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Supporting civic activism among chronically poor women: to what extent can multidimensional women's microfinance groups help?

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What is Chronic Poverty?

The distinguishing feature of chronic poverty is extended duration in absolute poverty.

Therefore, chronically poor people always, or usually, live below a poverty line, which is normally defined in terms of a money indicator (e.g. consumption, income, etc.), but could also be defined in terms of wider or subjective aspects of deprivation.

This is different from the transitorily poor, who move in and out of poverty, or only occasionally fall below the poverty line.

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1 Executive summary

This study was undertaken with the support of the Chronic Poverty Research Centre, the Overseas Development Institute, and the George Washington University. Through in-country and desk research, the research team assessed the extent to which multidimensional women's microfinance groups in Bolivia and Bangladesh are capable of supporting civic activism among chronically poor women. For the purpose of this paper, multidimensional microfinance programmes are defined as those that offer more than finance services; they also offer social services often through a group-lending model. These programmes move beyond microfinance alone and have the capacity to reduce the vulnerabilities chronically poor women face. Where microfinance organisations, groups or programmes are mentioned, this paper refers specifically to multidimensional microfinance organisations, groups or programmes, unless otherwise stated.

The study operates under the assumption that women must have the necessary tools and opportunities to influence local and, ultimately, national decision-making in order to tackle the problem of chronic poverty. Active participation in groups can be a way to facilitate access to decision-making skills and opportunities for chronically poor women to be able to challenge the economic and social institutions that prevent them from leaving chronic poverty. The research team identified three areas critical to promoting civic activism among women: education and access to information which makes them aware of social issues; access to social networks that allow them to interact with each other; and greater local political awareness and participation, including access to local government resources. Studies have shown that chronically poor women are more likely to participate in civic activism when they receive education or access to information which makes them aware of social issues, have access to social networks that allow them to interact with each other, and are provided with access to government resources and opportunities to engage with the state. In order to assess whether multidimensional women's microfinance groups could provide women the resources they need to participate in civic activism, we studied the ability of these organisations to effectively offer the necessary education and access to information, social networks, and government access. Studies have shown that chronically poor women are more likely to participate in civic activism when they receive education or access to information which makes them aware of social issues, have access to social networks that allow them to interact with each other, and are provided with access to government resources and opportunities to engage with the state.

The research team worked with three types of organisations: microfinance institutions, organisations focusing on social issues, and organisations that work with social issues and also offer microfinance. Between 6 March 2010 and 19 March 2010 the research team interviewed and conducted focus groups with staff, clients and members of seven organisations in Bolivia and three organisations in Bangladesh. Two sets of structured interview questionnaires for the interviews and two sets of baseline questions for the focus

groups were developed by the researchers. The questions were identical for both countries. Depending on the degree to which the organisations focused on microfinance and social issues, different questionnaires and baseline questions were used.

1.1 Research findings

The findings from this study indicate that multidimensional women's microfinance groups in both Bangladesh and Bolivia have a positive impact on women's ability to actively participate, through the education programmes they offered and their facilitation of women's social networks and local government access. Some of the major findings of the study are as follows:

1.1.1 Education programmes

- Women improved their leadership skills through training offered on topics such as public speaking, leadership, and women's rights.
- Women experienced increased self-confidence as a result of participation in the education programmes.
- The training opportunities offered through the microfinance groups were a motivating factor in Bolivia for women to join, but this was not as important in the case of Bangladesh.
- Changes in women's attitudes resulting from the education programmes enabled them to renegotiate family relations.

1.1.2 Social networks

- Women experienced increased opportunities to create new social networks and deepen existing ones.
- Participation in microfinance group activities provided women with stronger feelings of solidarity, reduced isolation, and increased their opportunities for leadership development.
- Women's self-confidence levels and awareness of their rights also increased as a result of their involvement in the microfinance groups.

1.1.3 Political awareness and local political participation

- The support offered by the microfinance groups increased the likelihood that women would interact with local government to address their needs.
- Being able to access the government as a group instead of as individuals helped women to be more influential in decision-making.

- The skills and knowledge women obtained through gender and leadership training aided women in having greater political awareness and successfully becoming leaders in local government.

Through the interviews and focus groups, some factors that could inhibit women from participating in civic activism were identified.

- Childcare and lack of transportation prevented women from attending group meetings and training.
- Unsupportive husbands, low self-esteem, and the view that leadership positions could be costly made women less likely to participate.
- Women's inability to repay their loans, over-indebtedness, and confusion over how the microfinance worked could also negatively affect women's ability to participate in groups and civic activism.

In order for multidimensional women's microfinance groups to support civic activism, they must address two areas: they must build up women's human capital, and they must facilitate supportive environments that provide leadership and participation opportunities for women, so that they are able to put into practice the skills and knowledge they have gained. At the end of the report recommendations on how to achieve this for both multidimensional microfinance programmes and donor organisations are provided.

2 Introduction

Chronic poverty among women is a major concern for development practitioners and policy makers worldwide. Today, a common tool used to tackle this issue is microfinance. Yet the ability of microfinance to assist the ultra-poor in moving out of poverty is contested. In recent times, there has been a shift in microfinance literature which indicates that microfinance alone is not enough to tackle the structural causes of chronic poverty. At the same time, studies conducted on social movements indicate that they are good at tackling the structural and political marginalisation of the chronically poor but, as organisations, they are hindered by funding issues and have limited success in addressing the economic poverty of their membership. This research paper emerged out of an investigation of the possible complementary or antagonistic aspects of social movement organisations and multidimensional microfinance organisations. As the paper developed, it became apparent that social movements were only one example of a wider movement of collective action among chronically poor women, which for the purpose of this paper was termed civic activism.

The main purpose of this paper was to determine the extent to which multidimensional microfinance programmes that targeted chronically poor women had the capability to support civic activism among these same women.

The paper commences with definitions of key terms that will be used throughout, namely chronic poverty, civic activism and multidimensional microfinance programmes. It also examines the relationship between chronic poverty, women and civic activism. The paper then explores how multidimensional microfinance programmes have the capacity to reduce the vulnerabilities chronically poor women face, moving them to potentially participate in civic activism. Previous studies have indicated that chronically poor women were more likely to participate in civic activism when they received education or access to information which made them aware of social issues; when they had access to social networks and deeper relationships in the community; and when they were provided with opportunities for greater local political awareness and participation. These three variables – education, social networks and local government access – form the foundations of this research study.

The literature review section of the paper discusses relevant studies which suggest how multidimensional microfinance programmes could help equip chronically poor women with the tools and opportunities for civic activism in relation to these three variables. Following the literature review the field studies in Bolivia and Bangladesh are introduced and the organisations that participated in the focus group discussions and interviews are described. It is also important to understand the state of chronic poverty, microfinance and the social and political organisation that exists in both these countries and this is included in the country contexts. The research findings follow next, where the results of focus group discussions and

interviews are reported under each country, categorised under the variables education, social networks and government access. Data were also collected which highlight the constraints of multidimensional microfinance programmes in preparing women for civic activism programmes. Recommendations to both stakeholders conclude this research study.

It is the intention of the study to serve as a building block for further studies which will focus on chronically poor women, civic activism and multidimensional microfinance groups. The two research countries, Bolivia and Bangladesh, were selected largely because of the presence of multidimensional microcredit programmes and collective community structures to a greater or lesser extent. While there are many interesting parallels and contrasts between them, the task of this study was not to produce a comparison between the two countries. Bangladesh was chosen because it has been a pioneer in the microfinance industry for a number of decades and, while there is research on the impact of microfinance programmes on chronically poor women, most of it is dated. Furthermore, there were very few studies that examined the relationship between microfinance programmes and civic activism. On the other hand, Bolivia was selected not because of the pervasiveness of microfinance programmes, as here this is not the case, but rather because there are very well organised community structures where women's participation in community activism is more pronounced. There is also a shortage of studies that highlight the link between poor women's participation in microfinance programmes and the effect this has on their involvement in civic activism. Importantly, to permit a study on chronic poverty, both countries have large proportions of very poor citizens who are trapped in cycles of poverty. It is hoped that the field research will contribute to the limited body of research that shows a direct link between multidimensional microfinance programmes and civic activism. As this was an exploratory study, it is anticipated that it should provide a springboard for further studies aimed at identifying how chronically poor women can escape chronic poverty through a mixture of civic activism movements or multidimensional microfinance programmes.

2.1 Chronic poverty and women

Persons living in chronic poverty can be characterised as those living below the poverty line for all or much of their lives and who pass on poverty to subsequent generations (Hulme, 2004 slide 3). While movements in and out of poverty can occur among the poor, households that are trapped in chronic poverty hardly ever experience this (McKay, Shepherd and Prowse, 2007:3). Unlike the poor, chronically poor persons are those who 'are trapped into various forms of chronic deprivation and lack complementary resources (including skills and financial resources) which they can use to overcome poverty' (Halder and Mosely, 2004:8). The chronically poor consist of various groups of persons including, but not limited to, indigenous groups, caste groups, bonded labourers and women. In South Asia, the region with the highest incidences of chronic poverty, there were between 135 and 190 million chronically poor people in 2004. During the same period, the Latin America and Caribbean region accounted for 16 to 23 million chronically poor people (Hulme, 2004: slide 7).

Chronically poor women face a number of vulnerabilities that keep them trapped in poverty (Ambler *et al.*, 2007:1). These vulnerabilities may include a lack of decision-making authority and control of financial resources, domestic violence, the denial of benefits and protection under customary or statutory legal systems, and social isolation. The link between gender, poverty and vulnerability can be seen in patriarchal societies when wives lose their husbands through death or divorce. In such societies these women have no command over property or income and can be left with nothing. Their vulnerability may be further increased as a result of mobility restrictions on women and gender biases in the labour market (CPRC, 2008:2). In Asia, as in several parts of the world, women's roles are tied to the home and restricted to the care of children and the elderly. When chronically poor women do engage in economically productive activities, they often do so in a home-based setting which reinforces their isolation and limits their contact to immediate family relatives (Doane, 2007:8).

According to the Chronic Poverty Report 2008–09, social discrimination is identified as one of the five traps which prevent people, especially women, from escaping poverty and therefore must be overcome in order to reduce poverty generally (CPRC, 2008:2). Giving chronically poor women access to groups or organisations for social protection is greatly needed. A study conducted in Southeast Asia and South Asia revealed that it was important for women to organise in order to ensure their social protection (Doane, 2007:18). For example, microfinance union cooperative initiatives in Thailand provided access to savings and microfinance services as well as welfare and social protection services to reduce the exclusion faced by chronically poor women. Scavenger cooperatives and land-rights associations performed a similar role in the Philippines and Brazil, respectively (CPRC, 2008:5). Furthermore, women's participation in informal workers' groups, networks and unions provided a voice for members and promoted social cohesion. Women's collective action, including social movements, can provide the ultra-poor with a means of challenging exploitative relations that hold back their livelihoods (CPRC, 2008:5). Therefore, in order to reduce chronic poverty among women, it is important for policy makers to enhance the capacity of those trapped in it to challenge the institutions that restrict their economic and social development and to create an environment that supports women's collective action (CPRC, 2004: slide 20).

The following section will now address how women's civic activism has the potential to reduce gender inequality and improve their participation in society.

2.2 Women's civic activism and reducing gender inequality

According to Bebbington (2007), if we understand chronic poverty as a socio-political relationship rather than a condition defined by a lack of assets, chronically poor women must have access to the tools and the opportunities necessary to renegotiate this relationship in order to exit poverty over the long term. That is, chronically poor women must be involved in activities which enable them to influence local and national decision-making, or to put themselves forward to become decision makers if they are to overcome their condition of poverty.

This paper defines women voicing demands and being involved in decision-making both locally and nationally as 'civic activists'. Civic activism refers to women who are speaking up and exercising decision-making power within their communities. For Huiskamp and Hartmann-Mahmud (2001:15), 'women's public action provides a ground-breaking model for both gender relations and community activism, for both the next generation and generational peers; inuring in practice new expectations about women's role in the affairs of the community'.

This understanding of civic activism is informed by Bina Agarwal's (2001) typology of group participation. At its most basic, 'participation' is, first, the inclusion of persons in groups where previously they have been excluded, or have elected to exclude themselves. Agarwal defines this 'nominal participation' as 'membership'. The most empowering form of participation is classed as having an active voice and influence over group decisions, or 'interactive (empowering) participation'. Civic activism refers to this 'interactive participation' in a group setting, but can also be applied to include a more individual context. This study pays attention to what helps women participate more actively in groups, as it considers this an important route through which the chronically poor gain access to decision-making skills and opportunities. It is possible that civic activism within a group can lead to civic activism among chronically poor women as individuals as well. For Agarwal's updated typology of group participation, refer to Appendix 1.

Existing literature has discussed the role of collective action and group membership in improving the conditions of the poor, in local decision making, and in holding authorities accountable for the economic, political and administrative outcomes of their governance or administration (Bartholdson, Rudqvist and Widmark, 2002:6; Medina, 2007: 105; Ngai, 2007:99; Thorp Stewart and Heyer, 2005; Bebbington, 2007). This paper focuses on decision-making influence in groups, since, according to Agarwal (2001), 'nominal' group membership does not imply access to decision-making power. Rico (1998:4) found that poor Latin American women frequently participate actively in cooperative, unpaid group activities to improve the quality of family and community life. However, this participation in the community did not always lead to equal decision-making opportunities as compared with men. Rico discussed the case of water management in Costa Rica, where women provided

labour for the construction of rural aqueducts, but were not included in the associations formed to run them. Women were used to bring community projects into being more efficiently, but this did not translate into their involvement in the decision-making processes which would affect their quality of life, as these were roles largely reserved for men. Rico believed it 'important to secure greater participation for women on water boards and users' committees, acting as channels for information, opinion, action, decision making and education' (2001:4).

As discussed in the preceding section, inequality of opportunity and vulnerabilities among chronically poor women present barriers to meaningful active participation and leadership. Relating to the women who are systematically denied influence over the decisions that affect their lives, political empowerment literature discusses the changes that allow them access to decision-making influence. For Kabeer (2005), while 'power' refers to the ability to make choices, 'empowerment' implies change. Empowerment is, then, 'the processes by which those who have been denied the ability to make choices acquire such an ability' (Kabeer, 2005:13). The United Nations Population Fund considers political empowerment to involve measures which tackle 'historical imbalances in decision-making power and access to resources, rights, and entitlements for women...women are widely under-represented in decision-making at all levels, in the household and in the public sphere' (UNPF, 2010:n.p.)

Stromquist (1995) considered active political participation to be one part of a five-component definition of 'empowerment'. Women's capacity to analyse, organise and mobilise for social change operates alongside cognitive, economic and psychological empowerment to constitute multidimensional empowerment. Cognitive empowerment relates to the understanding of the causes of women's subordination at the micro and macro levels. Economic empowerment relates to access to and control over productive resources, and a degree of financial autonomy. Psychological empowerment relates to the belief that women are capable of acting within their homes and societies to improve their realities. Monkman (1997) added physical empowerment to Stromquist's five-part definition, which involves control over one's body and the ability to protect oneself from sexual violence (Bisnath, 2001:13).

Here, active political participation is considered an interrelated element of broader women's empowerment. The study echoes Stromquist's contention that active political participation has an extremely fluid relationship with the other contributors to empowerment (cognitive, economic, psychological and physical). Political empowerment is understood to influence, and be influenced by, the cognitive, economic, psychological and physical changes which allow chronically poor women to renegotiate traditional power relationships, in the home and in wider society.

One of the original hypotheses of this research was that social movement participation was an important route towards greater decision-making for chronically poor women.¹ However, it gradually became apparent that chronically poor women participate in their communities and solve community issues in a broad range of ways. Of these, joining politically orientated social movements is just one route via which chronically poor women can access greater decision-making power. One reason for this is that social movements are known to struggle to include or be representative of chronically poor women (Schady, 2001; Mumtaz, 2005; Cleaver, 2005; Thorp, Stewart and Heyer, 2005). Consequently, the chronically poor are more regularly found in other types of groups. Among poorer indigenous groups, this may reflect traditional group organisation systems, such as the *ayullu* in Quechua–Aymara communities, which operate based on systems of reciprocity or *ayni* and *minka* (E. Karp-Toledo, personal communication, 2 March 2010). Groups of the chronically poor may be collectives which organise around income-generation opportunities, such as waste-picker cooperatives (Medina, 2007) or microfinance organisations (Huiskamp and Hartmann-Mahmud, 2001:1). Other examples include self-help membership groups of the poor who construct community resources in response to deficiencies (Rico, 1998; Chen *et al.*, 2007:3); groups which organise around access to government programme resources (Huiskamp and Hartmann-Mahmud, 2001:8), mother's clubs and neighbourhood groups.

This paper's focus on civic activism is significant, as it permits this broad view of the variety of ways chronically poor women can and do participate in their communities. Huiskamp and Hartmann-Mahmud (2001) have emphasised the value of this range of participation:

Nigerien women expressed much enthusiasm over their group experiences, whether describing participation in a political organisation, a women's cooperative or informal microfinance bank. Any opportunity they had to increase knowledge, awareness, contacts or skills, they welcomed as a true benefit, implicitly proposing that these growth opportunities are central to a meaningful development process. (2001:13)

These groups do not necessarily originate around broad social change, or consider this a direct objective. However, groups can provide opportunities for chronically poor women to gain confidence and a voice (Crowley, 2007:32). Some of these groups may form links with other networks to provide resources (training, microfinance, support, information) which equip their chronically poor female membership with skills, greater interest or the capacity for greater decision-making power and thus, access to resources within the group and in the wider community.

¹ Social movements are commonly defined as 'an organised set of constituents pursuing a common political agenda of change through collective action' (Batiwala, 2008:10). Social movement literature supports the normative assumption that they can bring about positive social change (GSDRC, 2009).

2.3 The importance of multidimensional microfinance programmes

Multidimensional microfinance programmes which move beyond microfinance alone have the capacity to reduce the vulnerabilities chronically poor women face. Chronically poor people with access to financial services are more resilient and better able to cope with the day-to-day crises they face. This transformation may have a positive impact on their willingness to participate in addressing social issues which could ultimately lead to participating in civic activism. However, in order for microfinance to effectively address chronic poverty, it must be offered in conjunction with other social services. Although microfinance addresses the financial needs of its clients, the poorest also need access to education, health and other services (Dunford, 2001:1). Problems facing extremely poor women, particularly rural women, include lack of education, of entrepreneurial skills and self-confidence, poor health and isolation, both social and geographic (Dunford, 2001:1). Dunford further adds, '[e]ducation can be a powerful partner of financial services, particularly if education engages individuals as decision-makers in their own learning for personal and communal change and for informed use of whatever good quality services are available' (2001:1)

Although the poor need access to social services along with microfinance, many microfinance institutions are hesitant to offer these services because of the perceived extra cost (Dunford, 2001:1). Furthermore, some microfinance institutions believe in specialising in one area – financial services – as they see offering a broad range of services as less effective and less sustainable (Dunford, 2001:2). However, critics of minimalist microfinance programmes which focus exclusively on microfinance delivery argue that such programmes fail to change the status of poor women as they do not directly challenge power relations, leading to continued gender subordination (Hashemi, Shuler and Riley, 1996). Dunford (2001) also found that microfinance institutions can successfully offer social services along with financial services. Group-based lending and saving services are a particularly good platform from which to provide education along with financial services, because they offer a supportive environment. Women are already attending repayment meetings, which cuts down on the costs of providing the extra services (Dunford, 2001:4, 5).

There are three different types of service delivery for organisations offering both microfinance and education services: linked, parallel and unified. In the linked approach, microfinance organisations offer financial services and work with other organisations to offer non-financial services. For example, Bangladesh Rural Advancement Committee's (BRAC) microfinance institute works with the Government of Bangladesh and the World Food Programme to provide food to the extreme poor. In the parallel approach, different staff within the same organisation deliver the different services. Pro Mujer in Bolivia uses the parallel approach, but it is dependent on outside revenue sources to support the model. In the unified approach, the same staff members deliver both the financial and non-financial services. Crédito con Educación Rural (CRECER) in Bolivia and the Foundation for Credit and Community

Assistance (FOCCAS) in Uganda both use the unified approach. The unified model is more cost-effective, because it uses fewer staff, enabling the organisations to be less dependent on outside financial help (Dunford, 2001:2, 3). Although the unified model is the most likely to be sustainable, as it can be self-financing, it is also the most challenging, as the same staff must deliver two or more different services from different sectors while still upholding the effectiveness of the programmes (Dunford, 2001:3). Offering educational services in the unified model did not seem to hurt the sustainability of the organisations. CRECER had an operating self-sufficiency ratio of 106 percent at the end of 2000 (Dunford, 2001:14).

Case studies from Mexico and Niger suggest a bi-directional relationship between organising for social change and the greater economic security that access to microfinance can provide. Abraham Maslow's 'hierarchy of needs' theory suggests that the materially deprived will not organise around collective social change issues until a basic set of essential needs such as food are met, as their time is taken up by attending to immediate, practical material concerns (Maslow, 1943). However, Huiskamp and Hartmann-Mahmud (2001:17) counter this intuitive theory, arguing that 'women in even dire poverty were capable not only of rational contemplation and action, but also creative innovation'. They argued that women who initiated self-help organisations primarily did so because they faced serious material deprivation and did so from a sense of desperation that something different needed to be done.

This act of collective mobilisation, then, produced new values and motivations which shifted from a concern only for one's individual family and neighbours, to becoming concerned about the community. Women also became concerned about the right to speak and be heard. Before mobilisation, the women had internalised unworthiness, incapacity and powerlessness ascribed to them from external sources. However, since being a part of a self-help microfinance group they were able to readdress the proper role of women in the household and community. They also managed to secure specific rights and recognition that had long been denied to them, including the right of women to work as a group, the right to travel to other villages as a function of that work, the right to participate as an equal partner in family decision-making, the right to be free from the indignity of domestic violence and the right to actively participate in the community and regional governance. Therefore Huiskamp and Hartmann-Mahmud (2001) state that such women are not merely 'coping' in a reactive manner with the conditions of material deprivation confronting them but, rather, they collectively assess problems, work out plans of action, seek relevant skills and training, put appropriate skills into action and attain goals that are commensurate with self-actualisation. While microfinance is very important in meeting women's material needs, Huiskamp and Mahmood argue that it should also address issues of self-awareness, self-confidence and self-esteem, which are very much needed to bring chronically poor women into a state of self-actualisation.

2.4 The link between education, social networks, political awareness and participation and civic activism

Few studies have been done that address the link between the participation of chronically poor women in multidimensional microfinance programmes and the latter's ability to prepare their beneficiaries for engaging in civic activism. Previous studies indicate that chronically poor women are more likely to participate in civic activism, including social movements, when they receive education or access to information which makes them aware of social issues, when they have access to social networks and deeper relationships in the community, and when they are provided with access to government resources and opportunities to engage the state. The bodies of literature which demonstrate how multidimensional microfinance programmes can provide chronically poor women with education, social networks, and increased government access will be discussed in the sections to follow.

2.4.1 Education: access to information and awareness of social issues

Multidimensional microfinance programmes provide women with awareness about social issues and their rights, and information about access to resources. When women in BRAC's poverty alleviation programmes participate in village organisations, their consciousness of the society they live in is heightened, and they begin to analyse the reasons for the existence of the exploitative socioeconomic and political system and what they could do to mitigate it in their favour (Chowdhury and Bhuiya, 2004:5). According to Cheston and Kuhn (2002), when women participate in microfinance programmes that encourage dialogue on social and political issues, they end up having an increased knowledge of their civil and legal rights. This increase in knowledge makes them more aware of the choices that they can make. There is also heightened awareness of how relevant institutions can help them when they need legal assistance. In the case of the Centre for Self-Help Development in Nepal, a multidimensional microfinance programme, an increase in knowledge led women to resist domestic violence and demand fair minimum wages (Cheston and Kuhn, 2002:42). Furthermore, the education that a woman receives does not remain static in space or time. It frequently has a positive horizontal ripple effect throughout the community, where women share skills and exchange ideas, and can be transmitted vertically onto subsequent generations (Huiskamp and Hartmann-Mahmud, 2001:14).

For the educational services to be effective, the staff leading the educational sessions must ensure that participants use their own life experiences in order to find solutions that can be used locally to deal with poverty-related problems in their lives (Dunford, 2001:7). The combination of education and microfinance should improve income and savings, self-confidence and status, and knowledge and practices among women, which in turn can provide improved food security, health and nutrition (Dunford 2001:7). Studies in Ghana and Bolivia on programmes offering both financial and educational services show positive impacts on women's self-confidence and their status in the community. Women in Ghana

who participated in the programmes showed a higher level of confidence that they would have a better income in the future and that their children would have better health. In Bolivia the participants in the programmes were active in local governing bodies (MkNelly and McCord, 2001:10). In both Ghana and Bolivia the Microfinance with Education programme seemed to increase the number of 'helping' contacts among participants (MkNelly and McCord, 2001:9). Giving advice was found to be a strong effect among women participants in CRECER's educational programmes (MkNelly and McCord, 2001:9). Women participants in the Microfinance with Education program were more likely to be 'members of a community group outside of their family, to have helped a friend with his/her work; and to have contributed money to non-kin funerals, which is important to an individual's social status and reputation of one's family in Ghana' (MkNelly and McCord, 2001:10). After taking part in the microfinance programmes, 60 percent of the participants in Thailand were found to cooperate more with their neighbours (MkNelly and McCord, 2001:11). The variety of social networks women had outside their families improved, which could mean that active participation in groups outside of the family strengthened the women's relationships (MkNelly and McCord, 2001:16).

Studies carried out on microfinance programmes that combined education with financial services found a high level of client satisfaction (Dunford, 2001:11). Dunford found that some women stay with microfinance institutions because of the education programmes they offer (2001:12). In a survey asking about the usefulness of health and education training sessions in Bolivia given to 71 people, 61 percent of respondents said they were very useful and 37 percent said they were useful (Dunford, 2001:12). One potentially negative consequence of providing both educational and financial services is the risk that staff members will focus more on financial aspects, neglecting the educational programmes. Therefore, finding a good balance between delivering financial and educational services can be challenging (Dunford, 2001:21).

Although the education programmes offered along with microfinance have been shown to have positive effects, education alone has not consistently been shown to effectively address decision-making power within the household. In their study, Karlan and Valdivia (2007) did not find any impact on household decision-making. Clients who had participated in the training programmes did not show any increase in involvement in tracking household bills or keeping their money and their husband's or partner's separate (2007:18). The lack of empowerment findings might have been because the women were already to a certain extent empowered, as they were running a business, keeping savings and managing loans (2007:18). Dunford also found no significant impact on increased influence in household decisions, which could be because it took longer than a few years to change power relationships in households (2001:11). MkNelly and McCord also did not find evidence of any increase in the level of empowerment within the households they studied (2001:17).

2.4.2 Social networks and relationships

Huiskamp and Hartmann-Mahmud found that women's desire for access to microfinance was a central motivation of group organisation and mobilisation in West Africa (2001:5). Microfinance and savings associations in Niger were found to be more active than other women's associations, and were often consulted by other members of their communities. One female microfinance group participant in Niger remarked:

The women's *groupements* [women's microfinance associations] are a good initiative because economic power can translate into social power. Women's eyes are opened, they gain some autonomy. And because of this *sensibilization*, often the husbands support their wives in these activities. This is how economic power gets translated into social or personal power. (Huiskamp and Hartmann-Mahmud, 2001:5).

Huiskamp and Mahmud also cite Barrig (1994) to state that 'Economic necessity is the incentive for women to get involved in these programmes, but...the women stay because of the solidarity they come to feel with the other women in the group'.

Increased social networks gained through participation in microfinance programmes can lead to the social empowerment of women. Research in China indicates that social and political empowerment provided the greatest indirect benefit to Chinese women when they participated in microfinance programmes. Increased economic opportunities provided women with new skills, information and an expanded network of people (Dyar, Harduar, Koenig and Reyes, 2004:11). Increased networks helped women improve their status in their communities and together they were able to promote increasing levels of gender equality.

Similarly, it has been found that Grameen Bank's microfinance groups help women to build social capital at the micro level, which includes networks of individuals or households (Basher, 2009:4). Through weekly centre meetings where 50 to 60 women gather to participate in group-based activities, social capital is formed 'by promoting a network of economic cooperation, mutual trust and the norm of reciprocity among participants' (Basher, 2009:4). However, Basher indicates that, while social capital and by extension expanded networks occur at the micro level, multidimensional microfinance programmes are limited to the macro level. At the macro level, social capital refers to the social and political environment, the rule of law and civil and political liberties. A similar point is made when Cheston and Kuhn (2002:13) acknowledge that, while many microfinance programmes promote social solidarity at some level, most focus their attention on promoting changes at the individual level. In doing so, they fail to recognise that the levels of empowerment of individual women may be limited if women as a group are generally disempowered.

Nevertheless, there are some microfinance programmes which have worked towards the empowerment of women and their communities as a collective. Examples of these include a women's trust bank in Colombia, which helped its members organise to bring electricity to their *barrio*, lending centres in Nepal, which helped women fight against domestic violence by teaching them about their rights, and women weavers from the Working Women's Forum in

India, who organised to break the monopoly access to raw materials that the all-male government-sponsored weavers' cooperatives enjoyed. The village banks, self-help groups, lending centres and trust banks that encourage their female members to organise to bring about social change or solve community problems as a group have the potential to widen the networks of women at the macro level and provide learning experiences for women as they interact with local authorities.

While microfinance can create opportunities for social networking, the social networks formed can also benefit and deepen existing microfinance programmes. In other words, a social network of microfinance groups can create a climate that is conducive to increasing the number of women entrepreneurs and their businesses (Department of Economic and Social Affairs, 2009). When this scaling up of microfinance groups materialises, it will increase the possibility of the creation of more formal social networks. The collective mass of social networks can then exert pressure on financial institutions to review their policies and programmes and could potentially lead to greater access to microfinance for the poor. For example, Swayam Shikshan Prayog (SSP) is a women's empowerment network organisation in India with savings, credit and microfinance operations that reach over 5000 self-help groups across three states. SSP reported in 2009 that its support of community-led microfinance strategies had led to the formation of a network of 20 women-led federations.

This network has become a financial education and micro-insurance service provider that is facilitating links between microfinance groups and banks, markets, local governments and other networks (World Survey, 2009). According to the same report, the networks of rural women entrepreneurs are now partnering with BP energy in the renewable energy product retail business. The women earn sustainable incomes through food essentials and health funds, which again help increase women's ability to pay back their loans, thus increasing the viability of the microfinance programmes.

The expansion of the networks created by microfinance can thus bring about greater changes in empowering women at both the micro and macro levels. However, the strongest networks are often those linking elite and business groups with government rather than those linking to the poor (Ballard *et al.*, 2005:627; Crossley, 2002; McAdam, McCarthy and Zald, 1988). Although microfinance groups have the opportunity to build alliances and partnerships with prominent stakeholders in businesses and government, not all groups form such strong formal networks; instead they remain in much smaller and informal networks.

Many members of the microfinance groups, for example, may continue to run unregistered businesses and decide to operate in the informal agriculture sector, thus conducting transactions in the informal economy. However, informal networking is said to be insufficient to tackle structural barriers that chronically poor women face (Purkayastha & Subramaniam, 2004). Therefore, civil society and social welfare organisations should have the responsibility of offering legitimate access points to local and national governments and other institutions to help women build formal networks that can directly lead to their empowerment.

2.4.3 Political awareness and local political participation

The barriers to greater political awareness and local political participation among women are well documented. According to UNDP (2009), these include traditional values and stereotypes, lack of support from spouses and family, limited education and or political skills, lack of political opportunities from within political parties and extensive household responsibilities. Confronting these issues requires more than legislation. Societal norms which underpin gender inequality must be confronted, and new resources must be delivered. At the national level, Gottardo and Rojas (2010) discuss Bolivia's constitution, which came into effect in 2009, as an example of the disconnection between legislation and practice. Bolivia's new document recognises women's rights as human rights and this has led to substantial progress in legislation and policies which promise men and women equal rights. It states that an electoral body will oversee gender-balanced participation. It also denotes changes in terminology which recognise female identity and gender differences, attribute value to household work, assert the rights of women to access, own and sell land and assert their rights over their sexual and reproductive health. However, at present, barriers to women's participation in politics still persist, women leaders in Bolivia hold little decision-making power and, within the home, domestic violence is still a reality for many women. Furthermore, although current measures promote the participation of women in politics, there is still no official recognition of the political harassment that women leaders face. Comprehensive legislation has preceded practical solutions. For example, a draft Law against Political Harassment of Women was drawn up in 2000 but it has not been passed (Gottardo and Rojas, 2010:1).

Multidimensional microfinance programmes are not known to directly work to enhance women's ability to participate effectively in local politics, as few microfinance organisations deliberately seek political mobilisation or structure their programmes to nurture collective action (Cheston and Kuhn, 2002:24). However, there is evidence that suggests that women's participation in lending centres and groups does increase their awareness of political parties, processes and channels of influence. Multidimensional microfinance programmes may offer gender-sensitivity training, which may help to reduce the stigma and politically motivated violence that women leaders face. For example, BRAC offers training programmes specifically aimed at creating political and social awareness. Hashemi, Schuler and Riley (1996) showed in their comparative study of BRAC and Grameen Bank that more female members in BRAC's programmes participated in political campaigns and public protests than did those in Grameen programmes. Another such microfinance programme that is politically active is offered by the Working Women's Forum (WWF) in India, which has a union and advocacy branch and a lending programme that has successfully mobilised large numbers of women to fight for political and legal changes that support women's rights and opportunities (Cheston and Kuhn, 2002:25).

Furthermore, Cheston and Kuhn argue that, even though all microfinance programmes may not explicitly address women's rights and political participation, the fact that they contribute to

women's knowledge and self-confidence and widen their social networks means that they give women the tools and skills they need to participate more effectively in formal politics. Kabeer (1998) also reported on links between microfinance and improved self-worth and confidence within women participants.

Group-based approaches to women's empowerment are also thought to allow women to gain experience in making decisions and leading and influencing others. Lending groups provide opportunities for women to learn public speaking and advocacy skills which can help them influence the decisions and policies that affect their lives. Mayoux (2001) argued that microfinance could increase women's engagement in social and political activity. Littlefield, Hashemi and Morduch (2003) asserted that access to appropriately designed microfinance programmes could empower women to become more confident, more assertive and more likely to participate in family and community decisions.

While these shifts are by no means automatic effects of multidimensional microfinance programmes, such personal development gains can be seen to equip women in confronting systemic gender inequalities (Littlefield, Hashemi and Morduch, 2003:7). For example, Freedom From Hunger's 'Microfinance with Education' in Bolivia found that its clients were significantly more likely to be a candidate for public office or a member of the community's *sindicato* than non-clients (Cheston and Kuhn, 2002:25) Similarly, women clients of the Opportunity Microfinance Bank in the Philippines who were leaders of their Trust Banks also became elected leaders in their *barangays* or districts/wards (2002:24). Cheston and Kuhn cited Essma Ben Hamida of ENDA Interarabe in Tunisia, who pointed out that, 'Participation in the micro-microfinance programme constitutes an apprenticeship of democracy through the self-managed solidarity groups which elect their president and treasurer: in many mixed groups, a woman has been elected as president, an astounding development in a still male-dominated society (2002:43)

The activity of multidimensional microfinance organisations concerned with women's empowerment and confronting gendered power relations is, in essence, political. However, case studies exemplify that it can be important for microfinance institutions to maintain an apolitical public image. Under certain conditions it can be disadvantageous for a microfinance organisation to appear to be highly political. As a non-governmental organisation (NGO), it is frequently important to maintain good relations with local government. The Bengal political activism NGO, Proshika, expanded to adopt the Grameen microfinance model in the early 1990s, but retained its highly politicised mission. This led to animosity and friction with the national government, which resulted in the blocking of its foreign funding sources. The organisation was also attacked and raided at both local and national levels, causing a partial suspension of their activities (Hulme and Moore, 2007: 20).

Grameen has been shown to improve indicators of political empowerment (e.g. see Hashemi, Schuler and Riley, 1996) but, in contrast, Grameen has invested resources to

maintain a high-profile public image that is non-controversial and appears to be apolitical. By managing a range of relationships at both ends of the political spectrum, Grameen has been strategically successful in maintaining national and international government appeal, thus safeguarding support for its activities.

In sum, gender scholarship is clear that the political empowerment of women within any given society will depend on a combination of accountable legislative changes; greater decentralisation matched with the provision of government resources; incentives for political parties to incorporate women; challenges to societal norms that perpetuate gender inequality; supporting networks for women leaders and literacy and political education for potential leaders (UNDP, 2009).

Multidimensional microfinance programmes, however, do have the opportunity to provide their chronically poor women clients with the basic skills in education, self-confidence, leadership and rights-based advocacy that can help such women to demand and participate in these changes. By paying attention to promoting political awareness of chronically poor clients, women's microfinance programmes have the potential to contribute to sowing the seeds of the greater changes in wider society that are necessary.

3 Introduction of the study

Few studies have been conducted addressing the link between the participation of chronically poor women in multidimensional microfinance programmes and the ability of such programmes to prepare their beneficiaries for engaging in civic activism. The literature review showed that education, social networks and access to local government were critical variables in the capacity of multidimensional microfinance programmes to influence civic activism. Thus the field research focused on examining the impact of these variables within various microfinance programmes in both Bolivia and Bangladesh. From a team of four researchers, two worked in Bangladesh and two worked in Bolivia. The research teams conducted in-country interviews and focus groups between 6 March 2010 and 19 March 2010 with seven organisations in Bolivia and three organisations in Bangladesh. The study focused on three types of organisations: microfinance institutions, organisations focusing on social issues with no access to microfinance, and organisations working with social issues that did offer microfinance.

Field research questions were informed by the literature review findings. The three variables examined provided the broad categories under which field research questions were developed. Under education, questions sought to identify the benefits and issues experienced by the participants in education programmes. Examples of questions asked under this category focused on whether the organisations provided training and opportunities for women to become leaders and whether there were improvements in political awareness and knowledge of social issues through the provided training schemes. Questions were also asked to determine whether, through the programmes, women had experienced an expansion of their social networks through friends made and through partnerships the organisations had with other NGOs. Field questions related to access to local government focused on whether the organisations directly or indirectly promoted political awareness or whether the women went on to participate in local politics after being involved with the organisations.

The research teams developed two sets of semi-structured interview questionnaires for the interviews and two sets of baseline questions for the focus groups. The questions were identical for both countries. Depending on the degree to which organisations focused on microfinance and social issues, different baseline questions were used. During fieldwork, both teams generally adhered to the baseline questions but at times adapted them and asked new questions in order to allow deeper discussion and probe further into particular topics. Refer to Appendix 2 for a list of questions used.

3.1 Study limitations

The brief two-week fieldwork period was an important limitation of the study. Having only two-person research teams in each country further limited the scope of what could be achieved in terms of collecting evidence. These limitations were addressed using two main strategies. First, the majority of data collection took place in the context of focus groups. Focus groups ranged in size in both countries, but included roughly ten participants. Focus group data collection was complemented by individual interviews with staff and women participants to explore issues raised in greater depth. Second, in each focus group, it was not feasible to disaggregate findings further by collecting and linking detailed individual histories with question responses. It was also not feasible to quantitatively record how many women subscribed to a particular view. Instead, focus groups prioritised informal, candid, discursive discussions where the objective of data collection was to capture the rich range of views expressed by the women in each focus group. To achieve this, in each country, both team members collected detailed notes of all responses to each question. In Bolivia, one team member was dedicated to noting each response in detail, with the assistance of simultaneous Spanish–English/Quechua–English translation. The second team member facilitated the questioning, and also wrote notes in Spanish. These notes were compared after sessions. In Bangladesh, both team members were dedicated to noting the responses in English with the assistance of simultaneous translation. In Bangladesh, the questions were facilitated by organisation staff.

Access to each organisation was kindly facilitated by its staff. Each team was accompanied by representatives of the organisation in each focus group and meeting. This was welcome assistance, as team members were not in either country for the time necessary to build trust and rapport with interviewees. However, a limitation stemming from this close association with organisation staff members is that women may not have felt free to strongly criticise the organisation's practices themselves, or may have felt that the 'right' answers could lead to future microfinance opportunities. To tackle this, team members in both countries made clear introductions a priority. Participation was voluntary after women understood the nature of the research and how their responses would be used. It was made explicitly clear to staff and women participants that research was not tied to future organisation funding. Further, questions were developed to be as neutral as possible to avoid the implication of 'right' or 'wrong' answers. Finally, it is relevant to note that, while women did levy criticisms at specific organisations, the research focus of this paper does not seek to develop critiques of individual organisations. This is reflected in the more general nature of the questions, which are aimed to isolate general opinions on microfinance, gender roles, participation and leadership. It is hoped that the more abstract nature of questioning provided an open forum for women to discuss their opinions.

3.2 Field organisations: Bolivia

The research team in Bolivia worked with seven organisations in Cochabamba and La Paz: Coordinadora de la Mujer, Crédito con Educación Rural (CRECER), Federación Nacional de Trabajadores Asalariadas del Hogar de Bolivia (FENATRAHOB), Instituto de Investigación Cultural para Educación Popular (INDICEP), Pro Habitat, Pro Mujer, and Oficina Jurídica para la Mujer. With the exception of Pro Mujer, the membership of all organisations included chronically poor women beneficiaries.

Coordinadora de la Mujer began in 1984 and is a network of private non-profit organisations throughout Bolivia promoting spaces for dialogue and coordination among women's organisations. It has become a forum for discussion, training and proposals aimed at improving the position of women in society and the state. The research team conducted a structured interview with a staff member from Coordinadora de la Mujer in La Paz.

CRECER is a microfinance institution, started in 1990 by Freedom from Hunger with the 'Microfinance for Education' programme. It offers several different types of microfinance, one being communal banking, and also offers other services to its clients, such as business education, health training and information on citizens' rights. The research team conducted unstructured interviews with staff members at the La Paz office and undertook two focus group interviews in the communities of Quillacollo and Colomí. Seven women were present in the focus group in Quillacollo. All the women in the Quillacollo focus group had their own businesses before joining the credit group. The focus group in the rural community of Colomí consisted of four women. These women had housing but did not have access to toilets or running water.

FENATRAHOB is a union supporting domestic workers in Bolivia. The research team interviewed members of FENATRAHOB in Cochabamba.

INDICEP focuses on citizen participation, gender equality and indigenous rights. INDICEP also provides microfinance to low-income families. Staff interviews were conducted along with focus groups of members taking part in the microfinance programme. The focus groups took place in Vinto and El Paso. INDICEP also facilitated a focus group with members from the Federación Departamental de Mujeres Campesinas Originarias Indigenas de Cochabamba 'Bartolina Sisa' (FDMCCOIC-'BS'), a nationwide rural women's organisation. Sixteen women participated in the focus group in the rural community of Vinto. Most of the women were housewives and had housing but did not have access to running water, toilets or showers. The focus group in El Paso also consisted of 16 women, who belonged to three different credit groups within INDICEP. All the women had housing, although some did not own their own homes but were renting. Four women participated in the focus group for the FDMCCOIC-'BS'. They all held high leadership positions in that organisation and were rural

women from areas at least two to three hours outside the city. They lacked easy access to markets and had limited productivity on the land they inhabit.

Pro Habitat was founded in 1993 and works at improving the housing situation of lower income groups, as well as promoting participation and community management. Pro Habitat offers microfinance for suitable housing to families with limited resources to improve their housing situation. We conducted three focus groups with clients of Pro Habitat in the communities of Santa Barbara, Cabañas and Maria Auxiliadora. The focus group in Cabañas consisted of seven women. Most of these women were using their microcredit loans to build bathrooms and kitchens in their homes. Ten women and one man participated in the Maria Auxiliadora focus group. Maria Auxiliadora is a self-managing community in which the president and vice-president must be women. Single mothers are given preference in joining the community. All community members have housing, and the community is working on a sewage system for its residents. The focus group in Santa Barbara consisted of roughly 60 women. The Santa Barbara group is an informal market organisation, in which all the women sell at the same market area. The women do not have access to toilets or running water.

At Pro Mujer, a microfinance institution that offers business and health training to its clients, we interviewed staff members in Cochabamba.

Oficina Jurídica para la Mujer was started 25 years ago and focuses on advocacy and the promotion of human rights for women. It has several programmes, including violence prevention, knowledge promotion on sexual rights and training and knowledge sharing. We conducted group interviews with staff and members and a personal interview with the education specialist in Cochabamba.

3.3 Field organisations: Bangladesh

The research team in Bangladesh worked with three organisations: Mothers' Development Society (MDS) located in the Narshingi District, Nari Uddug Kendra (NUK), and Bangladesh Nari Progati Sangha (BNPS), both headquartered in Dhaka. However, research with NUK's beneficiaries was conducted in their rural branch located in Kishoreganj. The women in our focus groups had mostly been living at subsistence-income level for all their lives before joining the microfinance programme. Their ages ranged from 18 to 60 years old and, with rare exceptions, they had received only primary education. Many of them were able to read, but only a few could write before they enrolled in the programme.

The MDS is a social welfare organisation that focuses on raising gender awareness among people of all ages and classes. The organisation has been in operation for 55 years and works to expand women's rights while also addressing human trafficking, HIV/AIDS, drug addiction, non-formal education for children, and economic development among chronically poor women through microfinance. Direct beneficiaries of MDS's microfinance programmes

are rural poor women, many of whom are living at subsistence-income level. The Bangladesh research team conducted two focus groups with MDS's 20 microfinance clients and structured interviews with five staff members, including the head of the NGO. Each focus group contained ten women. Participants were uneducated but had received some basic level of skills development and human rights training by being a member of MDS. Their ages ranged from 15 to 45 years and their primary income-generating activity was farming. Through their access to microfinance the women had started two poultry farms and grew vegetables, which they used mainly for consumption purposes.

NUK was established in 1991 and is a women's advocacy organisation that lobbies and educates local and national government on gender issues, provides training support for garment workers, creates sporting programmes for adolescent girls and offers microfinance for poor women. The organisation's main objective is to empower women and girls in Bangladesh and to raise their socioeconomic status in the country. Two focus groups (one group of 22 women and another group of 15 women) were held for 37 microfinance beneficiaries in the rural area of Kishoreganj, and semi-structured interviews with 14 staff members were conducted in a group setting. Informal interviews were also held with senior staff members; their data are incorporated into the analysis as well. The age range of participants was 25 to 60 years, and most of the women were married. Their occupations included mobile seller (petty trader), and small-scale farmer. Many of the women had basic literacy skills (many had been taught to write their names since joining the group).

BNPS was set up in 1986. It is a women's advocacy organisation that works to improve women's status by providing them with access to legal aid, leadership and gender training, relief work, and microfinance programmes in rural and urban areas. The Bangladesh research team held one interview session with eight staff members and another with the leadership team. The team conducted one focus group with BNPS's ten microfinance programme beneficiaries, who were living in the Khilgaon slum area in Dhaka. As well as living in a slum, the women had no access to education apart from the basic skills development programme they participated in by being a member of the group. The money they were able to access through the group savings scheme allowed them to become petty traders but the income they earned was used mainly to survive (subsistence levels).

4 Bolivia and Bangladesh country contexts

4.1 Bolivia

4.1.1 Chronic poverty in Bolivia

In Bolivia, one of Latin America's poorest countries, nearly 40 percent of the population lives in extreme poverty (SEDLAC, 2010). Bolivia's poverty is marked by deeply embedded social issues at its core and strongly linked to these incapacitating social arrangements. For example, the country's pervasive social exclusion of the poor prevents members of the marginalised population (indigenous people and women) from sharing in economic and political opportunities the rest of the citizens enjoy (Goulden *et al.*, 2003). Ethnicity and gender have been the most prevalent determinants of being socially excluded in Bolivia. Mercado and Leiton-Quiroga (2009:14) found that changes in the probability of being poor increase six-fold in indigenous females compared with non-indigenous males. Their study demonstrates a direct linkage between low social mobility and Bolivia's poverty dynamics on the grounds that poverty, already worsened by ethnic discrimination, is even further reinforced by gender discrimination, a factor that contributes to a finding of the severest form of poverty among indigenous women. Discrimination based on ethnicity and gender have stunted the growth of social capital in Bolivia, limited social mobility among the poor and reinforced the existing barriers to climbing off the bottom rung of poverty, especially for the chronically poor. Lack of trust and open conflicts sparked by the existing social exclusion continue to exacerbate Bolivian social and economic conditions even today.

4.1.2 Microfinance in Bolivia

The microfinance movement in Bolivia started in the 1980s. The large number of people living in urban areas, deregulation of interest rates, economic growth, and the crisis in the formal banking system allowed microfinance to flourish (Mosely, 2001:104). Because Bolivian authorities saw microfinance as a way to address gaps left by liberalisation policies in the country, it was not heavily regulated (Devaney, Loubiere, & Rhyne 2004:11). Because of these policies thousands of people were forced into self-employment, which provided a large base of clients for microfinance institutions (Marconi & Velasco, 2004:520).

The early microfinance organisations greatly influenced the shape of microfinance in Bolivia today. BancoSol's success as a commercial bank led to the creation of a special category of financial institutions in 1995 called Private Financial Funds (FFPs) (Mosley, 2001:106). FFPs are able to offer more services than NGOs, such as savings accounts, checking accounts, and certificates of deposit (Holman, 2006:16). Microfinance in Bolivia today is made up of 'commercial' organisations, such as BancoSol and the FFPs, and 'non-commercial' organisations, such as Pro Mujer and CRECER (Mosley, 2001:107).

These institutions operate in both urban and rural settings and offer a wide range of services such as individual, small- and large-group lending, stand-alone microfinance or microfinance along with services in education and health. Loan size and repayment periods vary (Mosley, 2001:108). Group lending models use pressure from loan officers, and peer pressure from within the group and other people within the community to ensure repayment of loans (Marconi & Velasco, 2004:522). Group lending in Bolivia also provides opportunities for mentoring and training, a platform for women to share their knowledge and experience, and can also serve as a motivator for better health or education or the achievement of political goals (Marconi & Velasco, 2004:522).

Statistics made available by MIX Market, a global, web-based microfinance information platform revealed that, among 23 Bolivian microfinance organisations, 50.61 percent of borrowers were women and the average loan balance per borrower was US\$1,296. The average outstanding balance was \$1,256. However, when the data are restricted to 14 NGO microfinance institutions, 63.44 percent of the borrowers were women, and the average loan balance per borrower and average outstanding balance was \$707. When the data are restricted to the five non-banking financial institutions, 42.79 percent of the borrowers were women, and the average loan balance per borrower was \$2,434, while the average outstanding balance was \$2,191. This suggests that women are more likely to borrow smaller loans from NGO microfinance institutions. It also suggests that men make up a significant percentage of microfinance clients.

In Bolivia, microfinance has not drastically changed women's status or responsibilities. In the study undertaken by Brett (2006), many of the women were still responsible for their normal household childcare responsibilities in addition to their income-generating work (Brett, 2006:11). Many of the women participating in these programmes had to undertake activities that were both time consuming and labour intensive (2006:12). Gibb (2008) also found in her study on microfinance, education, poverty and empowerment that women's household responsibilities were not reduced, and furthermore, women's views on power relations did not change with the extra economic resources provided from microfinance (Gibb, 2008:22). This may be because women borrow money from family members, husbands in particular, which reinforces the traditional power dynamics.

It was found that family networks were seen by women as essential in being able to repay their loans. The women in Brett's study relied on family networks as back-ups. If a woman did not repay her part of the loan, another member from the loan group would come to her home and take goods amounting to the size of the defaulted loan (2006:12). The social consequences of not repaying the loan were what motivated most of the women to repay (2006:16). In addition, Brett found that some of the women were not borrowing for their own businesses, but for their husband's business or for businesses that they co-owned with their husbands. In some cases the money some women borrowed was split between family members. Family dynamics in Bolivia are such that women are subservient to their

husbands and parents play a role in their ability to repay. Women sign contracts in which they are solely responsible for repaying the loan, when in fact their ability to do so can depend on other family members (Brett, 2006:13).

Mosley (1999) found in his study that female clients of Pro Mujer and BancoSol did not benefit from income impacts from microfinance significantly more than male clients. In focus groups conducted with female clients from BancoSol and Pro Mujer, it was found that microfinance increased women's control over assets of less than \$500, such as food stalls and sewing machines, but that microfinance had not improved their control over assets worth \$500 or more, in which both the female client and other household members had an interest. The focus groups also found that women's social networks improved because of microfinance, as the solidarity group meant that they were able to interact with other entrepreneurs and also provided them with a sort of safety net (Mosley, 1999:22).

4.1.3 Social and political organisation in Bolivia

Bolivia is a highly organised country in social and political terms. The Movement towards Socialism (MAS), the current party in power, was formed from the coca growers' union and other peasant social movements (COHA, 2009). Bolivia's new constitution 'represents a major advance for the country's social movements' (Van Schaick, 2009: Military Issues section, para. 2). In terms of women's rights, the new constitution bans discrimination based on sex and speaks against family and gender violence. It also guarantees equal wages for the same job for men and women and, in the political sphere, it specifies that there must be equal participation by men and women in Bolivia's Congress. Under the new constitution, citizens are also guaranteed the right to basic services, such as health care, education, electricity, housing and water, and the state is responsible for ensuring efficient and equitable access to these services (Van Schaick, 2009).

The focus of this paper is political awareness and participation (including accessing local government resources) at the local level. Decentralised powers have gained importance within this context of the new gender-orientated national constitution; however, the decentralisation process predates Evo Morales's presidency. The Law of Popular Participation (LPP) was enacted in 1995 to give more power to provincial and municipal levels (Andersson, 1999). The Organización Territorial de Bases (OTBs) was formed to acknowledge the way in which Bolivia was originally organised on a social level. Bolivia is divided into nine departments: Beni, Chuquisaca, Cochabamba, La Paz, Oruro, Pando, Potosi, Santa Cruz and Tarija. Within these departments, on a local level, Bolivia is organised through the OTBs, which are geographically defined and include the residents of a particular area (Andersson, 1999). The OTBs in each municipality elect a representative for the 'Comité de Vigilancia', which has control over the municipal budget and brings project proposals from the different villages to the municipal councils (Andersson, 1999). Members of the OTB neighbourhood associations work to improve the conditions in the peri-urban and urban areas. OTBs in the rural areas work on community issues, such as water rights and

distribution and conflict resolution within the community. Everyone living in a particular geographic region belongs to the OTB in that region or territory (Delfa Claros García, Oficina Jurídica para la Mujer, personal communication, 10 March 2010).

4.2 Bangladesh

4.2.1 Chronic poverty in Bangladesh

The poverty rate in Bangladesh has been steadily declining and was at 40 percent in 2005, down from 57 percent at the beginning of the 1990s (World Bank, 2008). According to the report *The State of the Poorest 2005*, which is a joint product of the Bangladesh Institute of Development, the Chronic Poverty Research Centre, the Institute for Development Policy and Management, and the University of Manchester, during the period between 1990 and 2000, 31 percent of Bangladeshi people were living in chronic poverty, indicating that a significant population had lived in destitute conditions for 13 to 15 years (Ahmad *et al.*, 2004). As the measurement of chronic poverty requires a multidimensional approach, the study reviewed three different sets of statistical data which covered a wide range of factors, from income and education to child and maternal nutrition status.

The most recent data that might enable us to determine the severity of the overall poverty in Bangladesh is the Human Poverty Index (HPI), which has been developed and used by the UN, and the Poverty Gap Index of the World Bank. The HPI ranks Bangladesh 112th among 135 countries with its 36.1 percent index rating, according to the *Human Development Report 2009*. What this means for Bangladesh statistically is that, during the period between 2000 and 2007, half its population lived on less than \$1.25 a day, 20 percent of the total population were not using clean water, the adult illiteracy rate was 50 percent, and 48 percent of children under five years old were underweight (UNDP, 2009). Although the HPI for Bangladesh in 2007 shows much improvement when compared to its figure of 41.8 percent in 1995, there was a slight reverse in progress when compared to 2000's 35.5 percent.

The World Bank's Poverty Gap Index, which shows depth of poverty, places Bangladesh 117th out of 120 countries, giving it a 33.8 percent rating according to the most recently available data (World Bank, 2010a). Essentially, this means that every person in Bangladesh would have to forgo about 34 percent of his or her individual basic needs consumption expenditure to lift every poor person at least to the poverty line.

Overall, it is clear that the poverty in Bangladesh has certainly been reduced if measured over the span of a longer period, but it seems that progress is much slower for those on the bottom rung of the socioeconomic ladder. Moreover, the burdens of poverty fall more heavily on women and their children, even among already impoverished groups in Bangladesh.

Traditionally, women's access to economic resources has been limited by socially prescribed roles. These restrictive social norms have kept women from participating in the political and other social decision-making that influences their lives. However, thanks to continued economic growth and increased awareness, women have become more active members of the labour force and have helped raise income levels for many families (Bangladesh Resident Mission and Regional and Sustainable Development Department, 2004). In spite of such progress, gender disparity persists in several areas and deepens the poverty of women. The gap in wage rates between men and women is still significant. Women's employment is more concentrated in sectors with lower returns on their labour, both formal and informal. In 2000, 71.5 percent of women were earning less than 1,500 taka per month, compared with only 26.4 percent of men, according to a labour force survey by the Bangladesh Bureau of Statistics (Bangladesh Resident Mission and Regional and Sustainable Development Department, 2004).

In their personal lives, women still face a significant disadvantage in matters such as marriage, custody of children, inheritance and enforcement of personal laws. Although the Constitution of Bangladesh grants equal rights to both men and women, personal laws based on the religious and social value system continue to govern women and reinforce the status quo, thereby maintaining women's inferior position in society. This discrimination can be traced to the patriarchal values entrenched in Bangladesh society (Farouk, 2005) while the practice of *purda* (seclusion) is still socially accepted.

4.2.2 Microfinance in Bangladesh

As of 2008, there were 453 licensed and operating microfinance NGOs in Bangladesh that served over 25 million clients (Bangladesh Microfinance Regulatory Authority, 2008:2). Ninety percent of women are the main benefactors of microfinance services in Bangladesh, with an average loan size of 4,000 taka or US\$57 (IFC and KFW Bankengruppe, 2009). Since the 1980s microfinance programmes have increasingly focused on women thanks to pressure from the domestic development community and foreign aid donors who have argued for the inclusion of women in rural microfinance and income-generating programmes (Goetz and Gupta, 1996). The four market leaders in providing microfinance services are Grameen Bank, BRAC, ASA and Proshika (IFC and KFW Bankengruppe, 2009). Traditionally, microfinance provided in Bangladesh has focused primarily on credit, savings and other financial services and it is these types of programme that are primarily referenced in the existing literature

There are conflicting views on whether microfinance reaches the poorest of the poor. On one hand, studies indicate that just over 60 percent of microfinance clients have incomes below the poverty line but the poorest of the poor remain underserved (IFC and KFW Bankengruppe, 2009). Amin, Rai and Topa (2003) also argue that microfinance programmes are unsuccessful in reaching the ultra-poor because the latter pose greater risks for microfinance providers. Nevertheless, research also indicates that nearly 15 percent of

microfinance clients in Bangladesh are among the poorest. For example, BRAC's Targeting the Ultra-Poor program deliberately focuses on the ultra-poor to develop their physical, human and social capital base and prepares them for participation in microfinance programmes (Sulaiman *et al.*, 2006).

The microfinance industry in Bangladesh is characterised by a special form of group lending based largely on the model that was established initially by the Grameen Bank. Women interested in obtaining microfinance must form a group before any lending occurs to individual members. Group meetings occur on a weekly basis, where loan instalments and savings are collected. Initially a loan is made to two members of the group, and based on their performance and repayment two more members get a loan. Organising women into groups creates pressure to ensure loan repayments, since all members are jointly liable for the loan (Dowla, 2006).

The research remains divided on the effects of microfinance programmes on poverty reduction and the empowerment of chronically poor women in Bangladesh. According to Pitt, Khandker and Cartwright (2003), the participation of women in these programmes helps them to take a greater role in household decision-making, increases their social networks and grants them greater freedom of mobility. Similarly it has been found that access to microfinance contributes to poverty reduction for both women and the villages in which they live (Khandker, 2005). Hashemi, Shuler and Riley (1996) conducted a study which revealed that women who participated in rural microfinance programmes with Grameen Bank and BRAC experienced an increase in economic security, were able to make purchases for their households that women not participating in such programmes could not, were involved in major decisions in the home, and were more politically and legally aware than women not participating in the programmes. Furthermore Hadi (2005), Ahmed (2005) and Hashemi, Shuler and Riley (1996) all argue that women's participation in economic activities significantly reduced both mental torture and physical assault against them.

However, research also indicates that women do not become empowered as a result of their participation in microfinance programmes. While women are the recipients of microfinance, at least 63 percent of them had partial, minimal or no control over the microfinance they had accessed. Rather, women gave over their loans to husbands or male family members (Goetz and Gupta, 1996). Goetz and Gupta further argue that women may face pressure from men to gain membership of a microfinance group. Anecdotal evidence from women who did not receive loans from the Grameen Bank or who had to wait a long time before they received a loan indicates that they experienced an increase in domestic violence from their frustrated husbands.

4.2.3 Social and political organisation in Bangladesh

The development of Bangladesh's social and political organisations is the result of both past heritage and recent history. The mode of governing at the local level has its roots in the history of the wider geographical regions, including present-day India, and in Bangladesh's own governance as far back as the sixth century BCE (Siddiqui, 1994:24). However, structural organisations were first broken up into administrative units during British rule in the 19th century with the help of local people. Since then, these local governing bodies have undergone numerous changes in name, areas, functions, and power (Khan and Ara, 2006: 79). When Bangladesh gained its independence from Pakistan in 1971, the process of reconstructing government structures resulted in the renaming of the previously named Union Panchayet to the current Union Parishad, which also underwent a series of changes in step with the developing new state.

A union consists of nine wards and is the smallest administrative unit in Bangladesh. A Union Parishad is the lowest unit of rural government, representing the union. A union is typically composed of 10 to 15 villages, encompassing a population of roughly 15,000 to 20,000 people. This is the level of government that most directly affects people's everyday lives. In urban areas, *pourashava* (municipalities) exist to administer similar functions to their constituents (Assadi, 2005:4).

Bangladesh as a whole is divided into seven administrative divisions which are Dhaka, Chittagong, Khulna, Rajshahi, Barisal, Sylhet and Rangpur. Each division is subdivided further into districts. Districts are again broken down into *thanas*, and these are finally broken down into the smallest units, the unions. The local government, *pourashavas* and Union Parishads in urban and rural areas, respectively, are headed by officials directly elected by the people. Dhaka – along with the three largest municipalities, Chittagong, Khulna and Rajshahi – has been given metropolitan status, known as the City Corporation. The City Corporation is headed by a Mayor and Ward Commissioners who are elected from respective wards. Dhaka City currently consists of 90 wards, each ward representing some 103,000 people (DCC, 2010).

Understanding these governing bodies' structural aspects is crucial to exploring where progress for women has been made and where it has not. The Local Government Second Amendment Act of 1997 was the greatest milestone in the political empowerment of women. It mandated direct elections to reserve three seats for women in the Union Parishad at local-level elections, one from each ward. Women were also allowed to run for the remaining seats. The Union Parishad is currently composed of a chairman, nine general members and three additional seats for women members. In urban areas, the City Corporation Amendment Bill for Dhaka, Chittagong, Khulna and Rajshahi 1999 mandated that one-third of the seats of four City Corporations be reserved for women, securing their voice in the political process. However, these different levels of administrative bodies as a whole do not adequately provide a steady platform for meaningful representation of women and their needs,

especially at the higher levels. Nonetheless, the aforementioned progress has made noticeable achievements.

To understand women's progress in Bangladesh, it is also imperative to understand the important role that NGOs play in meeting the needs of Bangladeshi women. Nearly 80 percent of villages in Bangladesh benefit from the services of at least one NGO, and 35 percent of the population is directly covered by NGO services (Rahman, 2006:22, 451–473).

In the aftermath of the 1971 war of liberation and a severe famine in 1974, when the infant Bangladesh government was incapable of attending to the basic needs of its people, the vacuum was filled by NGOs. During this period, reconstruction of the social order was mobilised and carried out largely by NGOs. Therefore it was NGOs that became considered the custodians of marginalised people, including poor women. The presence of a weak state and available bilateral and multilateral donor funding created a political and economic space for the emergence of NGOs (Schurmann & Mahmud, 2009:27, 537). Since then, NGOs have flourished and matured to the point that many government operations have been channelled through established NGO networks; NGOs often provide the platform that leads to women's empowerment and by extension to civic activism.

5 Research findings

5.1 Education

5.1.1 Case of Bolivia

A woman member in the INDICEP microfinance focus group in El Paso: Everything goes together hand in hand. Someone receives training and can give opinions as well as receive some economic help, and that gives us more confidence in ourselves. Everything together, microfinance, training, and solidarity.

In Bolivia the education components of microfinance programmes were seen as beneficial, enabling women to participate more actively in group activities, assisting them in assuming leadership positions, and motivating them to join groups. Several different types of training were offered, including literacy, health, women's rights, human rights and business skills. The organisations that did not offer microfinance did offer training in areas such as women's rights and computer skills.

5.1.1.1 *Education as a main benefit of and motivating factor for microfinance group membership*

Education services were found to be one of the main benefits of being part of the microfinance groups and a motivating factor for joining. The computer courses, cooking and dessert making classes that FENATRAHOB offered motivated at least two of the women interviewed to join. Members of the INDICEP microfinance group in Vinto also cited training as a motivation for joining. The members of the CRECER microfinance group in Quillacollo, the INDICEP microfinance group in El Paso, and the Pro Habitat microfinance group in Maria Auxiliadora, when asked what benefits they received from being part of the group, all said they felt the education programmes were beneficial to them. In the case of the microfinance group in Vinto, they enjoyed attending the workshops and the training they received in sewing, making pastries, knitting and women's right and these workshops were a main reason for joining the organisation. Out of all the training the members of the CRECER microfinance group in Quillacollo received, those on women's rights, family planning, and health were considered the most useful to them. The members of the Pro Habitat microfinance group in Maria Auxiliadora cited training on how to administer money and how to deal with domestic violence as the most useful.

5.1.1.2 *Education programmes are necessary for improving women's leadership skills*

The education services were seen as a way for women to improve their leadership skills. Members of the Pro Habitat microfinance group in Maria Auxiliadora, members of the INDICEP microfinance group in El Paso, and staff at the Oficina Jurídica para la Mujer all felt

training was key to being a good leader. According to members of the El Paso microfinance group the training in public speaking had helped them to become leaders by enabling them to express themselves in public without being scared. Literacy and self-confidence were noted as necessary criteria for being a leader by members of the Pro Habitat microfinance group in Santa Barbara, members of the FDMCCOIC-'BS'), and members of the CRECER microfinance group in Quillacollo. When asked what kept members from becoming leaders, one of the members of the Women's Clubs said that lack of knowledge and training were the main barriers, and that women leaders needed more knowledge about women's rights and political changes within the country. According to one of the staff members at the Oficina Jurídica para la Mujer the public speaking training that they offered helped women identify their strengths and their fears, so that they were able to better lead their organisations. She also noted that speech writing and self-esteem were important skills for leaders. Members of the FDMCCOIC-'BS' thought that the training sessions were important for younger women so that new leaders could be formed. According to one of the leaders of the microfinance group in Santa Barbara, knowing how to write and express her own opinion in writing was important for her leadership position.

Woman leader from FDMCCOIC-'BS', who had received training through INDICEP: 'When I can write properly, I can be a good leader. If you can't read the statute of regulations, you can't be a good leader. When you can read it's a lot easier, because there might be 20 statutes and regulations, so it's hard to remember all of them. Most important thing is reading and writing. In my case I didn't go to school. When I went to training and seminars, just participating in their workshops, I learned how to read and write. Sometimes they test us. I go up to the blackboard, get nervous, but then they help you. They correct your writing. I thank INDICEP. Now I know how to read and write. And even now I can speak Spanish. It might not be that good, but I can speak.'

5.1.1.3 *Education programmes raise women's confidence levels and self-esteem*

Education was also found to raise women's levels of self-confidence and self-esteem. Members of INDICEP microfinance focus groups in El Paso and Vinto, staff members of the Oficina Jurídica para la Mujer, and members of the CRECER microfinance group in Quillacollo said that training gave women more self-confidence, helped them value themselves more, and enabled them to speak out more. A staff member at Pro Mujer noted that the training they gave their clients increased the women's self-esteem and empowered them. INDICEP staff members noted that knowledge is necessary for women to empower themselves and actively participate in meetings. Women in the microfinance group in Vinto confirmed that through the organisation they had learned to value themselves and other people, and that through training they had become less timid and had learned to speak out more.

Staff member of INDICEP: 'There also exists discrimination in education. Parents often prioritise sons over daughters or the daughter is only educated to the end of primary school because the secondary school is far away, and they don't want daughters to walk far because things can happen while walking. They can get raped. So, the girls don't have the same access to education as boys, and if they don't have access to training how can they actively participate in meetings? Knowledge is power. If women don't have access to knowledge then they can't empower themselves. Women leaders must no longer just be an exception.' A woman in the El Paso INDICEP microfinance focus group: 'I was in my house and I didn't know what to do, they taught me how to cook, knit, and I learned how to value myself as a woman, how to talk, move forward and get my objectives. I have my business and more time with my children, and I'm doing well, especially with the recent training we've had on how to run a business. Now I can work in my business and look after my children.' Two women from the El Paso INDICEP microfinance group: 'Before when there were meetings only men participated. We were scared. We didn't want to be wrong. We didn't ask anything, but now with the training we feel more sure, more confident, and we can talk.'

5.1.1.4 *Education programmes raise women's level of awareness of political and social issues*

Women said that through the education programmes they gained more awareness of political and social issues. Members of the Pro Habitat microfinance group in Cabañas, the Women's Clubs leaders and members of the INDICEP microfinance group in El Paso noted that education heightened the socio-political consciousness of their female membership. Members of the FENATRAHOB, INDICEP staff members, and members of the INDICEP microfinance group in Vinto felt that education programmes and training made women more aware of their rights and more likely to defend them. In the CRECER microfinance group in Quillacollo one member mentioned that the training on women's rights had made them realise that they had a right to say no to their husbands.

Women in the INDICEP Vinto microfinance group: 'So it's an awakening for us. It's not just the men that have rights, but women have rights too to do things. Sometimes men humiliate women, we don't go out, and when we go out, we learn. We don't take it anymore. Before we just accepted it all. With women's rights we're learning how to defend ourselves.' A woman leader from the Federación de Clubes de Madres: 'They change a lot. There are people that live in a very closed world. It's only the house and their children, and when they go to the meetings, they listen to the training, for example about violence, and they realise that they have rights and realise that they have self-worth as a person. The nutrition workshops, they eat more vegetables and learn how to prepare vegetables. All of the training that we give them helps them to think a little further on, helps them to wake up.'

5.1.1.5 *Education programmes help raise women's self-sufficiency and income opportunities*

In concluding, education and training programmes helped women to gain income and become more self-sufficient by learning skills that could be used to generate income and manage their businesses better. Members of the Pro Habitat microfinance group in Maria

Auxiliadora, members of the INDICEP microfinance groups in Vinto and El Paso, and the Women's Club leaders all noted that education and training helped their beneficiaries to improve their economic situations and become more self-sufficient. The women in El Paso had started applying what they had learned from the marketing and business start-up training to their businesses. A member of the microfinance group in Maria Auxiliadora said that the training they received helped them to learn new skills and improve their economic situation.

A woman in the INDICEP Vinto microfinance group: 'We're without work here. We're housewives with our children and housework. We like to have some work to bring money, so we're learning how to sew. We need more training. We need to know more.'

5.1.2 Case of Bangladesh

The three Bangladeshi organisations NUK, BNPS and MDS were all focused on attaining gender equity, and on promoting political awareness and social empowerment among their beneficiaries. Because of this, the education and training provided were not primarily focused on business development or microfinance management. While these two aspects of training were very important, evidenced by the fact that women could not access loans without being trained in these areas, of equal importance were training in literacy, health care, awareness of social issues, leadership and skills development. Literacy training focused mainly on helping illiterate women to sign their names and recognise different denominations (bills) of money. Health care education included family planning, nutrition and simple medical remedies for treating common illnesses, while social awareness training included making women aware of the dangers of dowry or early marriage. Among the skills development training provided were classes in embroidery, animal husbandry and sari making. In each microfinance group all women were given access to leadership training, after which they would select a group leader among themselves. Group leadership was held on a rotational basis and changed when the group deemed it necessary.

5.1.2.1 *Leadership training affected women's leadership in community problem solving and political participation*

NUK Female beneficiary: 'Now we know what to do we do it'

Leadership training provided through this programme helped women to assume leadership positions in their communities and develop their problem-solving skills. When confronted with problems in their families or communities, the women first discussed them among themselves for possible solutions and, if they needed assistance, they then approached the NGO staff or local government (union councils). For example, the microfinance staff at NUK stated that one of the group leaders of a microfinance group stopped the early marriage of a child in her community. Initially protesting against this event on her own, the woman was able to rally the support of the other community members, who jointly convinced the family of the risks of early marriage. When interviewed on a separate occasion, all the 37 women in the NUK's microcredit programme focus groups agreed that early marriage had declined significantly in their communities, because people had become more involved in community affairs after being taught that marriage under the age of 18 was illegal. This was not an isolated incident as there were numerous accounts of women initiating activities to prevent either illegal divorce, the payment of dowry or wife beating.

Staff at BNPS also noted that their beneficiaries were seen as leaders in their wider community, since community members outside the microfinance programme approached them for help when faced with a problem. For example, a family also planning an early marriage was stopped when another family, not part of BNPS' group brought it to the attention of the group. The common consensus among NGO staff was that the extent to which the women relied on their (i.e. the staff's) assistance in problem solving had declined. For example, staff at BNPS noted that, when the women first joined their programme, they were often approached to help solve problems but now the women tried to solve them first among themselves. Similarly, during one focus group discussion with members of the MDS, the women noted that they were successful at solving their own problems, stating that they rarely went to community leaders because issues were resolved among themselves.

Leadership training also prepared the beneficiaries to enter or participate in local politics. NUK's microfinance groups discussed local politics during their weekly meetings and as they performed their daily chores and activities. Some of the women were also elected members of the union council. When asked about what prepared women to enter politics, NUK's staff cited leadership training. Without further training and educational development, the women were unable to move beyond participating in union council politics to *upazilla* (district) level political activity. Participating in political meetings can boost a woman's status as a leader in her community as most beneficiaries from all organisations, when asked who the leaders in their communities were, referenced former and present union council representatives along

with their group leaders and NGO staff. It must be noted that, when asked if they viewed themselves as leaders, they were hesitant to answer affirmatively.

5.1.2.2 *Education and training increased women's self confidence*

One direct impact of the educational and training programmes on the women was increased self-confidence. Increased self-confidence was demonstrated by the women's demands for larger loans, their increasing input and participation in family and group meetings and their heightened independence. According to NUK's microfinance beneficiaries, when they first joined the group, they were afraid of taking loans because they had never managed money before. When the first loans with a maximum cap of 2000 taka or \$29 were issued in 1996, the women were hesitant about taking them because of uncertainty about being able to repay them. This attitude has significantly changed and the new loan limit has increased to 50,000 taka or \$723 . Furthermore, most beneficiaries in all three organisations asked for increased loan amounts. The women attributed this change of behaviour to the microfinance management training they received, which helped them successfully operate their businesses and repay their loans.

Women also became more vocal and participatory in family and group meetings because of increased self-confidence after completing gender rights, capacity-building, microfinance management and social empowerment training. According to NUK's microfinance staff, before receiving such training, the women were shy and introverted but now they are "more open, more vocal and more participatory in all family discussions' because they have become aware of their rights and are demanding them. Furthermore, they have gone from being afraid to discuss group activities in the presence of males to now openly discussing their concerns. Women's increased participation in family decisions is also a result of their credit management training, which resulted in increased earnings. The staff at MDS explained that, as a woman's earnings increased, her ability to make family decisions also increased. During the focus group with the MDS' clients, the women confirmed this when they said that since joining the group they had been able to discuss family problems with their husbands and have a greater voice in the family's decision-making. Increased openness and discussions in groups were a further change experienced by BNPS's beneficiaries. One staff member noted that, after skills training, the women felt more empowered and self-confident. They also noted that the changes observed also came from the women's understanding of their rights and being taught how to organise. Lastly, it was found that the literacy training had also boosted the women's self-confidence.

5.1.2.3 *Changes to family dynamics occurred as a result of increased participation thanks to increased training*

As a result of changes in the women's ability to participate in family discussions, the dynamics in households and relationships between husbands and wives have also changed. Because women had now demonstrated the capacity to handle financial transactions, they were now jointly sharing the responsibility of household finances with their husbands. Two of NUK's beneficiaries stated that they handled the household finances on their own, while many others mentioned that this responsibility was jointly shared. According to staff, this has led to increased understanding between husbands and wives. During the focus group with the BNPS microfinance group, the women stated that peace and harmony within the home had also increased and violence decreased. Gender-sensitivity training also helped to change the husbands' perceptions of their wives' roles and their equality in the marriage relationship and society. For example, on the island of Sandwip, a very conservative part of Bangladesh where BNPS carries out microfinance programmes, staff had to incorporate training for men into their projects since, at the outset, women's participation in group activities had caused increased fighting in the home. Staff talked with male family members, community leaders and local political leaders to persuade them of the benefits of educating their women, and allowing them to participate in group-based activities such as microfinance programmes. They also conducted awareness-raising debates in local schools on the discrimination against women and the poor and used cultural media such as folk songs to break down barriers of resistance especially from Muslim fundamentalist groups. It is because of such training that women can now participate in group activities and organise to solve social and community issues.

During the focus group discussion with one of NUK's microfinance groups, one woman said that before her husband received the gender awareness training, he did not listen to her opinions. However, after the training 'his mentality is broader'. Another beneficiary also concurred, explaining that she had been able to persuade her husband to allow her to purchase land and register it under her name. Since she had acquired this asset, she had been able to improve her status in society. NUK's staff further explained that, after husbands were trained, the results were positive and they could see a change in their attitudes as they understood more about the rights of women. For example, overall women's mobility increased as they were allowed to participate in activities outside the household and the incidences of gender-based violence decreased. Husbands often participated in the gender training at the request of their wives.

MDS Staff member: 'Before she was just a family member but now she is a decision maker.'

5.1.3 Comparison of the two countries

Women's education and training is important for equipping women to become leaders in both Bolivia and Bangladesh. In Bolivia a lack of knowledge and training were cited as the main barriers that kept women from becoming leaders, while in Bangladesh, NGO leaders noted that, when women were educated, they were able to assume leadership positions in the group and local government. The type of training that could help develop leadership among chronically poor women included public speaking, women's rights, literacy, leadership and social empowerment/awareness. Women in microfinance groups in both countries also experienced an increase in their self-confidence after completing the training and educational programmes. This was seen in their increased participation in group meetings and family discussions. In Bangladesh, increased self confidence also meant that the women began solving problems in their communities and participating in local government meetings. Staff noted that there was a difference in women after the training in that they better understood and stood up for their rights. Education and training also had the effect of changing women's roles in the home and in their families. In Bolivia, women spoke about standing up to their husbands and refusing to be humiliated or beaten. In Bangladesh, women also noted that, since they had received microfinance management training, their husbands valued their opinions more and allowed them to handle the household finances. In addition, there was a decline in gender-based violence.

One major difference between the two countries was the absence of gender-sensitivity training for men in Bolivia. This type of education provided to husbands in Bangladesh facilitated their wives' participation in the group and made them more receptive to the opinions of their wives. Another difference was the increased participation of beneficiaries in local government politics in Bangladesh, something that did not appear to occur in Bolivia. Furthermore, in Bolivia, there were more skills-based courses offered than were offered in Bangladesh. It appears that these skills-based courses were attractive to the women and were influential in their decision to join the group. In Bangladesh, when asked what types of courses they wanted more of, the women often cited skills-based courses. Apart from these differences the positive benefits of the educational programmes on women's self-confidence, leadership skills and community problem-solving skills were observed in both countries.

5.2 Social networks and relationships

5.2.1 Case of Bolivia

Bolivia is a highly organised society. From Quechua–Aymara traditions of organisation around the *ayullu*, to Evo Morales' contemporary agenda of popular participation, which has brought grassroots social organisations into the political mainstream, membership of a social organisation in Bolivia is widespread. The ubiquity of social organisations was reflected in this study, and data consistently reflected the importance of membership in Bolivian society. Monica Novillo, from Coordinadora de la Mujer commented that most people in Bolivia are in some kind of organisation. Novillo noted that, particularly in rural areas, this organisation can be very meaningful for participants and how they live, and that: 'in Bolivia, you will not find one person who is not in some kind of social organisation' (personal communication, 19 March 2010).

From the standpoint of widespread nominal local participation in Bolivia, what emerged from interviews and focus groups was that microfinance groups were able to provide opportunities for women to improve how actively they participated in these groups. Furthermore, participation in multidimensional microfinance organisations provided new opportunities to meet other women, and to deepen existing group relationships. In many cases, groups emphasised the importance of solidarity and mutual support, which reduced the vulnerabilities of poor group members. They also provided a context for gender roles to be renegotiated in the home. Activities in multidimensional microfinance organisations also facilitated the greater transmission and exchange of skills and information along new and existing social network lines. Finally, the research revealed that women participants benefited from the leadership development and opportunities that occurred as by-products of group activities.

5.2.1.1 *Multidimensional microfinance groups provided new opportunities to meet other women*

Women in multidimensional microfinance programmes were seen to expand and deepen their social networks through a variety of activities, including weekly microfinance group meetings, linkages with other organisations and communities, participation in trade fairs and by developing new skills and interests through being involved in community affairs. CRECER staff reported that their microfinance programmes provided rural Aymara women, in particular, with new opportunities to make new friends and leave their husbands at home with the children and the animals. Group microfinance meetings were also important locations for women to meet together and discuss various issues and share experiences. This could be seen to have a lasting impact. There were several examples of groups that had originally formed specifically around receiving microfinance, such as Pro Habitat's group in Cabañas, which continued to meet together even though they were no longer receiving microfinance. Women there noted that the receipt of microfinance had made them more organised as a

group. Exchange programmes and links between groups and other organisations were also identified as important in the transmission of experiences and information and in expanding women's social networks.

Activities which expanded or deepened social networks within multidimensional microfinance groups improved women's potential for civic activism through enhanced support and security, which reduced the women's social vulnerabilities, improved family relationships, thereby facilitating participation, and improved access to information-sharing and learning opportunities, leadership development and group-related opportunities.

5.2.1.2 *Enhancing women's social networks helped to reduce vulnerabilities and improve women's support networks in times of personal difficulty*

The opportunities that multidimensional microfinance groups provided to enhance women's social networks had the potential to reduce the vulnerabilities that chronically poor participants faced. Staff from the Oficina Jurídica para la Mujer confirmed that, even though Bolivia has widespread social organisation membership, the isolation of chronically poor women is still a serious problem. In describing the poor and extremely poor women they work with and the effects of their programme on them, they noted that 'they change a lot, there are people that live in a very closed world, it's only the house and their children'.

There were several examples of deepened social relationships and reciprocity that were fostered through the experience of unifying as a group. Participants emphasised the importance of group solidarity and shared histories, which highlighted how the group had helped them in times of need. Women from the INDICEP microfinance group in Vinto shared daily experiences and problems with the other women in the group. A common response was that they felt as though there were more people around them and they felt less alone. They were proud of their organisation, and commented that they now felt 'like sisters'. Women in the INDICEP Vinto microfinance group emphasised that, even among friends they had known before the programme, there was now greater confidence and trust between them. One woman said, 'when we get together we spend a lot of time laughing, telling jokes, and we talk about what's happening in our reality, in our life, tell each other the disasters that are happening, something that's gone wrong in the house, we talk about it and feel better'.

The semi-autonomous Maria Auxiliadora community was formed around mutual support and reciprocity. Homes were built by the community, recently with microfinance supplied by Pro Habitat. Their system of collective land ownership protected the rights of the woman. In the event of divorce, separation or death the house and land would be held for the woman and her children. Mutual group support was seen as a duty, and women community members cited an example of an incident where the group had mobilised to help one member after her son had an accident. The women there noted that performing community work strengthened them, and allowed them to get to know each other better. Women in the Maria Auxiliadora

community attributed positive changes in the community to home visits and group reflections on issues such as domestic violence.

Pro Habitat staff remarked that close relationships between themselves and the groups were important in making the women feel more supported in their lives. Several Pro Habitat staff members had been 'padrinos', or respected patrons of community events within the Cabañas, Santa Barbara and Maria Auxiliadora communities, which is indicative of the linkages of trust and respect that were formed between them.

Within the INDICEP microfinance focus group in El Paso, which brought together women from four separate INDICEP microfinance groups in Cochabamba, women spoke of their microfinance groups in terms of solidarity but added that the microfinance also was a consolidating force within the group. The Pro Habitat and INDICEP groups all mentioned that since poor women were not able to access microfinance as individuals, the group was an important point of access to financial services, and a key motivating reason for them to come together in the first place. One woman noted that within their microfinance groups they solved problems among themselves, remarking that, 'friendship and microfinance has taught us lots of things, rights and responsibilities'.

5.2.1.3 *Female beneficiaries reported improvements in confidence levels through group participation*

When asked to discuss the most important changes that they had experienced as part of the microfinance groups, personal growth in terms of confidence and self-esteem were common responses across organisations. For example, a woman from the Maria Auxiliadora community noted that she was initially afraid to speak up in public on joining the community, but because of the support she had received from the group members and leaders, she was stronger. INDICEP's Vinto microfinance group women participants reported that, on joining the group, they were scared to talk in meetings or give opinions. In contrast, there was a strong consensus among the women which said they were now more open to new ideas and were more confident to 'speak anywhere'. Participating in group activities and training meant that, in many cases, these fears had lessened. For example, the women said, 'we still have a little fear, but we speak more'.

Women from INDICEP El Paso focus group: 'With my husband now I can defend myself, now my husband won't manipulate me in his own way. When I want to go out, I tell him I have to go out, and he has to let me go, I don't ask permission anymore. The relationship with my children is different as well.' 'I have a sister in Santa Cruz, and her husband is *machista* and she went to the Defence of Children and got rules of women's rights and showed these to her husband, and said I have the right to go out. They can't manipulate us like before.' 'Before they thought they were just meetings to gossip about our husbands, but we told them we learn things. I now know how to make bread, and he's happy because I know how to make bread. My husband says "don't you have a meeting to go to?" My husband knows I have a meeting to go to Tuesdays and Fridays now!'

5.2.1.4 *Female beneficiaries were able to renegotiate husband–wife relationships*

Multidimensional microfinance programmes were seen to provide the context for traditional gender roles to be renegotiated within the home. Staff from La Oficina Jurídica para la Mujer stated that, among chronically poor women, economic dependence on the husband is high, and that microfinance has been an important route for women to gain more stability and autonomy. Although women in CRECER microfinance programmes were frequently reported as beginning the programme against opposition from their husbands, they were often able to change this over time. National Research Coordinator Fabiola Céspedes Quiroga pointed to CRECER impact studies where women's testimonies cited positive changes in the attitudes of their husbands over the course of their involvement in the microfinance group. Greater financial autonomy among their beneficiaries was also found to bring greater influence in household budgeting decisions. Quiroga attributed these relational changes to shifts in how the women saw and valued themselves, the combined result of training, microfinance and participating in a group.

Women from the INDICEP microfinance group in Vinto confirmed this notion of shifting husband–wife relationships when they shared their histories. Women reported that their husbands were not initially supportive, but they learned in the group how to put their case forward. One woman noted '[now] he gets happy that I go, before he was a bit *machista*, but I made him see, I played a game with him, I told him to cook, said have you got hands? – yes; have you got eyes? – yes; you are the same as me, so why can't you cook? He values me more, he sees I work as hard, he supports me.'

This considered, it is important to emphasise that unsupportive husbands or partners were not consistently reported as a barrier to participation. This was most clearly expressed by one woman in the Pro Habitat Santa Barbara group, who pointed out that, 'Some [husbands] support us and some don't. We have to get ahead as women with or without their support'. This sentiment was echoed by a woman from the Maria Auxiliadora community, who asserted: 'When I brought my husband here, he didn't like it, some men didn't support me. I said, I'm buying a lot for me and my children and if you don't like it you can go. My house will be big too, but I want my ownership and collective ownership.' The study also included women who took out microfinance by themselves as single women, and no cases reported seeking male support in making the decision.

5.2.1.5 *Group activities provided opportunities for greater information transmission between women and organisations*

Another way that multidimensional microfinance programmes expanded social networks was through forming links with other organisations or communities. A common response from women in El Paso was that their group experience had made them more interested in forming linkages with other groups. One woman said: 'we were together with other women's organisations on Women's Day, we wouldn't think twice about joining them to work together

and have more power.' The Maria Auxiliadora community worked to supply all their basic needs through reliance on each other for labour and organising. They sought to form linkages with Pro Habitat to construct a sewage system and worked together on a water project that was supported by a Swiss development organisation. They reported that they were currently working to cultivate flowers from the recycled waste water, and encouraged families to create family gardens to promote food security and maximise savings.

Microfinance groups also provided women with the opportunities to participate in expositions and fairs, or engage in exchange programmes with other communities, as was the case within the INDICEP and CRECER microfinance groups. The INDICEP focus group in El Paso was conducted during a day-long workshop between the five microfinance groups that INDICEP worked with. They received information from other Cochabamba organisations that provided health services, legal advice and training opportunities. Workshops such as these, which brought together women from different areas of Cochabamba, were cited as important opportunities for the women to make new linkages and share information.

Furthermore, these linkages between microfinance groups and organisations emerged as an important factor in overcoming organisation-level or microfinance group-level resource limitations by allowing women to access available training and resources within partner entities. CRECER staff discussed the linkages they had with other organisations that provided their poor women members with access to external training and health services. Amanda Zabala, Regional Coordinator for Cochabamba remarked, 'CRECER can't do everything, so we work with other groups.' Even Pro Mujer, a much larger micromicrofinance organisation (which did have poor women members but did not seek to target the poorest of the poor) had a health centre which provided basic prevention-orientated health services for its clients. To keep costs down, it also referred women to other local health service providers.

La Oficina Jurídica para la Mujer (OJM) was an important link for group training opportunities in Cochabamba. OJM worked with several organisations in Cochabamba. For example, community groups selected women representatives to work with OJM as part of the Legal Promoters Committee. These women were trained in family rights, political participation, leadership and violence prevention and spent one week with OJM every eight months. These women then returned to their communities to disseminate what they had learned in order to make local women aware of their rights. OJM staff remarked that these opportunities were often formative experiences for the women themselves, as well as the communities they returned to. This was confirmed in research elsewhere as one woman in the INDICEP El Paso microfinance group was invited by the OJM to become a legal promoter. At the beginning, she was reluctant to participate, and was uninterested in speaking about politics. However, after deciding to take part in the OJM programme, she stated that she then understood how important it was for women to be involved in politics and their communities, and no longer saw active group participation as a waste of time.

5.2.1.6 *Multidimensional microfinance groups provided increased leadership development opportunities through collective activities*

Wanting to improve the quality of community life was also an important reason that women in the Pro Habitat Maria Auxiliadora community gave for taking on leadership positions. One woman said: 'I want my community to be better, to improve. I want a health post, sewage all of those things.' The women from INDICEP's Vinto microfinance group noted important changes within themselves since participating in the programme, in that they now prioritised participation in local OTB meetings. One woman noted, 'even if there's no time, we still go, even if we go late, we participate more actively now'. Women with children in the group reported that they participated more actively in parent organisations, even if that meant they had to juggle their participation with other responsibilities. In fact, the INDICEP microfinance group in Vinto also reported that a number of women who were unable to join the focus group could not do so, because they had attended an OTB meeting that same morning. Oficina Jurídica para la Mujer staff also commented that the prioritisation of participation among the many responsibilities chronically poor women were faced with was an important characteristic of the leaders that they work with. Almost all extremely poor women have time-consuming responsibilities, including both pressures and preferences on how they spend their time. The leaders that emerged from working with the Oficina Jurídica para la Mujer were the ones who prioritised attending and participating in training sessions and meetings around their other commitments.

5.2.2 Case of Bangladesh

Social networks created by being a part of the microfinance groups helped to bring support systems and security to the ultra-poor women in this study, which subsequently reduced their vulnerabilities. All the 67 women in the group discussions stated that they had never been a member of any other community, microfinance group or NGO before joining their present groups. Most of them recounted their life before the group as one of isolation where they interacted only with members in their households and were not acquainted with the other women in their community as there was little mobility outside of the home. They were not permitted to participate in public activities and were largely responsible for household chores and taking care of children. Most women had either never attended school or had only received a primary school education. With low status in society, and no voice in the home, the women were vulnerable without any access to financial resources or support systems in society.

5.2.2.1 *Increased social networks mean increased support systems for women in times of personal difficulty*

One way in which the microfinance programmes helped to build the women's support systems was through the organisation of weekly meetings where women came together to start saving collectively and then to borrow loans from the savings pool. Through these meetings, the women would make their loan repayments but they also discussed social issues and increased the number of friends made within their communities. Participants in NUK's microfinance programme said that they had made new friends from being a part of the weekly group meetings and from increased movement in the community because of their business activities. The staff also confirmed that, since the programme had started, more women went outside their houses. The case of the MDS was slightly different, since all the women had known each other before joining the group. However, they remained largely within their homes with limited interactions one with the other. Now that they had started to meet weekly as a group they received help from one another in solving problems in their personal lives. According to one beneficiary, they 'now understand the importance of being outside of the home'. In addition, they noted that they no longer faced resistance from their husbands in participating in activities outside the home and were now allowed to go to public places without any hassle. When asked whether they preferred their lives before or after the programme in relation to increased social networks, the women unanimously preferred their increased networks. Participating in BNPS's microfinance group also increased the women's social networks. During the focus group the women explained that they had barely known each other before joining the group. Staff members selected three or four women to start the group and it was the responsibility of these women to recruit others to join. Therefore as members of the microfinance groups, the women had extended their social networks.

For these poor women, increased social networks meant increased support systems and security and in several examples it was clear that they relied on the group for assistance in

their personal lives when their rights were being violated. One of NUK's staff members shared a story where one of her clients had just received a loan but, two days later, got into an argument with her husband over the loan. In the heat of the argument, the husband verbally declared the marriage to be over three times. According to the staff member, the practice of dissolving a marriage by verbal declaration three times is a common traditional practice but is illegal in law. However, because this woman was trained in understanding her rights and knew this was not the correct procedure for divorce, she refused to accept the illegal divorce. Her father-in-law, a mullah (priest) objected to her resistance to this cultural practice and took the matter to the union council chairman. NUK's beneficiaries insisted that they should attend the meeting and were granted permission to participate to defend the woman's rights. In the end, the divorce was not granted. Staff at the MDS also mentioned that, while it was not a very large problem, some women in their groups were physically abused at home. Abused women often sought help from group members, who would try to prevent the abuse from continuing by talking to family members or by bringing NGO staff or the union council into the matter if the husband or male family members did not comply. Therefore these accounts demonstrate the increased support provided to women from being a member of the microfinance group.

NUK's microfinance client: "Until death we will stay in this group. We've been together for 12 years"

While group solidarity increased, as outlined above, it is important to understand its strength. Discussions with all three organisations revealed that all the groups demonstrated strong group solidarity. For example, NUK's beneficiaries stated that they would stick with their group until death, while staff at the MDS said that drop outs were minimal. NUK's beneficiaries also said that they were 100 percent dependent on the group to solve their personal problems because of the confidence they had in their collective strength. BNPS staff also referred to the solidarity of the group when they described how the women helped each other in times of financial crisis. If a woman was faced with an emergency, the other group members would lend her money without interest so that she would not suffer financially. They also stated that, if a woman's social status improved and she no longer needed loans, she would not leave her group but would continue her savings and maintain her ties with the group. The networks created were clearly strong ones.

5.2.2.2 *Increased social networks also mean increased support in advocacy efforts, education and resources*

Increasing women's networks beyond their immediate group also helped to reduce the vulnerabilities of the ultra-poor women in this study. NUK's staff noted that in Kishoreganj, the area where their microfinance groups are based, there were at least 15 other NGOs with whom they worked and coordinated activities on a monthly basis. During special events such as International Women's Day, NUK's clients worked with women from partner NGOs to

increase the effectiveness of their public rallies advocating gender equity. Group solidarity across NGOs therefore created strength in numbers and increased the women's advocacy support systems beyond their members. Similarly, MDS staff also noted that, by being a member of the Bangladesh Women's Foundation, which has a network of over 1,300 local women's organisations, they were able to access training courses for their members through partner NGOs when they were unable to do provide these themselves because of resource constraints. Through these networks, women were able to educate themselves and acquire new skills, helping them increase their earning potential and reduce their economic and social vulnerability. BNPS also noted that its microfinance groups networked with other NGOs to form clusters, each comprising five or six microfinance groups, where they received training and collectively worked on social issues at a monthly community forum. Since clusters comprised groups from various sections of society, the community forum provided an avenue for connecting ultra-poor women with people of influence in their society. Therefore access to other NGO groups helped the women to be more influential in their advocacy efforts, in building their skills capacity and in connecting with more resourceful people in their communities.

5.2.2.3 *Social networks for poor women are expanded when there is increased mobility for business*

Participating in microfinance programmes can also expand a woman's social networks as she becomes increasingly mobile in order to operate her business. According to BNPS staff, because of the economic activities the women are engaged in, they are forced to go out and meet new people outside the group. For example, women who embroidered saris went to markets to buy their materials, negotiated their prices with suppliers and built up a client base on their own. In this way, women's social networks were expanded. When the programme first started, women had to rely on their male family members to sell their products in the market but now they were travelling long distances to access markets for their products, which widened their social networks beyond their isolated communities. NUK's clients also conveyed similar experiences associated with their increased mobility. One woman explained that, after her husband died, the family did not allow her to leave the house. However, after being convinced that she should be allowed to join the group, she was able to develop a mobile sari selling business which enabled her to expand her personal networks. Some women were more mobile than others in that, while some sold their products from home or set up shops in their communities, others travelled to Dhaka for larger markets. Thus, increased business activity made possible through microfinance can increase the social networks of chronically poor women.

5.2.2.4 *Female beneficiaries experienced improvements in family relationships*

The research also revealed that improved family relations were a by-product of the women's participation in the microfinance programmes. As mentioned in the section on education, participating in the groups increased the number of women who jointly managed their

household's finances. NUK's clients mentioned this change as an important one, since there was no such cooperation before their involvement in the programme. They also mentioned that, through the programme, they had developed a greater voice in family discussions and were consulted when family decisions were made. This is partially a result of the gender training provided to their husbands and the heightened awareness of their rights as women. BNPS staff also noted that, after their clients had become involved in economic activities, they had more influence in and outside the family, while the women themselves added that they were beaten less and there was increased peace and harmony in the house. Most women joined the group for the economic benefits so that they could reduce poverty in the family. When questioned about the benefits they received from being a part of the programme, they often outlined these in terms of the improvements made to the family's situation. One of NUK's clients remarked that, when there was a family crisis, she could now contribute to the household because of her increased earnings. Another client mentioned the reduction of her household's poverty and her improved communication with her husband about all types of issues, including money. For this woman, poverty was associated with more arguments but, since the household's finances had improved, her relationship had also followed suit. Women from the MDS group also said they joined the group because they wanted 'to help their families in a positive way', since they considered their family as the most important part of their lives. An improvement in family relationships was therefore a common theme highlighted by the women in this study.

5.2.2.5 Increased involvement in the community through group participation helped women to develop their leadership capacity

By participating in microfinance groups, the ultra-poor women in this study had more opportunities to develop their leadership capacity as they became more interested and involved in community issues. In NUK's microfinance group, the majority of women said that since joining the programme they had become more interested in solving problems in the community and had become more involved in community affairs. Some of the most common problems facing rural women in the study included early marriage, wife beatings, polygamy and paying dowry. The women argued that through their collective action these practices had declined. One group leader stated that she was able with the group's help to stop one case of early marriage in her community by protesting at the family's decision and threatening to contact the police if the family went ahead with the marriage of their underage daughter. This pressure on the family caused them to cancel their marriage plans. Beneficiaries in the MDS group also said that they had worked and were still working to remove the payment of dowry, and to prevent early marriage and gender-based violence in their community. Usually, if a woman from the group found out about any of these practices in the community, she would bring it to the attention of the entire group, who would approach the family to educate them about the dangers of these practices and to put pressure on them to stop. On most occasions the women noted that the problems were solved when they had a discussion with the families and they hardly needed to involve community leaders or the local government. In the BNPS microfinance group, the women noted that members of the community would seek

their help in stopping harmful practices. For example, a woman who was not a member of the microfinance group approached the group and notified them about a family that was planning to hold an early marriage. After they prevented the family from proceeding with the marriage, the group invited the woman from that same family to join their group in order to improve the family's finances. Because of this, the girl was able to continue her education, after which she obtained a job at a garment factory. Such stories were not uncommon as the women demonstrated that, because they had joined the groups and expanded their networks outside the home, they had a greater interest in and ability to intervene in community affairs to solve their own problems and relied less on outside support to do so. In conclusion, expanded networks are a great benefit for chronically poor women and lead to their increased participation in civic activism.

5.2.3 Comparison of the two countries

Across Bangladesh and Bolivia the research clearly revealed that multidimensional microfinance groups provided their members with opportunities to create new social networks and to deepen existing relationships. These networks operated to provide chronically poor women with greater support and reduced vulnerability in times of difficulty. They instigated improvements in confidence levels through group participation, opportunities to renegotiate husband–wife relationships, opportunities for greater information transmission between women and organisations and provided increased leadership development opportunities through collective activities.

In both countries, participation in group activities, including weekly meetings, exchange programmes and training sessions, provided an important meeting point for women to come together to share problems and information. These activities generated or deepened feelings of group solidarity and reduced isolation. The effects of this were particularly evident in Bangladesh, where women previously were not part of any social group, and cultural and societal pressures greatly restricted their activities to the household. For this reason, opportunities for greater mobility provided by the group had a greater impact in Bangladesh than in Bolivia. While, in contrast to Bangladesh, nominal membership in a variety of social groups and organisations in Bolivia is high, women still greatly benefited from enhanced social networks, and this was similarly important in facilitating civic activism among them.

Increased confidence and awareness of rights through group activities was also an important outcome of women's participation in the multidimensional microfinance groups in this study. Access to microfinance in Bolivia created the context for the roles of husband and wife to be renegotiated, with women's contributions to family decisions increasing. In Bangladesh, knowledge of their rights meant that women were less vulnerable to discrimination or unfair treatment from their husbands. In Bangladesh, NGO staff played a much larger role in working with the husbands of their clients. At the beginning of the microfinance cycles they visited the husbands of the participants, and organised training sessions specifically for the men. This gender-sensitivity training for men (in addition to the financial benefit that the

microfinance brought) was cited as being an important part of why husbands in Bangladesh were accepting of their wives' participation in microfinance groups. In contrast, in Bolivia, women themselves reported being responsible for convincing their husbands about the need for their participation in microfinance groups, but this was always seen as a personal triumph, and the stories of how they managed to win the support of their husbands were retold with great pride.

A subtle difference between microfinance groups in the two countries was the way they used the group to solve problems. In Bangladesh, the group itself was the primary location for problem solving. Several examples saw women coming together as a group for solving personal problems, as in the instances where one woman's fellow group members supported her legal struggle, or made house visits as a group to stop gender-based violence. In Bangladesh, women preferred to solve problems themselves, as a group unit. In Bolivia, problem solving tended to rely on a more hierarchal structure, with women looking to leadership figures inside and outside the group (president of the microfinance group, local OTB or the mayor) to solve problems. Women also frequently mentioned the need for external donors to support the group by providing the resources they lacked.

5.3 Political awareness and local political participation

5.3.1 Case of Bolivia

While awareness of local political bodies and processes appeared to be high among the groups of women, positive effects on women's local political participation were reported as a result of their participation in the microfinance programmes. Through their membership in groups, women had improved ability or motivation to access local government resources or lobby for change through local government channels. In addition, the training and expanded social networks they gained increased the likelihood that women would take on leadership roles in local government.

5.3.1.1 *Increased likelihood of accessing local government*

By being part of a larger group, women were more likely to access local government resources. According to leaders of the FDMCCOIC-'BS, they became well-known on account of their numbers and were able to increase their participation in the government. The board of directors for the Pro Habitat group in Maria Auxiliadora worked with the government on infrastructure projects, such as providing electricity, paving a road and building a pedestrian bridge. The board of directors of FENATRAHOB helped members of the organisation to access the government by accompanying the former to the Ministry of Works when they had a problem. People who came to the city from rural areas also benefited from the support that FENATRAHOB offered.

In addition, members of women's organisations supported by INDICEP actively worked with the local municipality, even though they acknowledged that the latter did not always prioritise women's issues, which sometimes resulted in unmet demands. Members of the INDICEP microfinance group in Vinto worked with the OTB to ask for space for childcare. INDICEP's beneficiaries in El Paso felt that, after joining the programme, women were more united in bringing their concerns to local leaders. They stated that one way they tried to have their needs met (such as meeting space) was to work with the OTB or mayor. Some members in the El Paso group worked with the OTB and used its facility for their meeting space. Furthermore, one woman was motivated through her membership of the CRECER Quillacollo microfinance group to go to the local government to obtain correct identity documents.

Woman leader from FDMCCOIC-'BS': 'Before when women were elected as councillors, the men didn't respect us, but now with this organisation, we are more respected, we've participated in the constitution. They've put our rights as women into the constitution because we participated. There was a member of FDMCCOIC-'BS' who was president of the constitution assembly.'

Staff member of INDICEP: 'The women are a lot more identified with their rights, and they demand them. Even though there's a little bit of disagreement with husbands, they still go to meetings. They participate more in community meetings, ask things from the local municipality and community. So all the women's organisations have gone to the local municipality to ask for a piece of land for a building for their association, a place to meet and have their training.'

5.3.1.2 *Involvement in groups increases the likelihood women will take on leadership positions in local government*

As a result of the skills, knowledge and expanded social networks women gained through their participation in groups, they were more likely to take on leadership positions in local government. Members of the FDMCCOIC-'BS' found that organising with other women helped them to obtain and advance in leadership positions. When asked whether after joining the programme, women were more likely to join other groups in the community, members of the INDICEP focus group in El Paso stated that two of the women in their group were now in leadership positions in the OTB. According to a staff member at Pro Mujer, the connections and visibility her microfinance clients gained from their businesses and work in the neighbourhoods helped them become more well-known in the community and led to them obtaining leadership positions.

Staff member of Pro Mujer: 'I have a lot of clients that are leaders of the neighbourhoods, OTB, school board, drinking water committees, and mother's clubs. They are working in that. There has been a change. Not all of them were in the leadership positions before they took out the microfinance. I have older clients that said they weren't leaders in OTB, but now are. They must work with microfinance, go house to house for their business and get to know people. People in the neighbourhood get to know them and ask for help, so their position in the neighbourhood goes up.'

According to a staff member of INDICEP, the training and leadership opportunities they offered helped women become more involved as leaders in their communities and local government. INDICEP trained and educated women to be social and municipal promoters. The social promoters were responsible for organising women in their communities for community projects and implementing training workshops on training they had themselves received from INDICEP. The municipal promoters were responsible for understanding municipal norms. They also worked with the Popular Participation Councils in their communities to raise awareness and try to get funds from the annual budget for women's projects in the communities they had identified.

5.3.2 Case of Bangladesh

In Bangladesh, the role of microfinance programmes in promoting women's access to local government was cited as significant in bringing about direct, progressive changes. Pressuring the local government and demanding their rights from local representatives often resulted in positive outcomes for the women in this study. Through membership in microfinance groups, accessing the government became easier and more meaningful. Furthermore, group members no longer saw themselves as disenfranchised from social and political activities, but as decision-making agents with equal rights. Some women took up leadership positions in the local government as union counsellors. Together with women's increasing awareness of their rights and their organised actions, many local government agencies have begun to change their policies (at least on the surface) to keep pace with the growing needs and requests of women.

5.3.2.1 *Increased likelihood of accessing local government*

Belonging to a group that is bound by similar goals, circumstances and perspectives and that uses its collective power for the achievement of its goals, enabled previously disenfranchised members of society to voice their demands to the Bangladesh government. Studying the effects of microfinance programmes examined in Bangladesh revealed that education on women's rights and leadership offered alongside microfinance in the three organisations enabled women to further manage group resources. They successfully navigated male-dominant government agencies, even in areas where hostility towards women had previously been reported.

A woman from one of the focus groups held with NUK's clients pointed out the way the collective power of the group created greater access to local government as she related the case of her daughter's marriage. The groom's family demanded a dowry and, unable to address the issue herself, the woman consulted with her group members who took the matter to the district court, an action which previously would have been impossible. Although asking for a dowry from the bride is now illegal in Bangladesh, the practice has still not been eradicated. Another woman from the same focus group testified that when her sister-in law

was married, her husband's family did not want to take her to their house. The microfinance group went to the Union Parishad chairperson to discuss this issue and, when it remained unresolved, they brought the matter to the district court.

The women from the BNPS focus group in Dhaka tended to describe public service matters, in contrast to the rural women's family-related issues. They often visited the offices of the local City Corporation as a group when water and gas supply services were interrupted. They formally submitted petitions, and the women proudly said that, ever since their direct action, the supply had been much more stable. Government officers now recognised them and were reported to be more concerned about their issues.

During the focus groups, the women attributed gender training and women's rights education to changes in the way they viewed problems and how to address them. They were no longer afraid to use the government and institutional resources previously considered unavailable to them. Furthermore, the local governments witnessed the increased presence of women and their collective power, especially invested in their voting rights. As a result, the local governments were reported to have had no choice but to adapt to the growing concerns of women and to be more accountable and transparent. This in turn helped women to satisfy their demands more rapidly.

A member of BNPS: 'A university student girl committed suicide after being incessantly teased by four boys. Our group organised a protest in this locality with other women to seek justice and went to the local police station to file a case. Three boys were sentenced to three to four years in prison later, although the other accused boy escaped before prosecution.'

Staff member from BNPS: 'Women have now received some acceptance as leaders in the Dhaka community. When problems arise in the community, they often come to our group leaders; our women surround government offices and protest, if necessary. If our women go to government offices, they receive attention because they know that the protestors can make their lives more painful.'

5.3.2.2 *Involvement in groups increases the likelihood women will take on leadership positions in local government*

The confidence, skills and knowledge women gained from being involved in the multidimensional microfinance programmes produced women leaders in public arenas. For example, a woman from one of the focus groups held with NUK's beneficiaries was running an election contest to become a council member in the Union Parishad and she mentioned that she had plans to run for the seat of vice chairperson in the future. Another woman from a different focus group was already a council member of the Union Parishad, and she compared her drastically changed status then to her subsistence-level life before the programme. Likewise, during an interview with NUK's staff members, they revealed that being involved in the local government was no longer an unprecedented phenomenon. The staff gave an account of how, among their microfinance beneficiaries, fourteen women had

run for a seat in the past, and five were elected to Union Parishad council seats. A woman from the focus group with BNPS in Dhaka City, who was a group leader of her microfinance group, also mentioned that she wanted to run for the ward commissioner's post. The staff members indicated that these women had confidence and courage in themselves; during the focus group, it was confirmed that these qualities were being reproduced via the microfinance programme's ongoing gender and leadership education services and women's expanding economic capacities generated through microfinance.

Staff member from MDS: 'Our work helps to increase the level of political involvement among women to participate in the Union Council. We focus on developing skills among women first, while simultaneously collaborating with local governments. Women see the importance of participating in the Council, and many involve themselves in the affairs of the Council based on their perceived needs. Our women also run for and become members of the Council or commissioners.'

5.3.3 Comparison of the two countries

The effects on the level of access to local government among the women in the study were similar in both Bangladesh and Bolivia, with a few differences. In both countries, women were stronger as a group than they were as individuals; acting collectively helped to make their voices heard in both countries. Greater political awareness was reported in both countries. The support of the other group members in either the microfinance group or organisation increased the likelihood that women would contact local government officials to solve their problems.

The country findings differed in terms of the outcomes of meetings with government officials and the types of problems women were likely to bring to the government. In Bangladesh women organised both for personal issues that affected only one member, for example in the case of dowry, and for community issues, as was the case with gas and water supply. In Bolivia, women tended to organise on issues that affected the entire group, such as childcare or space for meetings and training. Furthermore, in Bolivia, even though the women brought their needs to the local government, they seemed to face more difficulties in getting the latter to address these, as officials were reported to have seen issues that affected mostly women as a lower priority. In Bangladesh, the chronically poor women respondents seemed to be relatively more successful in having their needs listened to and addressed by local government. Finally, in the case of Bangladesh, the training women received changed their views on their ability and right to access local government, while in Bolivia this was not observed in the interviews.

Similar findings were found in Bolivia and Bangladesh in terms of the groups' support for producing women leaders in the government. In both countries, the skills and knowledge gained through gender and leadership training aided women to successfully become leaders in local government. Furthermore, in both countries the women's greater economic

independence, gained through their participation in microfinance, facilitated leadership in local government. In Bolivia, connections women gained from work within the community through their businesses enabled them to become more well-known and thus gain popular support for leadership positions. In Bangladesh, increased income levels also increased women's ability to obtain leadership positions in local government.

5.4 Constraints on microfinance in promoting civic activism

5.4.1 Case of Bolivia

As discussed in the preceding sections, as a result of their participation in microfinance groups and community activities, women in multidimensional microfinance programmes reported:

- opportunities for developing greater economic empowerment;
- self-confidence and a greater voice;
- knowledge about rights and processes;
- interest and skills in leadership;
- greater access to government resources and space.

However, staff and participants spoke candidly about the difficulties they faced in either providing accessible opportunities, or in being able to take advantage of available opportunities.

This section is not intended to be a comprehensive discussion of all the issues raised by the various stakeholders included in the study. Instead, frequently expressed obstacles to the development or facilitation of civic activism for three key stakeholders are discussed. These stakeholders are: the individual chronically poor women participants themselves; the multidimensional microfinance providing organisations; and government officials at an institutional level in Bolivian society. The discussion of constraints is important, as they are clear indicators of where improved strategies are most needed.

5.4.1.1 *Constraints on women's participation*

Lack of time was a common direct constraint on women's ability to participate more actively or as leaders

The chronically poor women in this study reported many benefits of training and greater participation in meetings and community activities. Many reported that they participated in group activities and other associations despite heavy standing commitments in the home and the wider community. However, time constraints were frequently highlighted as an aspect which held them back from participating more in meetings, joining more groups, taking advantage of desired training opportunities, or assuming leadership positions.

Women commonly attributed this to three key issues. First, women from the INDICEP microfinance group in Vinto pointed out that meetings or training were sometimes poorly scheduled. Enthusiasm for participation in community activities and problem solving was high in this group, but training sessions were sometimes made available at times when they had to be working or performing other responsibilities. One member of the INDICEP Vinto microfinance group indicated that she would like to go to all the workshops, but had to work instead. Other women from the same group mentioned that the training sessions were sometimes arranged and changed without consulting them. Members of the Pro Habitat focus group in Santa Barbara said that the last training workshop had taken place on Wednesdays, the major market day, so many of them could not attend.

A related second issue was the lack of childcare facilities. Women were unable to leave children elsewhere while they attended meetings or training. Women from INDICEP's microfinance group in Vinto were frustrated that they could not bring their children to the forthcoming training session, while INDICEP staff responded that their microfinance meeting place could not accommodate children safely. The lack of childcare facilities was reported by the women as having had a negative impact on their ability to fully engage in income-generating opportunities.

Finally, how women prioritised the various demands on their time had an impact on how they chose to participate. For example, while each group had a strong contingent of women who were participation-orientated, several women across the organisations asserted that they considered leadership roles to be too time consuming, either because they had other responsibilities or because they did not consider this a preferred use of their time.

Women often suffered from insufficient access to health services, which could limit their participation and economic productivity.

Similarly to Mosely (2004:4), this study found that access to health services was a serious issue for Bolivian women in extreme poverty. Amanda Zabala Antezana, CRECER Regional Cochabamba Coordinator, noted that cervical cancer was one of the gravest threats facing poor Bolivian women today. Bolivia currently has the highest rate of cervical cancer in South America (Marie Stopes International, 2010). Insufficient access to basic health services or to Pap smear examinations meant that cervical cancer and other conditions often went undetected until too late. A law was recently passed that now gives women of all ages equal access to free cervical smears and treatment for cervical cancer. However, its impact may be too early to gauge, as women across groups clearly highlighted health services and health insurance as services they sorely lacked. Poor health was seen to be an important factor in lost work productivity, absence from meetings, and defaults on loans that had the potential to push women further into debt and threaten their position in the group.

Some of the multidimensional microfinance groups in this study were attempting to address this issue. As discussed in the social networks and relationships section, this usually involved forming links with other health providers, such as Marie Stopes or the Harry Williams Hospital. However, even in these instances some limitations were evident. The Pro Habitat group in Santa Barbara reported that, even though linkages had been established with Harry Williams, women had stopped their visits, as they were not 'organised enough' as a group. The women in the focus group reported that, since they had formed themselves into a market association, they were now more organised, and thus potentially eligible for the Harry Williams organisation to return. However, when asked if they had taken any steps to contact it, they responded that they had not.

Another issue that emerged was the quality and accessibility of women's health services. Available clinics frequently charged a fee which, though subsidised, still represented a barrier for some women. At the local government-run clinics, treatment was free, but women and Pro Habitat staff highlighted that it was often very difficult to get an appointment because of limited opening hours and long waiting times. Amanda Zabala Antezana from CRECER also reported that rural indigenous women occasionally faced discrimination and poor treatment at the hands of clinic staff. Reports also suggested that some women had no access to a hospital.

Husbands were known to divorce women on the basis of greater political participation, which operated as a discouraging factor for some

Husbands who did not support the participation of their wives in microfinance groups were an important constraint on women's participation, particularly those women who were interested in leadership positions. Women leaders risked rejection by their husbands, and cases of divorce in these circumstances were common.

While, as discussed in the section on social networks and relationships, it could be seen that many women were successful in renegotiating traditional gender dynamics in the home in order to participate in the multidimensional microfinance group programmes, it was reported that conflict commonly arose in the home when women chose not tell their husbands that they were taking out microfinance loans.

Access to appropriate microfinance and microfinance management were seen to be constraints on women's ability to work towards greater economic stability and empowerment

In multidimensional microfinance groups in organisations across Bolivia, it emerged strongly that greater economic empowerment, stability or financial autonomy was an important contributor to the women's new sense of greater self-esteem, confidence and readiness to participate more actively in groups or take on leadership positions. However, women and microfinance organisation staff were also open in describing the difficulties experienced by chronically poor women in either accessing microfinance or in drawing economic benefit from available programmes. This study also included groups of poor Bolivian women in social organisations that did not work with microfinance, because of lack of access, interest or through preference. This was important in order to examine the issues that current microfinance models in Bolivia raise in reaching and lifting from poverty the extreme, chronically poor.

Across organisations, the factors which constrained the ability of microfinance to lead to economic empowerment were problems with accessing microfinance which served the chronically poor; how the microfinance was used once it was taken out; and 'over indebtedness', that is, taking too large a loan.

While the majority of the chronically poor women in this study, who had not taken out microfinance in the past, responded that they were interested in it, geography and lack information about microfinance were seen to frequently compromise the ease of access to multidimensional microfinance among such women in Bolivia. Few microfinance options existed for poor rural women. INDICEP and Pro Habitat staff discussed past programmes in rural areas that had attempted to offer agricultural microfinance but were unsuccessful because of the high risk involved. A related issue was access to markets. Women in peri-

urban areas had better access to microfinance, but still faced geographical barriers. Women in several focus groups discussed the difficulty of getting products to market and voiced a need for greater opportunities to sell their goods. In Santa Barbara, a group associated with Pro Habitat and located in the higher, more difficult to access part of Cochabamba, explained that women had organised to solve this problem by creating their own market association, and were currently pooling their own resources to build a roof for their new marketplace.

Another issue to emerge was that chronically poor women were not always fully satisfied with the microfinance options of which they were aware. Some women asserted that microfinance was too risky, or that interest rates were too high. Within the multidimensional microfinance organisations, annual interest rates ranged greatly: between 12.5 percent and upwards of 30 percent annually. The perception that interest rates were too high was widely expressed, yet women did not distinguish between the much higher or lower interest rates available with different organisations. Leaders of the Federación de Clubes de Madres reported offering very small, informal, internal microfinance mechanisms (such as using club funds to give advances for women to prepare and sell food at meetings, or starting a *pasanaku*,² or a group Christmas savings fund) but they had no formal links with organisations to provide their membership with microfinance as an umbrella federation. They noted that their clubs were interested in and would like to take on microfinance, but interest rates were 'too high'.

At the same time, it emerged that incomplete information about it was a key constraint on the impact of multidimensional microfinance in Bolivia. Adam Kemmis Betty, a KIVA Fellow noted that even among participating microfinance clients there was a weak understanding of how the interest worked and what it was used for. All the multidimensional microfinance programmes in this study provided women with a compulsory saving fund, which was extracted from the interest paid on the loan capital. Adam Kemmis Betty said that he had found women also to be unsure of what proportion of their interest was destined for their own savings through this feature, which in his opinion contributed to the widespread perception that interest rates were high.

The study also collected perspectives from women who believed that they could not take out microfinance because too many documents or land titles were required. While this was true of the more commercial microfinance institutions, knowledge of the institutions which offered loans based around group solidarity for poorer women was lacking. This was also seen to be the case even among women who were already involved with a microfinance organisation. Women from one Pro Habitat microfinance group who expressed interest in accessing more microfinance as a group were surprised to hear that CRECER also offered microfinance to

2 A traditional Andean form of rotating microfinance circle.

poor groups locally, and did not require women to take out a loan on the basis of individual collateral.

Among chronically poor women, the use of microfinance could limit the extent to which it was able to lead to economic empowerment. There was a strong consensus among microfinance and social organisation staff that microfinance was most likely to result in greater economic empowerment when it was used for income-generating opportunities. In Bolivia, women reported using microfinance for numerous reasons, including the purchase of income-generating inputs such as sewing machines, materials, livestock and bulk produce. Other reported uses were home construction or improvements, paying back debts or loans, consumption and financing the migration of children or relatives for work.

Chronically poor women saw defaulting on loans as a serious risk that had the potential to push them further into poverty. One woman from the CRECER microfinance group in Quillacollo noted that she had had to make a large repayment on a defaulted loan in the past, which had left her in a worse financial state for several years than she had been in initially. Microfinance which targeted economic activity, coupled with appropriate management training was one method that organisations were able to use to allow them to include women with limited financial resources and minimise defaults in the group.

Only one organisation gave loans to women that could not be used for economic activities. Pro Habitat gave women microfinance for the direct purpose of building or improve their homes through the construction of kitchens and bathrooms. Jo Maguire, an architect at Pro Habitat, commented that it was not really possible for loans to be spent on other things as microfinance was disbursed in small amounts, based on the architect's weekly assessments. However, because the loans were not based on economic activity, Pro Habitat had to check that women had access to a minimum monthly income (800 bolivianos) to ensure they could pay back the loan. While this minimum figure was low enough to be inclusive of women in what we understand to be extreme poverty (that is, women living on less than \$1 per day³), it did ultimately limit the accessibility of the Pro Habitat loans to women who could not meet this income requirement.

Staff at the Oficina Jurídica para la Mujer made other interesting observations on the limitations of microfinance, relating to how it was used by the women. As discussed in the

3 To access the loan, family income had to be at least 800 bolivianos. This is roughly \$114 monthly and, with an average family size of five, does include women in extreme poverty living on less than \$1 per day. However, it is clear from this example that microfinance which does not target economic activity may be inaccessible to the poorest of the poor because of limited resources and an inability to absorb defaulted debt from lower income participants.

section on microfinance in Bolivia, the microfinance market in the country is diverse, serving a broad range of socioeconomic segments of society. The gender division of microfinance clients in Bolivia is near equal. However, the loans that are accessible to the poorest members of society are disproportionately available to women. On the one hand, this is a response to the gendered nature of chronic poverty in Bolivia and it is important that services are available for the larger numbers of women who are in and vulnerable to extreme poverty. On the other hand, research revealed that some men had capitalised on the loans taken out by their wives. Oficina Jurídica para la Mujer staff reported that some of their recent legal work around microfinance had included the appropriation of loans by husbands, who would instruct their wives to take out loans, use them to pay off their own debts, and leave the woman, with the debt in her name.

Taking on too much microfinance, through pressure or poor microfinance management skills, also limited the potential for economic empowerment. Staff from the Oficina Jurídica para la Mujer, Pro Habitat, Pro Mujer and INDICEP all mentioned the problem of 'over-indebtedness', where women took out too much microfinance from multiple organisations, and were unable to make the repayments. This practice limited the ability of microfinance to result in economic empowerment. They related the history of microfinance in Bolivia, in which a large number of microfinance institutions opened during the 1990s, a large proportion of which focused on women specifically. Several organisations made microfinance readily accessible, with little emphasis on ensuring women were able to manage their loans, or on assessing how much it would be appropriate to disburse based on the women's circumstances. In sum, numerous organisations were not accountable for the loans they supplied beyond the disbursement stage, and as a result many women fell more deeply into poverty during this time.

This is less of a problem today, since all microfinance organisations now share information using a database of all the loans their women clients take out. INDICEP, CRECER and Pro Habitat staff reported that, even among long-standing clients, the database is checked each time a loan is disbursed. This has resolved some of the problem. However, as recently as 2009, Pro Mujer reported serious losses resulting from women taking out too many loans (Omar Araujo, personal communication, 12 March 2010). Monica Novillo from Coordinadora de la Mujer suggested that over-indebtedness was still a constraint on how well multidimensional programmes could offer a route to economic empowerment because of insufficient training on money management and on the appropriate levels of microfinance to request. Some microfinance officials were said to be pressuring women to take on more money than they could repay. Novillo also reported that some women chose to appear more affluent to microfinance officials, by borrowing furniture or appliances from friends, so that they could be more easily approved for microfinance,

5.4.1.2 *Constraints on multidimensional microfinance providers in facilitating women's participation*

Funding was the most significant constraint faced by multidimensional organisations which targeted the chronically poor

Microfinance staff from INDICEP, Pro Mujer and Pro Habitat discussed the issue of organisational funding as a key constraint to providing microfinance at accessible interest rates to the chronically poor and to offering adequate resources or enough education services to their members. Members of the INDICEP microfinance focus group in El Paso expressed frustration that they did not have a place to hold training sessions. While CRECER offered both financial and social services, staff noted that it could be a challenge for organisations to commit to providing a balance of social and financial services. Social services were often the first to be cut when institutions were faced with budgetary constraints.

To keep down the costs of training in particular, CRECER microfinance officials also had the role of providing training over a range of issues to the group. Amanda Zabala Antezana considered this the key to CRECER's ability to offer an extensive range of training opportunities, but also noted that, by concentrating so much responsibility in the hands of the microfinance official, they had experienced problems with dishonesty. This led to the development of money management checks and balances which are now the responsibility of the microfinance group's 'Mesa Directiva', or board of directors. Each group has an internally managed structure.

According to the leaders of the Federación de Clubes de Madres, lack of financial resources was an important constraint on women's participation in the club, and certainly on their ability to perform leadership positions. They noted that they were unable to make clubs available to all women with their services because they didn't have the money. Sometimes clubs had to be abandoned for financial reasons, including the lack of transportation costs. One leader commented that although they would have preferred to be more active, there was not much continuity of women in leadership positions in the organisation because of these financial limitations.

5.4.1.3 *Institutional constraints on facilitating women's participation*

Gender equality challenges persisted in achieving real decision-making power for women in Bolivia

Monica Novillo from Coordinadora de la Mujer remarked that landmark progress had been made in Bolivia through the inclusion of gender equality legislation in the new constitution. For Novillo, the new challenge was ensuring that legislation translated into tangible improvements in the status of women, and in the decision-making power they held. In the earlier section on government access, organisations described how offering microfinance

had the ability to help women increase their access to local government. However, in the case of Bolivia, reports suggested that more needed to be done to see real outcomes from the legislation currently in place. The research revealed that multidimensional microfinance organisations were unable to effectively address local governments' unwillingness to prioritise women's issues, the lack of resources provided to women by the local government, and women's weak decision-making power in government leadership positions today. Furthermore, because of the commonly shared objective of maintaining political independence among multidimensional microfinance institutions, they experienced limitations on how much greater access to the government or government programmes they could directly facilitate.

Several of the groups interviewed mentioned that the government did not prioritise women's issues, and because of this women suffered from a lack of resources. When the members of the INDICEP microfinance group in Vinto asked the OTB for a space for childcare, they were told that the available space needed to be used for football fields. According to members of the INDICEP focus group in El Paso, the mayor (a man) gave a higher priority to men; the group argued that the local government did not listen to them as women. Even when money was available in the municipal budget for women's issues, it was not always spent on them (Delfa Claros García, Oficina Jurídica para la Mujer, personal communication, 10 March 2010).

Delfa Claros García from Oficina Jurídica para la Mujer and Monica Novillo from Coordinadora de la Mujer both noted that women suffered from low levels of decision-making power even once they occupied official leadership positions under the new gender-parity quota laws. Claros García, Novillo and INDICEP staff members agreed that the opinions of these women were often not valued by government officials and were routinely seen merely to support decisions of their male colleagues. For example, Claros García gave an example of a current female justice minister who was not even able to decide who could work with her. She was simply a figurehead for gender-parity stipulations (Delfa Claros García, Oficina Jurídica para la Mujer, personal communication, 10 March 2010).

In terms of the multidimensional microfinance organisations' relationships with local government, many of them considered it important to remain politically independent, which was at times a challenge given the ubiquity of the ruling MAS party. According to Omar Araujo, Supervisor of Financial Services at Pro Mujer, the organisation did not want to associate with any political party as it might prevent some people from participating in their microfinance programmes. CRECER staff noted that, although they did not restrict the political activity of their clients in any way, they preferred not to adopt a political identity. CRECER worked with the government on more neutral topics of mutual interest, such as municipal-level health and insurance in government health centres, rather than on politically charged issues. . Other microfinance organisations were similarly cautious in how they engaged with the government. Omar Araujo commented that Pro Mujer sometimes made

first contact with members of a community through the OTB meetings but otherwise they did not work extensively with the government. This careful management of an apolitical image mirrors the strategy of Grameen in Bangladesh, a strategy which has, in fact, safeguarded the longevity of the institution with the passing of various governments (see access to government section). For this reason, while changes are needed to improve women clients' potential for civic activism in society and in government spaces, the role of microfinance organisations may need to remain an indirect one.

5.4.2 Case of Bangladesh

5.4.2.1 Constraints on women's participation

In Bangladesh, the active participation of women was seen to be dependent on both women's and others' perceptions of their roles. The three organisations studied all agreed on the need to transform these perceptions to shift the way in which women and their close associates (e.g. husbands, relatives and community members) viewed them. Indeed, many women who participated in this study described how their expected roles, configured by social and religious norms, limited their opportunities to connect and communicate with others. Although women testified that they were now capable of communicating their needs and voicing their rights as a result of education and training, coupled with expanded economic capacity resulting from microfinance programmes, they also described how this lack of independent self-image was still delaying the much-needed progress of women in society.

Women's participation was often highly dependent on the support of their husbands

In Bangladesh, the understanding of husbands and their views on their wives' participation in NGO-led events or in any other types of social gathering organised by their microfinance groups were revealed to be a key enabling factor in allowing women to benefit from opportunities to obtain education, access microfinance loans, run businesses, voice their demands in the community, and even run for positions in the local government. However, the lack thereof was identified as a critical impediment. For example, during focus groups with members of MDS and NUK in the rural areas, it was found that obtaining permission from a husband is usually the first and most daring step for rural women when becoming involved in a microfinance programme. In order to clear this hurdle, both the relevant NGO and the woman's prospective microfinance group members would often communicate with the reluctant husband. In most cases, this helped to change the husband's stance. For example, MDS and NUK had, in the past, held gender-education sessions as well as education on the benefits of the microfinance programme, for husbands, as a way to ensure that they were soundly informed and to help them cast away fears of losing control of their wives. Likewise, the prospective members, if needed, would visit the husband and attempt to persuade him.

Microfinance is a pervasive phenomenon that has penetrated the country in both the rural and urban areas. The benefits of being part of the microfinance programme, especially the idea of economic gains, were well received throughout the country. So it should be emphasised that it was an exception rather than the rule when husbands chose to prevent women from joining the microfinance group. Resentment or even retaliation from husbands, although common in the past, was either absent or negligible in the findings of this study. Nevertheless, persisting patriarchal husband and wife relationship dynamics continue to underscore the fact that the husband's consent is an issue that needs to be dealt with cautiously by both the NGOs and the women in question.

Leadership was perceived to carry a high opportunity cost for many women

Despite the fact that participation in a microfinance group may in and of itself be a positive and liberating change for many women, this does not guarantee that they will always view becoming a leader as something to be desired. Becoming politically active and taking leadership positions were seen as costly actions by both rural and urban women in Bangladesh, but especially by urban women. High opportunity costs of taking up a leadership position were often highlighted during interviews with staff members. Ordinary constraints included a lack of money or skills, but a few extreme cases involved fear of domestic violence, divorce, and even death threats from gang members against women who wanted to advance into leadership positions.

Becoming a council member or even the chairperson in the Union Parishad was considered a possibility, thanks to the mandated policy reserving three positions for women and to the increasing participation by women in community affairs. In addition, there is now a one-third seat reservation for women in the Dhaka City Corporation for ward commissioner's positions. However, in the majority of reports women who sought these positions were constrained by their lack of financial resources. This was more pronounced, and complicated by other factors, among urban women. According to our findings, few women had the enthusiasm for becoming involved in contests for representative positions in the city. The perceived possibility of becoming a local leader was relatively low in urban areas compared to the perceptions on the part of rural women. For example, running for ward commissioner in Dhaka City would entail far more resources and would require a stronger financial commitment and mental support from her family than would doing so in a rural district. Thus, far less enthusiasm for running for an election was exhibited during the focus group with women in the city.

Religious and social norms often helped sustain mental barriers in women

The presence of religious leaders in the community and male figures, both in nuclear and extended families, was shown to predefine and delineate women's particular roles and

responsibilities to a limited number of family functions. Women often admitted in the midst of focus groups that the family was their first priority.

Staff member from MDS: 'Family is the most important aspect of our women's lives. If the family is resisting, the woman may choose to preserve her family's reputation and opt not to finish the training. MDS tries to talk with the family because if the woman discontinues it harms the MF progress. We talk with the husband and sometimes with their mother-in-law. The poorest women may lack motivation to greater degree but the problem exists throughout all poverty strata.'

Staff member from NUK: 'Religious people will challenge even what is already put into law. Their views can conflict with what the law says. Religious norms mandate that women are not to discuss how many children they will have.'

Constraints on multidimensional microfinance providers in facilitating women's participation

Most of the limitations that beneficiaries and NGO staff members noted were related to the fact that there was not enough skills training for women, gender training for men or larger microfinance loans. However, satisfying these demands from the supply side had its challenges.

First, although gender training for women could be performed by proficient staff members, practical, income-generating skills courses, for example on aquaculture techniques, fabric dyeing or embroidery, required specialists from different fields. This inevitably raised cost issues for NGOs with limited resources who wished to provide the skills training that was widely in demand. Second, the importance of gender training for males frequently arose during interviews and focus groups, but none of the NGOs were able to consistently offer such training, mainly because of a lack of funding, despite positive responses and interest on the part of the men. Third, when asked about microfinance programmes in Bangladesh in general, the senior staff pointed to the fact that integration of a gender equity and rights-based approach is crucial in microfinance programmes in order to genuinely empower women, but that this aspect is grossly deficient in the current microfinance operations of many NGOs because of funding shortages and the lack of gender awareness.

Every beneficiary of microfinance and every microfinance administrator reiterated during the focus groups and interviews that microfinance works, but that the current loan size was insufficient. One of the organisations specified that its loan amounts ranged from 500 to 10,000 taka, which was not considered a significant amount. Interestingly, while microfinance-providing organisations did not restrict their women from enrolling in other microfinance programmes, this rarely happened.

A field staff member from NUK: 'Women are becoming more conscious and confident in their ability to invest in business. At the start of the programme they were not confident even with the loan amount of 2,000 taka. Now they are much more skilled and able to handle larger loans but we are not able to meet their needs.'

5.4.2.2 *Institutional constraints on facilitating women's participation*

The lack of gender sensitivity in government institutions was reported to discourage women leaders from more meaningful participation

Another significant, but more pervasive constraint on women's civic activism was found to be male-dominated government institutions. Several groundbreaking provisions over the past 20 years establishing women's quotas in various government positions have served as milestones in the progress of gender rights in Bangladesh. However, interviews with senior NGO staff members revealed that real change from the top is much slower than what is happening from the bottom up. For example, access to the lowest levels of government posts in rural areas has become much more open to women but anecdotal evidence confirms that women in these positions sometimes face subtle or outright unwillingness to cooperate from their male counterparts.

A senior staff member from one organisation also noted that the absence of gender sensitivity in government policy and institutions is so great that one of her organisation's top priorities was to educate government officials by maintaining a good rapport with them in order to raise their awareness of women's issues. This was done by, among other things, offering them formal invitations to various NGO-hosted national events. However, today, hardened and calcified layers of an age-old discriminatory milieu of practices and perceptions towards women, embedded in government institutions both implicitly and explicitly, continue to discourage Bangladeshi women from actively participating in public and civic affairs.

5.4.3 **Comparison of the two countries**

Both in Bangladesh and in Bolivia restrictions that constrain women's meaningful participation within groups and within their communities can be categorised into three major themes: constraints on chronically poor women themselves, constraints on NGOs in facilitating participation, and constraints within the wider institutional environment. For women, conflicting priorities in their daily lives played a large role in limiting participation in both countries, but primarily in Bolivia.

The women of both countries sometimes did not want to bear the potential risk of endangering their relationship with their husbands or families, although they recognised the benefits of being involved in microfinance loans and training opportunities. The women of both countries were at times not aware of their rights and were afraid to take the first step to

get involved as they feared becoming a more active member would obligate them to a range of time-consuming tasks. Issues with getting their husbands' permission, low self-image, and the presumption that a leadership position would be very costly were shown to be closely linked with how women prioritised activities in their lives.

Successful stories were told of women realising the great benefit and importance of being involved in microfinance programmes and of their increased abilities to change their husbands' mindsets by gaining the confidence to move out of the boundaries of their predefined roles as women. Women benefited from education programmes which helped many to see themselves as agents of change, which contributed to this shift. However, education is only a tool, and does not necessarily mean that women will prioritise gender rights or utilise available opportunities around them.

Another common constraint across countries was funding-related. Very often the scope and reach of programmes had to be narrowed to fit their financial standing, and over the long term the sustainability of many current programmes was questionable, despite existing high demand. Although Bolivia and Bangladesh shared several overarching issues, such as lack of funding for training, the major difference between the two countries was the microfinance models themselves and how they operated.

Although describing the full details of microfinance models in both countries is not within the scope of this study, symptoms arising from this difference may be discussed here. Evidence gathered in both case studies reveals a noticeable difference in microfinance enrolment and default trends between Bolivia and Bangladesh. Among other things, this may have been perpetuated by several differences in microfinance administration.

First, the Bolivian study found that women often failed to understand how microfinance loans worked. They sometimes had misperceptions that microfinance was expensive and hard to receive. Information on the availability of microfinance and its operations was often insufficient for eliciting greater participation among women who otherwise could have qualified to receive such loans. On the other hand, microfinance beneficiaries in Bangladesh reported that enrolment in the loan programme was perceived as widely available. The mandatory loan training before the loan disbursement also ensured that women understood how the loans worked and how they should be managed. During focus groups, Bangladeshi women frequently emphasised that they were capable of handling more money, which also corroborated with staff accounts, in contrast to the Bolivian women.

Second, the findings from each country showed that there were more anecdotal stories of women defaulting on microfinance loans in Bolivia as compared with Bangladesh. Although this will have to be confirmed through a quantitative study, women and staff of the Bangladesh NGOs in the study never addressed default as a problem. There the NGOs interviewed were all lending at the average rate of 12.5 percent for microfinance loans, but in

Bolivia, the rate was found to have a wide range of between 12.5 percent and over 30 percent annually. The causes of this difference in interest rates could be to the result, among other things, of the overall economic structure of the two countries, over which NGOs have little control. This difference in accessibility of loans may influence women's level of participation.

Third, in Bangladesh loan amounts were decided at the microfinance administrators' final discretion on proposed income-generating projects. However, in Bolivia loans were sometimes disbursed for activities that were not income-generating in nature, which in turn inevitably affected the ability of women to repay them. Moreover, Bolivian women were allowed to take multiple loans from several organisations, and this practice sometimes trapped them in further debt. Women in Bangladesh, although not prohibited from doing this, did not consider this a viable option. Coherence and loyalty to their groups in Bangladesh were observed so strongly that the idea of being in another microfinance group was hardly considered.

Other than these differences in microfinance operations, organisational limits that differed were NGOs' general capacity in facilitating or providing logistical arrangements, such as ample transportation or childcare, to help women participate in their programmes. Bangladeshi NGOs were finding easier solutions to these limitations than their Bolivian counterparts.

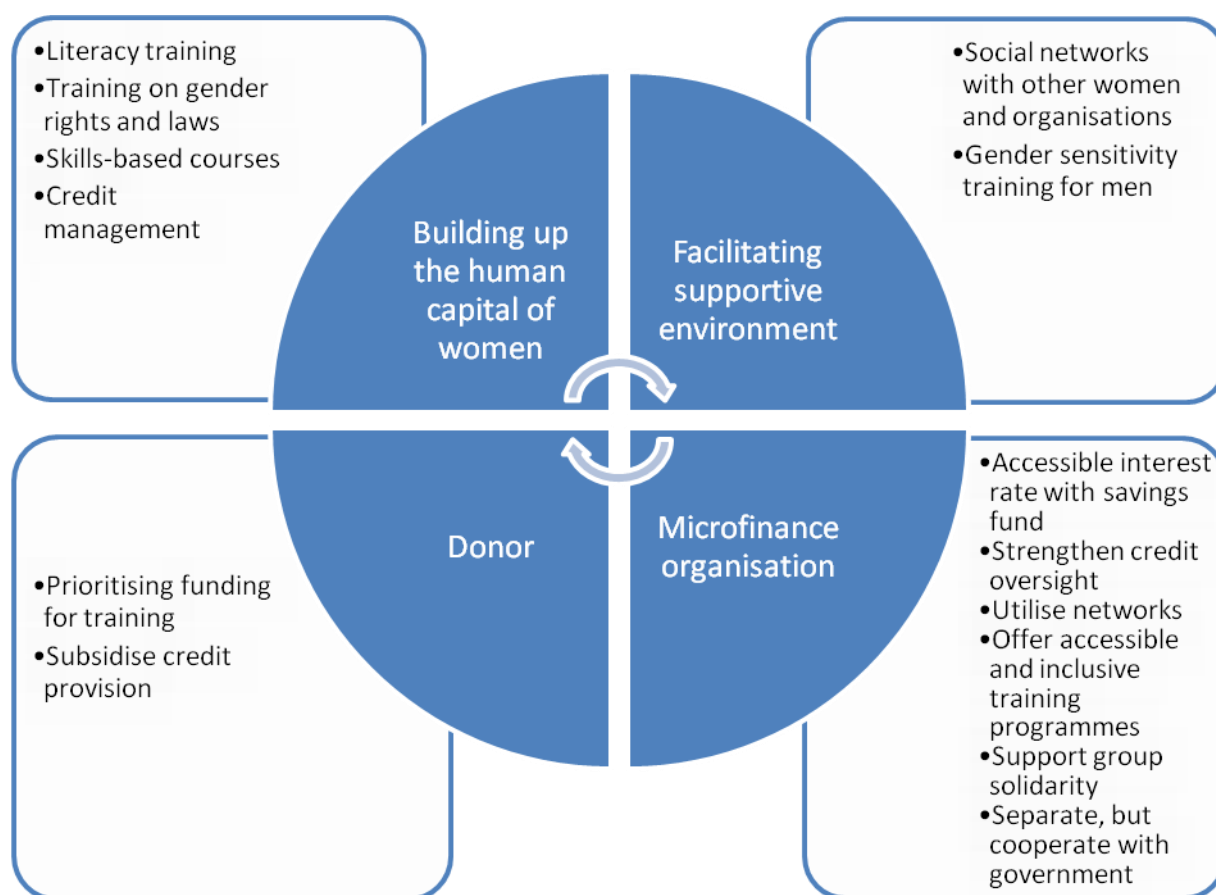
Regarding the institutional environment, both Bolivian and Bangladeshi women faced layers of discriminatory hurdles that discouraged women from moving up in society. Even women who currently held leadership positions were systemically excluded from meaningful decision-making. Their male counterparts lacked gender awareness, and some women reported that their men needed more gender awareness.

A final difference observed was that Bangladeshi organisations saw the need to get involved with local and national government officials to raise awareness of the need to create space for women. Although NGOs did not promote any political standpoint, working with whoever they considered important was of strategic significance. However, in Bolivia the findings showed that multidimensional microfinance organisations deliberately tried to maintain a more disciplined distance between themselves and the MAS political party. This would suggest that managing the political profile of a multidimensional microfinance programme requires both coordination with government and careful political independence.

6 Recommendations and conclusion

Multidimensional microfinance programmes are not a panacea for chronic poverty. However, by providing opportunities for developing the voice and decision-making power of chronically poor women, such programmes are important tools which have the capacity to address the multidimensional nature of the socioeconomic vulnerabilities that chronically poor women face. They are necessary to renegotiate the condition of chronic poverty in the long term. Figure 1 summarises recommendations for donors and microfinance organisations in providing multidimensional microfinance programmes for chronically poor women. Key objectives for donors and microfinance organisations alike are to support human capital building and create a supportive environment for the women in the programme.

Figure 1: Schematic representation of recommendations



The importance of a combined approach which pairs microfinance with training opportunities emerged strongly from the research. In Bolivia, women in the INDICEP focus group in El Paso were equally enthusiastic about the various aspects of the microfinance programme. When asked to comment on which aspect of it helped the most in bringing about these stated improvements in confidence and self-worth, one woman asserted: 'Everything goes together hand in hand, someone receives training and can give their opinion as well as receiving

some economic help and that gives us more confidence in ourselves, everything goes together, microfinance, training, and solidarity.'

Broadly, the research identified that effective multidimensional microfinance programmes operated in two key dimensions. First, through education programmes women had the opportunity to build up human capital through five interventions: literacy programmes, income-generating skills workshops, microfinance management training, health education and services, and gender and legal rights education. 'Leadership training' was a common feature of women's organisations across countries, and they usually included a combination of these five types of education programmes. These activities were important inputs in promoting active participation among the women in their homes and communities, including giving them the knowledge and greater confidence necessary to act on demands.

The second dimension of effective multidimensional microfinance programmes was facilitating supportive environments that provided leadership and active participation opportunities for chronically poor women. Multidimensional microfinance programmes have been able to achieve this by forming networks with other organisations to provide greater access to shared resources, dialogue and training opportunities (spaces for dialogue, training, resources for health), by promoting the formation of supportive networks with other women in the community, and by facilitating spaces for dialogue on gender issues with the local government.

The following recommendations for multidimensional microfinance organisations emerged from the study. These distil the most important features of multidimensional microfinance programmes in promoting greater civic activism, as reported by chronically poor women and programme staff in Bolivia and Bangladesh.

As funding constraints are a key issue that cuts across organisations and countries, strategies are presented which attempt to work within the limited resources of any organisation. In addition, the final recommendations are intended for donors who are seeking to fund multidimensional approaches to microfinance.

6.1 Recommendations for multidimensional microfinance organisations

6.1.1 Building up women's human capital for civic activism: what is most necessary?

6.1.1.1 *Make literacy training a priority for promoting active participation and leadership among chronically poor women.*

Literacy training was the most valued programme feature across Bolivia and Bangladesh. This one programme aspect was seen to have an impact on a broad range of indicators: the confidence of women, their ability to manage their income, knowledge about rights and

entitlements, and capacity for leadership roles. In Bolivia, INDICEP offered a comprehensive, multi-stage education plan which began with maternal language literacy (Quechua or Aymara), and progressed to bilingual literacy (Spanish). Life histories across organisations directly linked literacy training with the development of leaders among chronically poor women.

6.1.1.2 *Offer training on gender rights and laws to promote greater voice among chronically poor women, and reduce their vulnerability to unfair treatment*

Training which educated women on their rights was seen to be vital in enabling chronically poor women to act to secure their entitlements and reduce their vulnerability to unfair treatment. Organisations agreed that all training and education programmes should include a gender focus. In Bangladesh, this protected women from unlawful informal divorces. In Bolivia, this meant that women in FENATRAHOB received training on legal working hour limits, which gave them the opportunity to assert their rights, and reduced the time pressures that illegal working hours had placed on their daily lives. Women in Bolivia also spoke about being able to stand up to their husbands and refusing to be humiliated or beaten.

6.1.1.3 *Offer skills-based courses to provide chronically poor women with income-generating opportunities, encourage greater mobility and economic empowerment*

Practical skills were seen to be important in providing income-generating routes out of chronic poverty for women. In Bolivia, skills-based courses such as dessert-making, baking and sewing were an important motivating factor for joining the multidimensional microfinance group, and frequently cited as one of the most important benefits that they had gained from their membership. With new revenues women were able to use the microfinance to start or expand economic activity. Women reported directing their improved incomes to enhancing the quality of life of their families, including educating their children and improving family nutrition and sanitation. In Bangladesh, skills-based courses were not as widespread among multidimensional microfinance programmes and, when asked which additional types of training they would most benefit from, chronically poor women overwhelmingly responded that more practical skills courses were the most greatly needed. Women that did gain practical skills, such as sari-making, were then seen to increase their mobility through their new businesses, which also contributed to the expansion of their social networks.

6.1.1.4 *Prioritise microfinance management training to encourage the effective use of available microfinance*

Particularly in Bolivia, poor uses of microfinance undermined the ability of some women to escape from poverty (or meant that they were pushed deeper into poverty). Greater economic empowerment has been seen to be an important contributor to giving women the confidence and the capacity to speak up for themselves, and move to make changes in their homes and communities. BNPS staff in Bangladesh noted that, after their clients became

involved in economic activities, they had more influence in and outside the family, while the women themselves added that they were beaten less as their husbands began to have more respect for their economic roles as women.

Poorly understood microfinance, or microfinance that was used ineffectively increased the likelihood of microfinance defaults, threatened group stability and discouraged others from taking up microfinance. For these reasons, this study found that appropriate training in the terms of microfinance, interest rates, the various components of interest (e.g. commission, personal savings, and return on loan capital) was important to increase the understanding of microfinance. Microfinance management skills would also be important in contexts where women take out more loans than they repay.

Another vital aspect of microfinance management is that women should be trained in the importance of using microfinance for economic activity. There was a strong consensus among microfinance and social organisation staff across countries that microfinance was most likely to result in greater economic empowerment when it was used for income-generating opportunities. For chronically poor women, ensuring loans are used appropriately and can be paid back is important at the individual and group levels. One woman from the CRECER microfinance group in Quillacollo noted that, some years ago, she had to make a large repayment for a group member who had defaulted on a loan, which had seriously worsened her financial state for many years. Microfinance which targeted economic activity, coupled with appropriate microfinance management training, was one method by which organisations were able to be inclusive of women with limited financial resources and could minimise defaults in the group. Complementary training would then need to be offered in business and income-generating skills and money management.

6.1.1.5 *Address the need for childcare facilities where possible*

A commonly expressed limitation on the greater participation of chronically poor women in group and community activities was the lack of childcare facilities. This is an important issue, which demands the attention of any multidimensional microfinance programme in order to maximise the accessibility of microfinance meetings and community activities for chronically poor women.

6.1.2 *Building up women's human capital: key strategies for organisations*

6.1.2.1 *Offer a microfinance model with accessible interest rates which include a mandatory research fund*

Microfinance should be accessible to chronically poor women without official documentation or collateral, by using the group guarantee model. Interest rates should be accessible, and part of the interest rate should be redirected to a mandatory personal savings fund. Information on how to join microfinance groups and the details on microfinance should be distributed widely to the community, so that chronically poor women have direct access to

the necessary facts on local microfinance opportunities. In both Bolivia and Bangladesh, even though including a mandatory savings fund as a proportion of total interest raised interest rates, this feature was widely cited as important in improving the well-being of women's families and in winning the support of their husbands.

6.1.2.2 *Encourage oversight over microfinance disbursement within and between microfinance groups*

Within the group it emerged that women gained important leadership and management skills by being responsible for managing their own microfinance. In some contexts it may also be necessary to oversee microfinance disbursement between microfinance groups. In Bolivia it was very important that microfinance-providing organisations maintained and relied upon a shared microfinance database to prevent women taking out too much money. In Bangladesh such a database was not present, and appeared to not be necessary. Women were very loyal to one microfinance group, and did not seek microfinance elsewhere.

6.1.2.3 *Develop gender-responsive training programmes that are accessible and inclusive*

Promoting training programmes was seen to be important in demonstrating the importance of training among women who otherwise would not have considered attending training sessions. Further, the schedule and time pressures on women should be taken into account when planning training sessions, and where possible training should be offered locally. Where training is not easily accessible, transport issues should be addressed by the organisation.

Training sessions should not exclude the illiterate, and where possible should be conducted in the maternal language of the women participants. The findings of this study echoed those made by Dunford (2001) which proposed that, for the educational services to be effective, the staff leading the sessions must ensure that the participants use their own life experiences and find solutions that can be used locally to deal with problems in their lives related to poverty. In Bangladesh, men were invited to the meetings at the beginning of a woman's microfinance cycle so that they could participate in gender-sensitivity training activities.

Senior staff member from NUK: 'Microfinance programmes should incorporate gender training in all their educational dimensions. Instead of focusing only on how to put the money to good use, educating women about their rights really changes their mentality.'

6.1.2.4 *Minimise the cost of training or service provision by forming links with other organisations or by maintaining staff with dual roles*

Forming linkages with other specialised NGOs was a frequently utilised strategy which effectively enabled organisations to provide women with training opportunities or other resources (such as health services, legal advice or advocacy) without straining limited funding or skill-set resources in the microfinance organisation.

Some organisations, such as CRECER, sought to minimise their operating costs further by combining the role of microfinance official and trainer. CRECER staff believed this was an important reason why they were able to provide more training opportunities than other organisations. It emerged from the study that trainers did not necessarily need to be women, but that they should also be good communicators, sensitive to women's issues and understand women's daily situations. This was frequently achieved by selecting trainers from the local area in which they were expected to work.

6.1.3 *Facilitating a supportive environment that provides leadership and active participation opportunities: what is important?*

6.1.3.1 *Support the formation of social networks with other women and organisations*

Building up the capacity for women's civic activism is important, but equally so are opportunities for women to take on leadership roles in their local environments and to have their voices heard on issues which affect their daily lives. Across Bolivia and Bangladesh, these opportunities for civic activism stemmed from greater networking with other women. Social networks are vital for women's access to information and have the potential to reduce the vulnerabilities of the chronically poor. These relationships were opportunities for women to share information (problems, entitlements, training) and to seek or provide support. Access to information on other local organisations and opportunities to join them were also important in enabling chronically poor women to access a broader range of resources, and training opportunities, and to join more groups or assume leadership positions in their local communities (e.g. school or neighbourhood associations). Further, in Bangladesh, women in multidimensional microfinance programmes greatly benefited from open spaces for dialogue with government figures, which facilitated better access to resources and local leadership positions.

6.1.3.2 *Providing gender-sensitivity training for men was vital to secure women's participation in contexts where male family members restrict women's activities*

In Bangladesh, where *purdah* heavily restricted the mobility and participation of women in activities outside the home, gender-sensitivity training for men played an important role in permitting women to join microfinance groups. NGO staff in Bangladesh who conducted home visits also played an active role in convincing husbands and other male family members to lobby on women's behalf. In Bolivia, where women's mobility was less overtly

controlled by the men around them, promoting communication between husband and wife about microfinance was still important in reducing conflicts over it. Women in Bolivia reported that the skills they learned from the microfinance group helped many of them to secure the support of their husband on the strength of their own advocacy.

6.1.4 Facilitating a supportive environment that provides leadership and active participation opportunities: key strategies for organisations?

6.1.4.1 *Facilitate exchange programmes, product fairs, meeting points between microfinance groups and communities*

The importance of a supportive group setting was a key finding of this study across Bolivia and Bangladesh. Group-based approaches to women's empowerment provided opportunities for chronically poor women to gain experience in leading, influencing and making decisions, as well as to learn public speaking and advocacy skills in order to influence the decisions and policies that affected their lives. Even in Bolivia, where nominal participation was the social norm, participation in multidimensional microfinance organisations provided new opportunities to meet other women, to deepen existing group relationships, and to speak up where before they may not have done. In many cases, groups emphasised the importance of solidarity and mutual support which reduced the vulnerabilities of poor group members. Groups were seen to continue to exist after microfinance was no longer being provided.

This study echoed findings made by Barrig, who stated: 'Economic necessity is the incentive for women to get involved in these programmes, but...the women stay because of the solidarity they come to feel with the other women in the group' (quoted in Huiskamp and Hartmann-Mahmud, 2001: 14). Group solidarity was sometimes a product of the women knowing each other from before taking out the microfinance. But even in groups which formed solely around microfinance, activities such as fairs, competitions, weekly meetings and other collective activities were reported to strengthen the unity of the group. Multidimensional microfinance groups should pay attention to supporting the collaborative dynamics of microfinance groups, as this was clearly seen to have positive benefits in terms of how long women stayed in the programmes and the social and economic benefits they were able to derive from their membership.

6.1.4.2 *Facilitate exchange programmes, product fairs, meeting points between microfinance groups and communities*

Particularly in Bolivia, exchange programmes which enabled women to spend time in other communities were important ways in which their social networks were expanded. Exchange programmes allowed women to share experiences and access new information. Some organisations organised market days and expositions for the women participants to have opportunities to sell artisanal goods and produce. Other ways social networks were supported were through community forums and workshops organised through the multidimensional microfinance programmes in collaboration with other local groups. In

Bangladesh, meeting points were the result of greater economic activity, such as with mobile sari-businesses, which gave women the opportunity to seek and engage with clients.

6.1.4.3 *Maintain political independence but cooperate and engage with the government*

Multidimensional microfinance organisations should strike a balance between maintaining political independence and cooperating with local and national government figures. The tacit support of the government is often important for multidimensional programmes.

Multidimensional microfinance groups can contribute to raising awareness of gender issues by inviting government officials to microfinance group activities such as meetings, expositions and events. In Bangladesh training sessions for local government officials on gender issues were seen to have had an important impact on the progress of gender equality rights. This is an important strategy for engaging with the government in a non-confrontational way, and can be useful in exposing women to local leaders and disseminating the importance of gender issues to those in power.

6.2 Recommendations for donors, multilateral organisations, and international non-governmental organisations (INGOs)

6.2.1 Prioritise funding for literacy, gender rights and practical skills training

Chronic poverty is multidimensional. Funding priorities should reflect this by funding not only microfinance organisations, but also those that seek to move beyond microfinance and offer services and training that address the multifaceted vulnerabilities and educational inequalities that chronically poor women face. Donors who wish to support the activities of such an approach should prioritise funding for training particularly in literacy, gender rights and practical skills courses. These opportunities have been seen to enhance women's self-confidence, knowledge about entitlements, and ability to speak out on issues that affect their and their families' well-being. Funding should be available to facilitate the participation of men, particularly at the outset of programmes, to reduce resistance to the participation of women, and underscore gender issues in the community at large.

6.2.2 Subsidise the operations of microfinance-providing organisations that target the chronically poor

Multidimensional microfinance organisations of the chronically poor disburse small microfinance amounts and facilitate a range of services which result in elevated operating costs when compared with other microfinance organisations. To keep microfinance accessible to the chronically poor, these costs cannot always be passed on to the women in terms of higher interest. Many organisations across Bolivia and Bangladesh indicated that they felt choosing to provide microfinance and training services for the chronically poor had resulted in a serious struggle to be internally sustainable, and revealed that this was a key

concern. The study found all the organisations to be dependent on external funding to maintain operations. In Bangladesh and Bolivia, many organisations were unable to keep up with demand for microfinance,⁴ and struggled to meet requests for training or health services.

Organisations in Bolivia stated that they would like to be able to offer grants to women, or matched microfinance schemes, which would see chronically poor women receive a percentage of the loan capital returned to them in savings if women were able to pay back a specified proportion. Such a model would be an incentive for chronically poor women to develop economic activities to repay the capital percentage, but also provide them with a lump sum grant that could be used to address basic needs, begin savings or expand their businesses further.

6.2.3 Foster awareness of the importance of multidimensional microfinance programmes

Donors, multilateral organisations and INGOs can raise awareness among other organisations, donors and governments about the importance of multidimensional programmes in combating chronic poverty through microfinance. In order to help microcredit programmes more successfully raise women out of chronic poverty, organisations offering and funding microcredit programmes need to understand the importance of and types of training and to support their clients' need for microcredit to be beneficial to them. Donors, multilateral organisations, and INGOs can spread awareness of the importance of these services through sector working groups, meetings of professional associations, and dialogue with governments.

6.2.4 Offer more support to smaller microfinance organisations

Smaller microfinance programmes may not have the resources or access to sufficient funding to be able to provide the services that their chronically poor clients need. INGOs could partner with these smaller organisations to enable them to provide services and comprehensive educational programmes. Furthermore, smaller microfinance organisations may suffer from a lack of information about available funding resources. Donor organisations could work to target such organisations, possibly by setting aside a certain amount of funding for these organisations and promoting awareness of their funding programmes among these smaller organisations.

⁴ To address this in the short term, women should have access to information on other local institutions that seek to offer multidimensional microfinance. In Bolivia, chronically poor women were found not to be fully aware of the range of microfinance and training services that were available to them locally.

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Appendices

Appendix 1

Agarwal's typology of group participation

Form/level of participation	Characteristic features
Nominal participation	Membership in the group
Passive participation	Being informed of decisions <i>ex post facto</i> ; or attending meetings and listening in on decision-making, without speaking up
Consultative participation	Being asked an opinion in specific matters without guarantee of influencing the decisions
Activity-specific participation	Being asked (or volunteering) to undertake specific tasks
Active participation	Expressing opinions, whether or not solicited, or taking initiatives of other sorts
Interactive (empowering) participation	Having voice and influence in the group's decisions; holding positions as office bearers

Note: This is a modified version of the typology presented in Agarwal (2001).

Source: Agarwal, (2009:101.)

Appendix 2

Target groups for interviews:

- Focus groups with chronically poor women
 - A) Chronically poor women clients of microfinance and hybrid organisations
 - B) Chronically poor women clients of social movement organisations
- Individual interviews with staff members
 - A) Staff members within microfinance and hybrid organisations
 - B) Staff members within social movement organisations

1 A) Focus group with microfinance and hybrid organisations

Social networks (connections with community, reduced isolation, family relationships)

Government/ leadership (better leadership, experience in collective action, community building)

Education (increased self-confidence)

Our introduction

Name, who we are, thanks for time/coming, purpose of the research

Confidentiality, and letting them know that there are no 'right answers'

Their introduction

1. What is your name, how long have you been in the organisation?
2. Why did you join the organisation?
3. What are some of the main benefits you get from participating in this programme?
4. What are the major problems in your community?
5. Where do you get information about what goes on in your community?
6. If there was a problem in your community (could give an appropriate example here):
 - A) How would you try to change it?
 - B) What would be the challenges?
 - C) Who would you work with?
7. Has being involved in the programme created more time or interest in being involved in problems in your community? How so?
8. Has the programme made you interested in joining other groups in the community?
 - A) (If yes, what kind of groups?)
9. Has this programme had any effect on the number of friends and personal contacts you have?
 - A) Can you describe that effect?
10. Do you think that women should come together to solve problems in your community or bring their concerns to political leaders?
11. Do the women in your community or in this programme talk about politics or problems in the community?
12. Since joining this programme have there been any changes in your access to local government?
13. Have you yourself, or other women you know in the programme ever joined together for a protest or worked together to find a solution to the problems in your community?
14. Do you see yourself as a leader in the community?
 - A) Why or why not?
 - B) What part of the programme would help women to be leaders in your community?

15. How has this programme affected the way you solve problems in your daily life, homes and community? (Give examples)
16. Are you more concerned about day-to-day survival or are you able to plan for the long term? Has this changed since you started the programme?
17. How has participation in the microfinance programme affected your income? How have the business/health education/other programmes you participate in affected you, your business and your family?
18. How has your participation in this microfinance programme affected your relationship with family members and friends?
19. After you leave the programme, do you think that you will work together with women you have met?

1 B) Focus group: social movement organisation

Constraints to social movements

Barriers on women's leadership

Microfinance and/or extra training

Our introduction

Name, who we are, thanks for time/coming, purpose of the research, confidentiality

Their introduction

1. What is your name, how long have you been in the organisation?
2. Why did you decide to join the organisation?
3. Did you know any of the women in this organisation before you joined?
 - A) If so, how did you meet them?
4. Were you part of any other groups before joining this organisation?
 - A) If so which ones and are you still part of these groups?
5. What are some of the main benefits you get from participating in this programme?
6. Does this organisation assist you with any problems in your daily life?
7. What makes it difficult for women to be leaders in your community?
 - A) How do you think that problem could be solved?
8. Do you have a business?
9. Would you benefit from loans for a small business?
10. Are you involved in any kind of microfinance programmes?
 - A) How has this affected your life?
 - B) Has it helped?
11. What types of education or training could you benefit from?
12. Do you know women who would like to join, but won't/can't?
 - A) What are the reasons?
13. Is there anything that prevents you from being more involved in this organisation?
 - A) What would allow you to become more involved (if you want to be)?

2 A) Interviews with MFI staff

Our introduction

Name, who we are, thanks for time/coming, purpose of the research, confidentiality

Introductory questions

1. What do you do in your role?
2. Has this organisation partnered with other NGOs or other institutions that work with extremely poor women?
 - A) How do you work together?
3. Describe the clients you work with: sex, age, poverty level, occupations

4. What changes in the behaviours of your clients do you notice during and after taking part in the programme/classes (political, social, confidence, etc.)?

Education

5. What changes have you noticed in the women who attend the education classes?

A) What have been their responses to the classes?

6. Are there any services that you would offer if you had more staff, resources, or money?

Social networks

7. Do your clients address or discuss problems in the community as a group?

8. Does your organisation create opportunities for women to expand their social networks?

A) If yes how? If no, why not?

B) Do women in your organisation's programmes maintain group relationships after leaving the programme?

Government

9. Have any of your members participated in local politics or tried to solve problems within the community or country?

10. What are the most important challenges to women leaders in your community?

A) Does your organisation try to address these challenges?

B) How/Does your organisation create leadership opportunities for extremely poor women members?

1) What are the challenges in doing so?

11. What activities does your organisation engage in that give women better access to government?

A) If none, why not?

12. Have any of your clients participated in local government since joining the programme?

13. How does your organisation address gender inequality and violence?

2 B) Interviews with social movement staff

Our introduction

Name, who we are, thanks for time/coming, purpose of the research, confidentiality

Introductory questions

1. What is your role?

2. Describe the clients you work with: sex, age, poverty level, education, microfinance involvement, occupations

3. What changes in the behaviours of your clients do you notice during and after taking part in the organisation (political, social, confidence, etc.)?

4. How did the women in your organisation meet each other and find out about you?

5. What are the main benefits women gain from participating in your programme?

6. Does your organisation work with other organisations and if so which ones?

A) What benefits do those partnerships create for your members?

7. Do you think being connected to a larger or national network of organisations can help the movement?

8. Do you address any poverty issues among your members?

A) If yes, how? If no, why not?

Microfinance and/or extra training

1. Do you see a need among your members for more skills, training or knowledge?

A) If so, are there opportunities for them to gain these?

2. Would your clients benefit from a business?

3. Do they take part in microfinance?

A) If so, through what types of institutions? (NGOs, FFPs, commercial banks, microfinance circles, etc.)

Constraints on social movements

1. What are the problems that prevent women from joining this organisation?
 - A) What types of women do you NOT see in your organisation?
2. What challenges does your organisation face in attracting members from the poorest parts of the community?
3. What is the most common concern among your membership?
4. What is the average length of time a woman spends with your organisation?
 - A) What are some of the reasons women leave?
 - B) Does your organisation try to address these reasons?

Barriers to women's leadership

5. What are some of the common traits or characteristics of women leaders in your organisation?
 - A) What do you do to make leadership opportunities available to extremely poor women?
 - 1) What are the challenges?
6. Does your organisation increase women's access to political leaders at any level?
 - A) At which level?
7. Have any of your members gone on to participate in local politics?



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