of opportunity for their women members to interact as a collective with government institutions. A study of 1000 SHGs in the three districts of Khammam, Kurnool and East Godavari in Andra Pradesh hails as an "appreciable landmark development" the finding that over 28% of SHG women members were frequently meeting with government officials as against 3% earlier and that only 24% had not interacted at all with government officials as against 85% earlier (Rao 2002). The Completion Evaluation Report of the IFAD-supported Tamilnadu Women's Development Project implemented by the Tamilnadu Women's Development Corporation between 1989 and 1998 found the single most striking result of the project to be "the remarkable increase in opportunities for disadvantaged women to come out of their homes and enter the public domain" referring thereby to women's new physical mobility in terms of an expansion of contacts with banks, NGOs and district authorities. A Rapid Rural Appraisal of the Tamilnadu Women's Development Project found 70% or more of women SHG members reporting that they had gained self-confidence and no longer felt anxiety about dealing with government officials. The groups had initiated community level projects and negotiated with authorities for approval of new milk-collection routes, street lights, bus routes and improvement in well maintenance (IFAD, http). A study of SHGs sponsored by the NGO MYRADA in Holalkere Taluk, Karnataka found that 2/3rds of the SHGs surveyed considered their linkage with the BDO as being important to access IRDP loans and household infrastructure programmes. The development of networks with government institutions was found to have enhanced the social status and political bargaining power of the group (Krishna 2000). A study of the savings and credit groups created by the Swayam Shikshan Prayog in Latur and Osmanabad districts of Maharashtra state found women members emphasizing learning opportunities, access to information on issues including the Panchayat system, the PDS and government developmental schemes, and the sense of belonging to a collective that would negotiate a place for them in community life and public arenas as constituting the most rewarding dimensions of group membership (Parthasarathy et al. 2002).

However, frequency of interaction of rural women's self help groups with government and bank bureaucracies cannot be an index of social empowerment by itself as some studies have implied (Anand 2002; Rao 2002; Fernandez 2002). We need to be wary of the easy assumption that access to government institutions can be equated with empowerment outcomes, without considering the unequal power dynamics likely to structure this relationship and without an examination of the terms of interaction between government/bank officials and rural women's groups, and women's capacity to set the terms of interaction or at least to significantly tilt it in their favour. Since rural development bureaucracies and Panchayats have been involved with the disbursal of institutional credit to targeted below poverty line individuals under the older IRDP, literature on the IRDP has shown that state rural development institutions have functioned primarily as patriarchal, corrupt and anti-poor bureaucracies (Dreze 1990). Studies examining the operation of state sponsored development schemes targeted particularly at poor women, have revealed the processes by which gender stereotypes and preconceptions of officials regarding appropriate roles of men and women have informed the selection of 'secondary', 'pocket-money' earning economic activities for women and thereby inhibited the promotion of non-traditional enterprises that facilitate women's entry into male bastions (World Bank 1991; Kabeer and Murthy 1996).

Under the SGSY scheme, the process of ascertaining the eligibility of the self help group for receiving the revolving fund and enterprise loan assistance is elaborate and involves several players. The appraisal interview for the loan, held in two stages, attended by representatives from the NGO, the District Rural Development Agency (DRDA), the Block Office, the Panchayat and the banks, is indicative of the different players involved in this exercise (GOI 1999) A smooth processing of the loan for the women is clearly contingent upon the rapport they establish and the goodwill they enjoy with all the agencies concerned, without exception. Microcredit practitioners have expressed fears that the loan cum subsidy scheme of the SGSY could be re-shaping the practise of self help group based microcredit by reintroducing the bureaucratic rigidity, red tapism and corruption documented extensively in the era of lending to individuals through the IRDP and a host of other smaller, self-employment schemes. Field reports indicate that insistence by the banks on repayment of earlier loans taken (primarily the IRDP) by the male relatives of the women SHG members as the key eligibility criteria for the SGSY scheme has affected intra group dynamics to the detriment of group cohesion and the development of ties of solidarity among members. Women, whose husbands or sons have outstanding IRDP balances, are accused of queering the pitch for the rest of the group and have come under pressure by co-members to either quit the group or pay the balance immediately. Instances of bank managers requesting the assistance of group coordinators in 'japti" operations that involve the seizure of household property of borrowers defaulting on earlier bank loans have also been reported. There are signs that the tying up of credit under the SGSY programme to recovery of earlier IRDP default could be turning women SHG coordinators into unpaid debt collectors for the government. In one SHG in Kanyakumari district, the efforts of a single coordinator of 11 groups in her village ensured that 68 defaulter families in her Panchayat repaid the IRDP outstandings – a feat that paid bank functionaries may have never quite accomplished.[14] The injustice of this is striking when we consider that the popularity of SHGs with the commercial banking structure originally derives from the substantial transfer of screening, transaction and recovery costs from the banks to the poor themselves. We see here a classic case of intra-group peer pressure and the resultant social sanctions being exploited by the banking bureaucracy to serve its own ends.

Field reports of the SGSY programme in Tamilnadu indicate that the targeting of the SGSY to families below the officially designated poverty line has rendered women's groups vulnerable to conflicts emerging from the politics of BPL determination. As the list of BPL beneficiaries is rarely decided through democratic discussions in the Grama Sabha meetings or displayed in public places as required, local power hierarchies imply that the weakest are excluded and familiar accusations of corruption and nepotism are levelled at the officials of the BDO who are entrusted with the responsibility of drawing up the list. The payment of bribes to the Block Office has also emerged as a major issue in Tamilnadu in the implementation of the SGSY. In some cases, a routine percentage of the subsidy amount is agreed upon as the "cut" owed to the Block office. As noted earlier, there are signs that several structural features that rendered the earlier IRDP non-viable for the poor such as the red tapism, bureaucratic harassment, delay and inflexibility have also found their way into the SGSY and threaten to destroy the internal cohesion of self help groups by incorporating precisely those features of the traditional banking system that, it is claimed, SHG based financial intermediation had helped to ameliorate.

Another area of concern that needs further exploration is the bureaucratic bungling and inefficiency of the various institutions concerned with implementation of the SGSY might generate intra-group tensions severe enough to cause breakdown of group cohesion and fragmentation of existing groups. A case in point would be the inadequate backup support extended to women when formulating the project proposal necessary to apply for the loan as reflected in the case of a group in Kanyakumari district, that received a harvestor it had applied for, but without the engine. The women who had not been informed either by the Block office or the bank that they had to list the engine costing Rs.18,000 as a separate component, were forced to raise the money for the engine from private sources at high interest rates. Twelve groups in Virudhunagar District who had bought cows with the SGSY loan found the milk cooperative society going back on its promise to hire a vendor, besides transferring its working capital liability on to the shoulders of the poor women.[15] The women staggering under the financial burden of repaying the loan, making the mandatory monthly savings, paying the vendor and feeding the cows out of their milk earnings found that the milk society's propensity to delay the payment by over a month each time made the situation near impossible to manage. While in the first case, the resultant financial constraints had dampened the women's enthusiasm and had led to infrequently-held, poorly-attended group meetings, the second situation caused such intra-group tension that the groups in question were split up and reconstituted into those who took the SGSY loan and those who did not.

In the case of Tamilnadu where the district administration sometimes directly organizes groups under the aegis of the DRDA, and where the State Women's Development Corporation partners with NGOs to promote groups under the Mahalir Thittam scheme (now re-named Bangaru Ammaiyar Ninaivu Mahalir Thittam), issues such as access to government loans being sometimes made contingent on non-participation in anti-government agitation and also on SHG women's attendance at government sponsored public functions have proven contentious. The "granting" of loans to SHG women in massively attended public functions is charged with fostering a culture of credit transaction at variance with the more democratic intra-group bargaining over group-generated funds. While participation in state-sponsored or state-supported microcredit programmes implies relatively easier negotiation with bank and government bureaucracy, there are fears that local women's initiatives to advance their interests through collective action, sometimes taking the form of organized protest and agitation on issues such as PDS functioning, male alcoholism etc may be discouraged by the compulsions to secure government loan schemes in a context of intense inter-NGO competition.

It may be posited therefore that the State's agenda of microcredit promotion, which involves strengthening the capacities of organizations sponsoring SHGs, signals official commitment to the building of rural poor women's credit-centred self help activities and simultaneously threatens cooption of more independent initiatives, which may be seeking to use microcredit networks to mobilize women for public action towards gender justice and social change. By suggesting the above, we are not positing an absolute conflict of interests between the State and the NGO sector with the dividing lines clearly drawn or assuming that there is an identifiable NGO mode of intervention in rural development projects. Given the variegation of the non-state sector and in particular the heterogeneity of the NGO sector in microcredit, we are aware that the assumption that strategies that promote women's interests are better pursued by non-state sector intervention is problematic. No less dubious is the assertion that there is a "government" strategy of mobilizing women through self help groups, given that the state is not a monolith and that much could depend on the consciousness and understanding of the officer in charge of development programmes at the district level. In fact in the literature on microfinance programmes in Bangladesh, the BRAC and Grameen (both non-state sector operations) appear to be seeking spaces within local power structures, anxious to not antagonize vested interests either at local or national levels and even appear to be "microfinance sharks" that devour smaller organizations and women's NGOs that might be much more directly committed to the agenda of transforming gender relations (Montgomery et al, 1996; Fernando, 2001; Ebdon, 1995). At this point, we are merely suggesting that the *institutional context within which microcredit programmes seek to foster an agenda of women's empowerment – whether state or non-state – might be a useful dimension to factor into studies assessing the empowerment potential of Indian microcredit programmes.* Such a perspective may also serve as an entry point towards exploring the larger question regarding the relationship between the state and the women's movement in India as reflected through the practice of microcredit. Where microcredit programmes seek to construct residence-based organizational structures for women revolving around small savings and credit activities and therefore consciously seek to mobilize women towards this end, what kind of a relationship does this form of addressing women bear to the women's movement in India which has also endeavoured to mobilize women around issues of social and gender justice? We need to caution against assuming that credit groups initiated by women's organizations that have consciously affiliated themselves to the women's movement in the country are inherently more militant or radical in their modes of organizing women and initiating collective action around gender issues than are credit groups organized under the aegis of the state. By way of understanding this issue, we would need to go beyond officially professed ideologies and investigate practices that are perhaps responding to local contingencies and to group members' local initiatives and agency, which may account for greater gender transformative possibilities even within state sponsored contexts.

In the above section, we have suggested that the potential of SHGs to serve as mobilizational tools that empower women can be thwarted or subverted or even harnessed to other ends by the strategies and interests of bankers, BDO officials and a host of other institutional actors that women's credit groups have to contend with. Therefore it can be argued that attempts to understand the "empowerment" impacts of microcredit programmes upon women's lives in the Indian SHG context cannot be comprehensively grasped, if the NGO and the SHG are the only institutional actors being scrutinized. The reconstitution of gender relations at household and community levels through the practise of microcredit cannot be studied in isolation from an analysis of the interfaces of rural women's credit groups with government bureaucracies (banks and block level officialdom).

III.6. Gendered Exclusion in Women's Credit Programmes in India

Our review of the microcredit literature on Bangladesh had dwelt on concerns of exclusion of women bereft of male income support on grounds of institutional viability. The issue of defending women's independent access to loans and the rights of poorer women and women without male economic support to institutional credit is a significant question in the Indian context in the light of studies of the earlier Integrated Rural Development Programme (IRDP) and Development of Women and Children in Rural Areas (DWCRA), that have identified a variety of exclusionary and discriminatory practices. However significant the organizational differences between the lending practices of the older IRDP and DWCRA and the current SHG-bank linkage programme, it is important to note that the self help group-bank linkage programme has been preceded by a two-decade old experience of commercial bank lending for asset generation and self-employment purposes to individuals from below poverty line households (IRDP) and to women from BPL households organized into small groups (DWCRA).

Although the operational guidelines of the IRDP had mandated that women constitute at least 30% of programme beneficiaries (subsequently raised to 40%), reviews of the IRDP found gender discriminatory practices that included the denial of loans to women whose husbands were IRDP defaulters, the co-signature of application forms of female applicants by male relatives, the extension of loans to women in their capacity as wives of eligible beneficiaries rather than as independent agents and bankers' requirement that wives of selected male beneficiaries sign loan papers, so as to fulfill targets on female participation (Kabeer and Murthy 1996). The DWCRA, a women-specific programme, sought to eliminate competition from men for economic resources by exclusively targeting women with institutional credit. While the DWCRA had fewer targeting errors (relative to the IRDP) in terms of inclusion of women from the Scheduled castes, the linkage between women and children in the naming of the programme was interpreted by the implementing bureaucracy as an instruction to exclude unmarried women and select women on the basis of their motherhood roles (Kabeer and Murthy 1996).

All-women's SHGs, like the DWCRA programme, have sought to eliminate competition from men by targeting rural women exclusively. However, since we accept that the category of "rural women" is f ar from homogenous, we would need to explore whether informal practices of field staff of NGOs and MFIs as well as self-selection dynamics within self help groups are operating in tandem to effectively exclude women from the poorest households, older women, women without male income support or women with disabilities perceived as poor credit risks. A study of self help groups organized under the South Asian Poverty Alleviation Programme (SAPAP) in three districts of Andra Pradesh found that older women who could no longer labour on a daily basis, women with disabilities and younger, unmarried women were under-represented in programme membership. The exclusion of women above 55 years was of particular concern on account of the inability of older women to save on a regular basis (Murthy et al. 2002). A study of Swayam Shikshan Prayog sponsored SHGs in the districts of Latur and Osmanabad in Maharashtra found that in addition to moneylenders, the other group who lost out when women organized themselves into savings and credit groups were the poorest women who could not join because of their work burden and their inability to save (Parthasarathy et al. 2002). The Completion Evaluation Report of the IFAD-sponsored Tamilnadu Women's Development Project, which promoted women's self help groups across the state, over the 10 years of its operation (1989-1998) found that while the participation of women from BPL, women-headed and landless households was significantly higher than in the Integrated Rural Development Programme, the involvement of SC and ST women, of widows, disabled, deserted and single women was less satisfactory than in the IRDP. Evidently the project requirement allowing only married women of 18-55 years of age to join the SHGs had worked against the inclusion of sufficiently large numbers of poor single women, adolescent girls and elderly women (IFAD, http). Where formal programme requirements do not mandate coverage of only married women or those with earning male members, it is important to note that *intra-village class and caste related power relationships are likely to be as important in determining which women are deemed suitable for SHG participation as are the MFI's sustainability and repayment concerns in the Bangladesh context.*

III.7. Gender, Class and Caste Dimensions of Intra-group Power Dynamics

While there is much research in the microfinance literature on Bangladesh on the ways by which donor pressure and organizational design combine to invoke the darker aspects of group interaction, the issue of how the heterogeneous social locations of women deriving from class, marital status and life cycle related differences influence the operation of intra-group power dynamics appears to be somewhat under-researched. There have been a few notable exceptions as in the case of Fernando's micro level study of the Grameen and ASA which makes note of the dynamics by which relatively better-off women married to locally important men were more likely to be identified by programme staff as group leaders and center chairpersons - an outcome of the NGO's strategy to ensure local acceptance of the programme (Fernando 2001). In the course of their field study of BRAC, Montgomery et al (1996) had come upon the case of a large women's village organization with 65 members, 15 of whom were markedly poorer than the rest were denied loans by the better off members. However, we note that a relatively heavy-handed, top-down mode of operation of Bangladeshi MFIs and the structural asymmetry of power and authority that underlies the MFI-village level borrower group relationship may have ironed out intra-member differences within groups. As Malcolm Harper (2002 b) points out, regular supervision by a relatively more powerful MFI can even serve to protect weaker members from exploitation by others.

However, in the case of self help groups, it would appear imperative to emphasize the need for closer attention to intra-group power dynamics. When seeking to understand how microcredit practices alter intra-household gender relations in the Indian SHG context, we have to pay equal attention to the other side of the coin – the manner in which women's location as members of particular households (as widows, unmarried women, women with supporting male relatives, women in female headed households receiving male earnings, women in female headed households supporting dependent families and marked by absence of male economic support, women from landless or landed households) influences their "voice" and "visibility" within the credit group an d in other related institutions. Understanding how the needs and interests of the women members of a group can actively conflict with each other on account of their different household situations, livelihood compulsions and age and marital status related specificities enables us to also appreciate the complexity of determining precisely what "women's interests" are and when women are striving to promote their gender interests. Such an exploration may enable an understanding of the different meanings that group members are giving to the struggle to secure their needs through credit group participation and how have these changed through time. For instance, the experience of group membership could be completely different for a woman who needs to hide it from her husband from another who saves, borrows and repays with family support.

It may also be interesting to explore the strategies that individual SHG members are using to strengthen their respective position vis-à-vis other group members and the ways in which group members with differential access to institutions (such as banks or the Panchayat) are tapping these to influence bargaining outcomes within groups. (Some members might already have operated individual bank accounts prior to their group membership. The experience of entering a bank and negotiating with bank officials is usually not equally alien to all members. Some others might be Panchayat members or relatives of Panchayat members). It could also be the case that an individual member who represents the group regularly at higher level organizational meetings acquires privileged information and contacts over a period of time and is able to exercise clout and have a greater say in group decisions. The possession of formal literacy skills by a few members and a consequent better understanding of group accounts and greater ability to interact with bankers and government officials could be an important basis for difference within groups. These questions gain validity in the Indian context unlike the case of MFIs in Bangladesh wherein the village organization's resources are maintained, not by group nominated coordinators, but by field coordinators who monopolize all accounting information (Jain and Moore 2003).

Likewise, a focused engagement with issues of caste is warranted in research that critically examines microcredit functioning in India. The issue remains important not only in the case of mixed caste groups but also in areas (as in several parts of Tamilnadu) where the same NGO has organized groups in both the SC and non-SC populations of the villages, groups that closely adhere to the caste-based segregated pattern of residence. The experience of the current researcher as an NGO activist in Kanyakumari district included instances where women SHG members belonging to the numerically predominant backward caste stoutly resisted attempts of the NGO to start groups among the much poorer Dalit sections of the Panchayat. Examining the access of the most socially oppressed groups to NGO and bank-sourced resources relative to other groups and the role that caste plays in the larger Panchayat/block/Taluk/district level federations of self help groups would be an interesting area of entry into this under-researched, yet vital, issue. We need to keep in mind however that the identities and interests that women bear as members of specific households, classes and castes are not rarefied entities that are fixed and unchanging but may also be dynamically interacting with group generated identities and interests in interesting ways.

Even as we need to understand better the processes by which socio-economic differences are reflected through group based transactions among members, an area equally deserving of investigation is the mechanisms by which the SHG itself operates as a site of social differentiation by reinforcing social and economic heterogeneity among its members. The SHG principle of "savings first", the corresponding emphasis on group generated resources and the groups' autonomy in deciding the fixed amount to be contributed every month could mean that some members decide at the outset to set the savings amount high enough to exclude poorer women. An SHG that sets the monthly savings amount at Rs.50 could include as members poorer women who may be more comfortable with a Rs.20 contribution but find themselves faced with a choice between joining the only SHG operational in their village or being excluded. Examining individual loan histories may help raise some interesting questions such as what enables some members to borrow larger sums of money repeatedly while some others may be saving without borrowing. Do the lending norms of the group reinforce class differences among members through group norms that tie loan access to volume of individual members savings? Is it relative economic prosperity or greater distress that explains more frequent borrowing by some members? In the case of the big Bangladeshi MFIs for instance, it has been observed that access to repeat loans is immediate and automatic after the earlier loan has been repaid and group decisions and intra-group dynamics have little to do with it (Jain and Moore 2003). A close examination of intra-group negotiations over the determination of interest rates in SHGs may likewise prove to be a worthwhile endeavour. That group discretion in the determination of interest rates is sometimes manifested in rates as high as 5% per month (annually 60%) may be perceived by microfinance zealots as further proof of the microfinance orthodoxy that access to credit matters much more than the cost of credit to the poor. However, *tracing the difficulties that individual members face when repaying loans might enable us to better understand which women are prioritizing access over cost or vice-versa and in what conditions.*

III.8. Policy Commitment to Capacity Building of Economically Active SHG Women

In Section II.2, we reviewed the literature on the disempowering effects of the structural barriers that impede women's involvement in the processes of loan use, including knowledge about the accounting details of the loan-financed enterprise and participation in marketing. While we accept the proposition that outcomes of loan access can be empowering despite women's lack of involvement in the processes of loan use (Kabeer 2001), the finding that loan access per se does not entail skill building of women and that women's enterprise management capacities may continue to remain woefully pitiful remains an important insight that is invaluable in the case of Indian SHGs. Goetz and Sen Gupta (1996) observe that the withdrawal of funding agency support to Bangladeshi MFIs, that had led to upscaling initiatives, such as an increase in the magnitude of loan disbursal, poses the threat of further eroding the prospects of women's control over their loans (as larger loan sizes may be more productively utilized by men and are also culturally marked as male possession). We posit that a somewhat analogous situation may perhaps be developing in the case of Indian microfinance as SHGs are increasingly being used as channels of delivery of the Central government's nationally-implemented, self-employment based poverty alleviation programme – the Swarnjayanthi Gram Swarozgar Yojana (SGSY).

The SHG-bank linkage programme had legitimized borrowing for consumption purposes and had adopted a policy of flexibility with regard to lending purpose, in marked contrast to the conventional individual-targeted weaker section lending norms of nationalized commercial banks in India as well as to the enterprise-tied lending of poverty-focussed Bangladesh MFIs. However the routing of credit cum subsidy assistance under the SGSY through the existing self help groups has come to imply larger loan amounts per group and per individual within the group explicitly tied to income-generation purposes. The Central government's decision to route the SGSY scheme through self help groups in a context of massive policy support for the creation of women's self help groups and the official requirement of the SGSY that at least 50% of the SHGs reached in a block be women's groups, may be perceived as signaling policy commitment to the cause of reaching higher volumes of institutional credit to women in order to finance their enterprises. However given that studies critical of the IRDP have revealed the variety of mechanisms by which the process of selecting enterprises and providing support services were even more inadequate in the case of women beneficiaries (Kabeer and Murthy 1996; World Bank 1991), it is disturbing that the official guidelines of the SGSY take no note of the additional forms of support that first time women entrepreneurs need in order to be able to successfully access markets, manage their enterprise independently and generate sufficient incomes from their chosen activities (GOI 1999). Although the guidelines of the SGSY reiterate the desirability of using self help groups as ideal channels of loan delivery and efficient tools of recovery, there is neither recognition of the structural obstacles that the women members of self help groups may have to surmount in order to gain a considerable degree of control over their enterprises nor an attempt to analytically distinguish 'women's credit' from 'family credit'. The district development administration possesses no reliable data base or enumeration of the varieties of income generating activities that SHG women, financed either by the bank, the NGO or group funds, have initiated or the proportion of women who are first time entrepreneurs as against those who are investing loans in pre-existing small family businesses. Such an estimation would be an indispensable first step towards an assessment of the forms of marketing, infrastructural and technical support that economically active SHG women require in order to enhance the productivity of their enterprises and assume an active role in the different dimensions of enterprise management.

As we have seen in Section II.2, anti-poverty development interventions that exploit women's unremunerated labour within household based enterprises without attempting a more equitable distribution of intra-household gender based work allocation have been criticized for possibly endangering women's health, doubling their work burden and overlooking the possibility that institutional attempts seeking to alleviate household poverty may simultaneously be worsening gendered forms of ill-being within the household (Mayoux 1998; 2002). This insight is of value in our context as well when we consider that a National Conference on SHGS and SGSY organized at the NIRD, Hyderabad in June 2001, attended by officials of the RBI and NABARD and state ministers of rural development resolved that 1 SHG would be created in each of the 14 lakh rural habitations in the country within a period of three years, so that at least 70-80 lakh women are drawn into SGSY assisted self-employment activities. Where the Central government anticipates that women are going to be drawn into informal sector production on a massive scale across the country, the absence of sufficient thought to the agenda of extending support services to informal sector women workers and bringing them within the purview of protective state legislation on a commensurate scale is disturbing. The concern expressed in the original conceptualization of the DWCRA scheme for factoring in and supporting the domestic and reproductive labour responsibilities of women producers (Kabeer and Murthy 1996) is conspicuous by its absence in the SGSY document.

The operational guidelines of the IRDP had prescribed a household approach rather than an individual approach as reflected in the stipulation to involve all working members of the household in the programme and to particularly attend to the need for economic programmes for women. The family was perceived as being the basic unit of development in the IRDP and the package of services was intended to lift the targeted family above the poverty line (GOI 1980). The 'household' approach of the IRDP drew criticism from the Shramshakti Report, which pointed out that it was an implicitly male biased programme insofar as the extension of the loan to the targeted BPL household was interpreted as extending assistance to the male head of the household. The IRDP has provoked criticism for being premised on the notion of a unitary, undifferentiated household and therefore overlooking the fact that loans were often offered to male household heads while unremunerated labour on the enterprise was quite likely to be contributed by female household members (World Bank 1991). In the conceptualization of the SHG-bank linkage programme and the SGSY, the emphasis accorded to the self help group has replaced the earlier emphasis on the household of the beneficiary. However the absence of the household in the operational guidelines of the SGSY, creating an elision of the household, as it were, holds equally disturbing implications. In practice, it could mean that the SGSY ignores the forms of households that women SHG members may belong to and how this may influence their loan utilization, repayment and involvement in loan-financed enterprise activities. It can therefore remain impervious to the substantial body of literature produced by gender studies which has foregrounded the ways in which women's household-based identities and responsibilities impinge on their engagement in the world of extra-household production and has raised pertinent questions of whether male family members are reducing their contribution to the household budget, whether loan access may be equated with control over the end use of the loan and income / profits generated from the activity, whether repayment pressures exacerbate domestic tensions and whether additional labour burden on women leads to a deterioration of their health and overall well being. It would be dangerous to assume that the "empowering" climate generated by SHG based mobilization and membership in an all-women's group would obviate the need for investigating how women's location within different forms of households influences the ways in which they utilize and repay loans, make savings and experience group membership.

By way of conclusion

In the above sections, we have noted that critical issues raised by the microcredit literature on Bangladesh pertaining to the gendered exclusion of certain social categories of female members by programmes pursuing sustainability goals and the commitment of NGOs and the state to the task of capacity building of female microcredit borrowers have provided interesting entry points towards understanding the gendered implications of the Indian microfinance experience. We suggested that the channeling of the SGSY through the existing network of self help groups has increased the urgency of issues such as state regulatory protection of informal sector women workers and capacity building of female loanees. We have also seen that the task of understanding the processes by which microcredit programmes transform gender relations might warrant additional research questions to be raised in the context of Indian microfinance. We suggested that the terms of engagement of women's self help groups with rural development officials and bankers may be perceived as an important area of research enquiry by studies assessing the empowerment potential of microcredit programmes in India. We further suggested that research focus on the issue of intra-group power dynamics acquires greater salience in the case of Indian self help groups relative to Grameen styled Bangladeshi MFIs on account of the differential structuring of the MFI – borrower group relationship in the two cases. We also offered a set of tentative questions that may enable an exploration of intra-group power dynamics. Overall, we have seen above that empowerment cannot be assumed to be an inevitable outcome of microcredit access and that the experience of Indian and Bangladeshi microcredit can empower or disempower poor, female clientele, albeit in different ways. In the case of both Bangladesh and India, or for that matter in any country, we suggest that the institutional context in which microcredit transactions are located, the larger social and economic structures within which these transactions are embedded and the organizational structure through which microfinancial services are delivered are of great significance and need to be factored in any analysis of the empowerment outcomes of microcredit programmes.

End Notes

[1] Though microfinance and microcredit are often used as inter-changeable terms in the literature, it is generally agreed that microcredit or small loans for income-generation or consumption purposes refer to one component of a larger array of microfinance services that could include savings, insurance and other related business development services as well. These terms will be used inter-changeably in this paper.

[2] The Grameen bank developed from an experimental project launched in 1976 by Muhammad Yunus (an Economics professor) to target credit to the poor organized into joint liability groups without demanding physical collateral. Having received critical support from the central bank of Bangladesh in its early years, the Grameen project was established as a bank to work exclusively with the poor with its own charter in 1983, with the government holding 90% of the shares in paid up capital. By 1995, individual borrowers held 85% of the paid up capital of the Grameen Bank (Khandker 1998) Bangladesh Rural Advancement Committee (BRAC) was established by F.H.Abed in 1972 as a charitable organization to help resettle displaced households during the 1971 war and expanded its operations from relief to integrated community development including infrastructure building and provision of various services to targeted poor households. Described as the world's largest indigenous development NGO, BRAC runs 35,000 non-formal education schools, reaches over 12 million members through its health and education programmes and employs more than 23,000 staff and 33,000 part time teachers in its non-formal primary schools. BRAC's microcredit programme, that was modeled on the Grameen Bank, was started in the mid 1980s, and has been influenced by its belief that the poor need assistance with marketing and technical skills, in addition to credit access. Hence it has attempted to combine lending with organizational inputs and social development including skills promotion, training, consciousness-raising and business support services. Microcredit is currently BRAC's single largest programme and is estimated to have reached over two million households by 1999 (Goetz 2001).

[3] A more detailed definition of microfinance and an outlining of the differences between the current generation of microfinance programmes and older credit-based rural development programmes for the poor as well as of the location of microfinance programmes within the international development sector's anti-poverty discourse is available in a MIDS Working Paper authored by the same researcher (Kalpana 2004). This paper has examined the shifting projection of microcredit as a

poverty-alleviation strategy within the global anti-poverty paradigm (with specific reference to literature on the Bangladesh experience) and has examined the implications of this shift for the practice of Indian self help group based microfinance.

4 For a more detailed account of how lender viability pressures have changed the practices of MFIs (with specific reference to Bangladesh based MFIs), refer to author's Working Paper cited in footnote 3 above.

5 The Rural Development Project-12 or the RD-12, funded by the Canadian International Development Agency (CIDA), is one component of the Rural Poor Programme, the government's largest credit based rural development programme targeting the landless. It is part of the Bangladesh Rural Development Board (BRDB) that grew out of the famous pilot projects in the Comilla region of Bangladesh in the 1960s, which promoted new agricultural technology through the provision of subsidized credit (Goetz 2001).

6 Association for Social Advancement, which was started in the early 1980s with the agenda of social transformation and mobilization of the landless, decided to focus to focus its activities on economic empowerment and since the early 1990s, it has chosen microcredit, modeled on the Grameen, as its core activity. ASA's growth in microcredit has been meteoric as reflect ed in a ten fold expansion of its borrower base over a six year period (1992-98) (Jain and Moore 2003; Fernando 2001).

7 WID discourses have been critiqued for their uncritical acceptance of mainstream paradigms of 'development' into which women are sough t to be integrated. (Beneria and Sen 1981; Kabeer 1995; Razavi and Miller 1995)

8 At this point I wish to emphasize that I am not foreclosing the probability that the outcomes of microcredit programmes can be empowering for women borrowers, despite the instrumental grounds of repayment performance that may have dominated the MFI or microcredit NGO's rationale for exclusive selection of female clientele. This is an argument that will be subsequently developed in the paper.

9 NABARD defines 'linkage' as an SHG taking a loan from a bank under the SHG-bank linkage programme although as Harper (2002) points out, SHGs are first linked to banks when they open an account and banks take their deposits. Data gathered under the SHG-bank linkage programme provides information on number of SHGs credit linked to banks, the volume of credit disbursed under the linkage programme, the number of bank branches involved, and the total volume of NABARD refinance availed by banks. Kropp and Suran (2002) point out that linkage banking statistics does not include the volume of internal savings generated by SHGs-linked to banks or the volume of loans generated within these SHGs on the basis of the group corpus. They maintain that this data needs to be collected not only for SHGs that are credit-linked to banks, but also for those that only hold a savings account and have not borrowed from banks under the linkage programme.

10 Some of the well-known microcredit organizations based on the Grameen model in India include SHARE (Society for Helping and Awakening Rural Poor through Education in Andra Pradesh), RDO (Loyolam Bank of Rural Development and Organization) in Manipur, Cashpor Financial and Technical Services (Mirzapur, Uttar Pradesh), Activists for Social Alternatives (ASA) in Tamilnadu, Rashtriya Gramin Vikas Nidhi (Assam and Orissa). A Public sector bank, the Oriental Bank of Commerce lends to small groups modeled on the Grameen through its Dehradun (Uttaranchal) and Hanumangarh (Rajasthan) branches.

11 The largest and best-known MFIs in Bangladesh have modeled the organizational structure of their micro lending programme on the Grameen Bank so that we may speak of a "Grameen system", as Malcolm Harper (2002) puts it, that is used not only by the three million members of the Grameen,

but also by more than a million clients each of Proshika and BRAC. Furthermore, it has been estimated that over 10 million clients in Bangladesh use the Grameen system through 30 MFIs with more than 10,000 clients each and hundreds of other smaller organizations that are following the Grameen model in Bangladesh (Harper 2002). Researchers have pointed to the low levels of institutional innovation within the microfinance sector on account of the propensity to produce clones of the Grameen and have argued that the propagation of the 'Grameen model" has assumed hegemonic dimensions within the microfinance industry, not only within Bangladesh, but globally as well, due to the active promotion of the Grameen, especially by the CGAP, as the ideal model for emulation by microcredit NGOs focusing their services on the rural poor. Prominent global institutions such as the International Fund for Agricultural Development (IFAD) and the Asian Development Bank (ADB) have expressed their willingness to support only those microcredit programmes that are based on the Grameen model (Jain and Moore 2003).

[12] While this section will cite NABARD as well as studies undertaken by independent researchers on Indian SHGs wherever necessary, a critical review of the existing literature on the functioning of self help groups in India (and therefore an assessment of the scope and methodology of the studies) is not attempted here.

[13] The field reports refer to the previous work experiences of the current research scholar as an activist with a non governmental organization - Tamilnadu Science Forum - that has been attempting to mobilize women using SHGs in several parts of Tamilnadu. The Tamilnadu Science Forum, has been active for over two decades in the state of Tamilnadu in popular science communication, community health and literacy campaigns. The case studies, that refer to bank pressures to retrieve earlier loans made to male relatives of SHG women members, through schemes such as the SGSY have been widely reported from various parts of Tamilnadu by NGOs that I have subsequently been interviewing in the course of my PhD field work.

[14] The references to self help groups in Kanyakumari are drawn from a self help group network of over 1,500 self help groups spanning Kanyakumari district. The Mahalir Association for Literacy, Awareness and Rights (MALAR) network of SHGs was initiated by the district committee of the Tamilnadu Science Forum, Kanyakumari district and developed as an off-shoot of the Arivoli (total literacy) campaign in the district. The current researcher worked as district co-ordinator for the MALAR network between October 1997 and December 1998. The case studies pertaining to the SGSY were collected as part of an internal study on the SGSY for the Tamilnadu Science Forum undertaken in April 2001.

[15] The case study cited refers to women members of the Thuligal network of self help groups of Virudhunagar district organized by the district committee of the Tamilnadu Science Forum, Virudhunagar district.

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Appendix

The studies reviewed in Section II present a diverse spectrum of research techniques and methodologies, ranging from fairly large-scale, systematic surveys based on scientific sampling techniques and statistical calculations of empowerment outcomes to more qualitative, ethnographic, micro studies of an anthropological nature. While the former provide results that are more generalizable given the size of the sample surveyed, the latter provide a more nuanced picture by reflecting better the complexities involved and sometime situating microcredit within the gendered political economy of the region being studied.

Mayoux (1998) is based on workshop discussions and material collected during a pilot research project titled 'Microfinance Programmes and Women's Empowerment: Strategies for Increasing Impact'. The project, which was funded by the Small Enterprise Development Fund, ODA UK and sponsored by a steering committee of UK based NGOs (headed by Action Aid), includes a compilation of independent academic research on the social economic and wider political impacts of microfinance programes as well as donor and NGO commissioned gender impact assessments of microfinance programmes (donors including ACORD, World Vision, CARE-International, Action AID, Oxfam, WOMANKIND). Papers prepared by the staff of Southern NGOs for the workshops (that were held as part of the pilot research) were also incorporated in the final report. Mayoux points out that the nature of some of the information discussed was anecdotal and allowed for very limited systematic cross-cultural and inter-organizational comparison of impacts of different models of microfinance to be undertaken as part of the study.

Mayoux (2002), presented at the One World Action Conference sponsored by the UK Department for International Development in London, March 21st and 22nd 2002, is based on her research and consultancy with and secondary source material on fifteen African micro-finance programmes in Cameroon, Zimbabwe, Zambia, South Africa, Kenya, Uganda, Niger, Chad, Sudan and Ethiopia. Information provided in the study was supplemented by evidence from general impact studies and subsequent correspondence with programme staff who attended three regional workshops in East, West and Southern Africa co-facilitated by the author. Mayoux cautions that the study does not lay claim to being a systematic, comparative body of work as some of the material it was based on included patchy evidence, limited depth of questions posed and very small samples. Moreover, she notes that reported positive impacts appear, in some instances, to be more an indication of the limited questions asked and unrepresentative sampling, while reported negative impacts may have served as an index of a programme's level of gender awareness rather than higher prevalence of the problems described. The strength of Mayoux's papers derive from the wide range of geographical regions they span and the space provided to the perspectives of programme coordinators and practitioners of microcredit programmes. These factors have enabled her to make qualified generalizations about the potential and limitations of microcredit programmes as tools for empowerment despite the limitations of small sample size etc that she points to.

Most of the other studies have involved a more systematic and in-depth study of the dynamics of microcredit programmes, situated in specific contexts, while relying on varying degrees of statistical quantification. Montgomery et al (1996) (part of the Hulme and Mosley (1996) study of 13 microfinance programmes worldwide), involved surveys of 156 BRAC and 160 TRDEP members, executed over 3 months, starting in December 1992. Survey methodology was designed to capture the quantitative impact of credit on borrowers' enterprises and households through questions about the use of loans, changes in the nature of people's enterprises, income and expenditure data and household asset details. Respondents were required to describe the present day situation and recall the situation prevailing in the month before they took the last programme loan. The study also included comparison between types of members in terms of length of association with the programme and number of loans they had received. Hence newly recruited members, who had not yet received the first loan, served as a control group. The four research areas in which the study was conducted included 2 areas representing a vibrant local economy and 2 representing a depressed economy.

Luftun N.Khan Osmani (1998), who sought to understand changes in women's household status resulting from membership in a Grameen branch in district Tangail, was based on household level surveys conducted between July and October 1993 using a sample size of 84 households. Half the households surveyed served as the comparison group as none of the women from these households had borrowed from either the Grameen or similar institutions. Multiple regression analysis was used to control for the effects of other variables that may have accounted for observed differences between the two groups of women. Osmani mentions that a one-shot questionnaire was used since time and resource constraints did not permit the prolonged and intensive observation of an anthropological nature required to better explore complex variables.

Seeking to establish whether credit provided to women had a different impact on decision-making outcomes in the household when compared to credit provided to men, a study executed by the Bangladesh Institute of Development Studies and the World Bank drew upon data collected from three microcredit programmes (BRAC, Grameen, BRDB's RD-12), which involved a multi-purpose household survey conducted in Bangladesh in the crop year 1991-92 (Pitt and Khandker, 1998). The decision making outcomes selected included the value of women's non-land assets, total hours worked by men and women per month within the household for cash income, fertility levels, education of children and total consumption expenditure. The study found that credit provided to women was more likely to influence these 6 outcomes than credit provided to men. The study was conducted in 29 thanas drawn randomly from 391 thanas (5 of the 29 thanas had no microcredit programme). 3 villages in each programme thana were randomly chosen from a list consisting of villages where the programme had been in operation at least for 3 years. 3 villages in each non-programme thana were also chosen. 20 households were selected from each village amounting to a total of 1798 households, of which, 1538 households were target households (as defined by programme criteria) and 260 were non-target households. The household questionnaire contained questions on income, employment, education, consumption, borrowing, asset ownership, savings, schooling, fertility behaviour and contraceptive use.

Mahmud (2003) has critiqued Pitt and Khandker's conceptual framework by arguing that they had perceived credit access as empowering since the outcome of 'increased income earning time spent in credit-based activities" was ***assumed*** to lead to greater participation in household decision making. But there was no actual evidence of a positive relationship between women's time spent in income earning activities and their role in decision making in the household.

Perhaps the most exhaustive study in terms of scientific techniques of research and sampling deployed, Hashemi, Schuler and Riley (1996) sought to analyze the effects of Grameen and BRAC membership upon women's empowerment based on an ethnographic study and a sample survey. The ethnographic study was conducted in 6 villages (Grameen and BRAC were operational in two villages each, while no credit programme was operational in the other two) during 1991-94 to document processes of change in women' status, roles including norms pertaining to reproduction. While Grameen and BRAC programmes were functioning for over 6 years in 2 villages, they were just starting in two of the other selected programme villages. The ethnographic study included research techniques of participant observation and in-depth interviews focused on a quasi-random sub-sample of 120 households (20 from each of the 6 villages). Half of the households interviewed were members of credit programmes and the other half were non-members.

Additionally, the sample survey undertaken consisted of a random sample of 1,300 married women under age 50 structured as 4 separate samples viz,. Grameen members, BRAC members, non-members in Grameen villages and a comparison group from villages where neither Grameen nor BRAC were operational. The survey, which included questions relating to women's role and status in the family and community, contraceptive use and fertility used 8 selected criteria of empowerment constructed as scale variables, measured by scored indicators and weighted. The researchers maintain that the 8 indicators emerged from a consolidation of responses obtained during the ethnographic study in the area. Logistic regression models constituted the analytic procedures used to explore if Grameen and BRAC membership affected varied dimensions of women's empowerment. The researchers factored in selection bias (the possibility that women who were relatively innovative or empowered may be more likely to join credit programmes, thereby exaggerating the statistical relationship between programme participation and empowerment) and sought to mitigate it by controlling for respondents' demographic and socio-economic characteristics through a multivariate regression. A comparison between participants and non-participants in the same villages and from non-programme villages was also used to mitigate the effects of selection bias.

Schuler, Hashemi and Riley (1997), studied the relationship between credit programmes and contraceptive use using the same sample of 1300 women as in the above study. Logistic regression models were used to study relationships between credit programmes, women's empowerment and contraceptive use. While survey data was used to statistically study the relationship between the three variables, the ethnographic data helped explain the relationships. The Schuler, Hashemi, Riley and Akhter (1996) study of men's violence against women in Bangladesh was based on interviews with women and men to ascertain different perceptions of violence against women, the justification of such violence and women's response to it. No structured interview guide was used for this study which was undertaken as part of the larger, above-mentioned study when the ethnographers became aware of such violence during their stay in the villages.

Ahmed et al (2001), which studied the relationship between participation in microcredit programmes and emotional well-being of clients, was the product of research collaboration between BRAC and the International Center for Diarrhoeal Disease Research (ICDDR) Bangladesh in Matlab thana where ICDDR had been operating a Demographic Surveillance System since the 1960s. Data for the study was drawn from a cross-sectional survey during April-August 1995 in 14 villages of the Matlab Thana. The two structured questionnaires used included a demographic and socio-economic information survey administered to any knowledgeable adult member of the household and a survey on different aspects of women's lives (specifically their mental state, familial crises and coping mechanisms) administered to ever-married women between 15 and 55 yrs. Totally, 2075 women from poor households (BRAC and non-BRAC) and 1549 women from relatively better-off, non-member households were part of the study.

Mahmud (2003) used data from a first round household survey held in early 1998 as part of a longitudinal study on the evaluation and monitoring of microcredit programmes in rural Bangladesh. The study encompassed nearly 2000 households in 91 villages of 22 rural thanas (sub-districts) of Bangladesh. Of the 91 villages covered, 80 were programme and 11 were non-programme villages. Villages were randomly selected by multi-stage sampling from the universe of villages covered by all the active partner organizations of the Palli Karma Sahayak Foundation (PKSF) – an apex body that provides financial support to partner organizations for running microcredit programmes. In each selected village, in-depth interviews were directed to households chosen to cover participating and non-participating households from both poor and non-poor categories. Of all the studies deploying extensive statistical analysis to evaluate empowerment outcomes, Mahmud's appears to be the most sophisticated on account of the theoretical framework of empowerment that underlies her study.

Specific dimensions of credit programme participation have also been analyzed as exemplified by the Goetz and Sengupta (1996) study of patterns and histories of loan use by female borrowers of a spectrum of microcredit programmes in Bangladesh. The loan use patterns study was undertaken as a component of a larger study titled 'Women's Leadership in Rural Development in Bangladesh' funded by the UK Economic and Social Research Council and conducted by the Institute of Development Studies (IDS) at the University of Sussex and Bangladesh Institute of Development Studies, Dhaka. The larger study sought to assess the quality and meaning of women's participation in credit programmes as staff members and beneficiaries. The smaller study comprised a qualitative research of 275 loans across 4 organizations which entailed compiling detailed loan use histories on the basis of discussions with borrowers. Respondents were purposively selected in order to ensure representation of varying years of membership and size of loan. In order to assess women's extent of 'managerial control' over the loan, women were asked which activity the loan was invested in, the source and cost of inputs and productive assets, who procured them, how they were put to use, where outputs were marketed and the price, problems in the productive process, and who was the main user of the loan in terms of both labour inputs and accounting and general management.

Anne Marie Goetz (2001) examined the issue of the exercise of leadership in women's interests within two development organizations in Bangladesh - BRAC's Rural Development Programme (an NGO with flatter structures of hierarchy and explicit ideologies of social equality) and RD-12 (a state-bureaucratic organization). The field work, conducted in 1993 in villages in the North and West of Dhaka, consisted of 121 in-depth interviews with staff of both organizations including 40 male staff. To counter problems of selection bias, a survey of 455 women and men staff members of both organizations at all levels was undertaken in order to check for the representativeness of the smaller sample. The interviews were supplemented by group discussions and participant observation in field offices and by accompanying field workers to their daily work to observe interactions with village groups. 15 group discussions with mixed groups (male and female) of field level staff were held to discuss their views of problems faced both by beneficiaries and women staff. 30 group discussions with groups of women and men programme beneficiaries were held to check on field worker's description of their activities. Nine detailed life histories of 6 staff and 3 women beneficiaries further enriched the data.

Some of the ethnographic studies of an anthropological nature have attempted to delve more insightfully into the experience of credit programme participation through intimate observation of micro-level data – the functioning of a specific Grameen branch (Rahman 1999) or reliance on the personal testimonies of programme participants (Kabeer 2001). Rahman's study was executed in a village in the Tangail region of Bangladesh in 1994-95 as part of his doctoral dissertation and during follow up research in the summer of 1997. The research site was one of the oldest programme areas of the Grameen bank. The study population comprised 295 households, 154 Grameen bank members (120 women and 30 men) and 12 bank workers (9 male, 3 female) in the local branch. A comprehensive household survey to provide demographic and socio-economic information in the study area was accompanied by anthropological research techniques of participant observation, unstructured and in-depth interviews and collection of case studies. Data collection was geared towards understanding informants' experience of their participation in the group based lending programme of the Grameen bank. The main themes of investigation included (a) use of credit in the household economy (b) interaction between peers in the loan center and members in the household and (c) borrowers' interaction with bank workers and other members in the community.

Kabeer (2001), evaluated the Small Enterprise Development Project (operating in Faridpur and Mymmensingh districts of Bgdesh), an intermediary between loanees and a special NORAD funded credit line managed by one of the country's nationalized banks. Her study was based on the testimonies of 50 female and 20 male loanees and included a quantitative survey of 700 households to provide basic descriptive statistics on loanees, their households, patterns of loan utilization and on some of the impacts. Fernando (2001) is a case of an ethnographic study of the functioning of ASA and Grameen Bank's microcredit programmes in Gach abari mouza of Madhupur thana, Tangail district, 120 miles North of Dhaka. Fernando's ethnographic research techniques have enabled him to document people's perception of the microcredit NGOs' presence in their lives and the village and the efficacy of microcredit vis-à-vis moneylender credit, local discourses of empowerment and power hierarchies within the group.

Govind Kelkar, Dev Nathan and Rownok Jahan (2003) sought to assess the impact of microcredit upon gender relations and women's agency by docume nting the process of transformation of women's domestic labour into commercial, market-oriented production, the economic sectors in which women's credit was invested, the productive assets acquired by women borrowers, the impact of economic activities on women's voice in household decision-making and their well-being, women's mobility and sense of dignity and self-esteem. The study of 20 savings and credit groups formed under the ADIP project (IFAD and Government of Bangladesh) involved group discussions and interviews with 261 women and 49 men in 16 women's groups and 4 men's groups in the 4 districts of Gazipur, Tangail, Narsinghdi and Kishoreganj.