

**CREDIT WITH EDUCATION IMPACT REVIEW NO. 1:**  
**WOMEN'S EMPOWERMENT**  
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October 2001

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## INTRODUCTION

One of the attractions of the microfinance movement is the possibility of a more fundamental “empowering” effect that goes beyond increased economic returns. Proponents of village banking and similar group-based lending were intrigued by the possibility that success with their groups could help members transform an attitude of “I can’t” to “I can.”

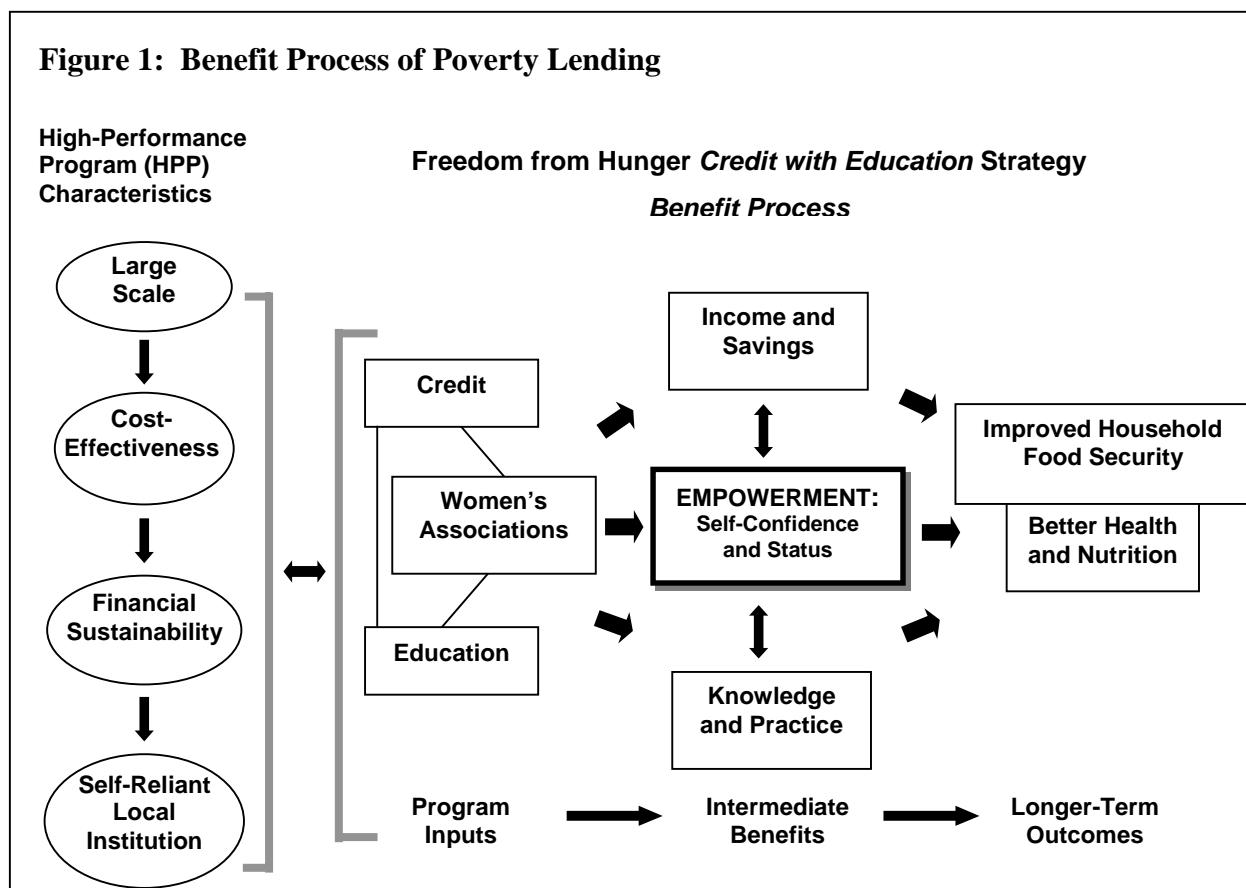
Empowerment in its broadest sense refers to an individual’s or group’s increased “power.” In a development context, it refers both to “internal” change within an individual’s sense of self and autonomy, and “external” change in social status and basic power relationships in society. Despite its intuitive importance, the concept of empowerment is difficult to grasp as it is not only abstract but also capable of many different interpretations and expressions.

By offering poor households access to formal or semi-formal financial services, microfinance has the potential to empower its clients in a variety of ways. First, income-generating opportunities can provide greater economic security and power to clients. Second, group formation and management can link clients with networks beyond their neighborhood or community. Microfinance programs that target women in particular are thought to have the greatest empowering potential because women are less likely to have had access to financial services and because, in general, they tend to be more marginalized. Through financial services, women have greater potential to increase their earnings, which fosters *internal* attitudes (self-reliance, self-confidence and self-worth) which can translate into *external* changes (greater bargaining power within the household and leadership in the community). Microfinance services that foster group formation and self-management by women have additional potential to empower women through exposure to new ideas, mutual support, fostering an identity beyond the family and the opportunity to cultivate leadership roles and responsibilities. If microfinance truly has an empowering effect, the possibility that increased “power” can foster self-reliance for individuals and groups will have development benefits beyond immediate programmatic effects.

*Credit with Education* is Freedom from Hunger’s worldwide strategy to apply innovative and sustainable self-help solutions to the fight against chronic hunger and poverty. Freedom from Hunger and its partners have chosen to integrate nonformal education services into the village banking methodology because women lack not only financial resources but also informational resources. In addition to financial services, *Credit with Education* also provides vital information by utilizing nonformal education services that aim to promote a woman’s own problem-solving ability regarding important health/nutrition and business issues.

A conceptual framework depicting the hypothesized self-help process for *Credit with Education* is diagrammed in Figure 1. The self-confidence and status of women play a pivotal role in this conceptual framework for equipping families with resources they need to build futures of health,

**Figure 1: Benefit Process of Poverty Lending**



hope and dignity. Empowerment in this hypothesized benefit process is enabled by each of these programmatic components—credit, nonformal education and group solidarity.

The benefit-process diagram shows the joint delivery of credit and nonformal education to groups of women. The expected results are threefold: 1) *financial*—increased income, assets and security; 2) *psychological and social*—increased self-confidence and status within the family and community; and 3) *behavioral*—increased knowledge and use of better health and nutrition practices. Directly and by interaction with each other, these changes are hypothesized to culminate in the longer-term better household food security and better health and nutrition, particularly for the young children. The economic benefits and positive behavior change that can be achieved is very much dependent upon and reinforced by women's empowerment. These benefits are sought within the context of an institutional framework that seeks to reach large numbers of very poor women and cover the costs of doing so with interest paid by the women on the loans they receive.

As can be seen in Freedom from Hunger's hypothesized benefit process, empowerment is perhaps the most ubiquitous impact for the poverty-lending program. However, there are many challenges involved in systematically documenting the empowering process and/or empowerment outcomes.

- 1) The concept of empowerment is difficult to define and even more difficult to measure.
- 2) The impacts of empowerment are intangible, including such expressions as self-confidence, status and decision-making. Attitudinal changes are also difficult to measure.
- 3) The process of empowerment is expressed and/or seen in a myriad of ways.
- 4) The manifestations of empowerment differ by sociocultural setting, and even within sociocultural setting empowerment is experienced by different groups in different ways.

This paper aims to summarize Freedom from Hunger's efforts and challenges encountered in assessing the impact of *Credit with Education* on empowerment of women by drawing from studies carried out in Ghana and Bolivia and to some extent Burkina Faso and Thailand. In order to provide a context for the study results, key literature in the fields of microfinance and women's empowerment is summarized.

## **MICROFINANCE AND WOMEN'S EMPOWERMENT**

"Empowerment" is a term often used but rarely well-defined. Summarized here are some of the key works done to define empowerment within the context of microfinance. The observations and approach by researchers with the John Snow, Inc. Empowerment of Women Program and Naila Kabeer and Linda Mayoux point out the enhancing potential of microfinance to empowerment. Research done by Amiunur Rahman and A. M. Goetz and R. Sen Gupta highlight important cautions or limitations to the empowering effects of microfinance.

### **The Ability to Take Action**

John Snow, Inc. (1990) defines empowerment in a behavioral sense as the ability to take effective action. In JSI's view, empowerment has various dimensions and manifestations. It encompasses an inner state (sense of self, of one's autonomy, self-confidence, openness to new ideas, belief in one's own potential to act effectively) and a person's status and efficacy in social interactions. In particular, it is the ability to make and carry out significant decisions affecting one's own life and the lives of others.

Based on interviews with clients and a review of the literature, JSI researchers identified six general areas or domains in which empowerment of women is believed to be taking place as a result of Grameen Bank, BRAC and other credit programs. Specific expressions were then identified within each of these domains (See Box 1). Finally, specific measurable indicators were developed based on these expressions and translated into specific survey questions.

<b>Box 1: JSI Six Domains of Empowerment</b>	
<b>Domain</b>	<b>Expressions</b>
1. Sense of self and vision of a future	Assertiveness, plans for the future, future-oriented actions, relative freedom from threat of physical violence, awareness of own problems and options, actions indicating sense of security
2. Mobility and visibility	Activities outside of the home, relative freedom from harassment in public spaces, interaction with men
3. Economic security	Property ownership, new skills and knowledge and increased income; engaged in new/nontraditional types of work
4. Status and decision-making power within the household	Self-confidence, controlling spending money, enhanced status in the family, has/controls/spends money, participation in/makes decisions on allocation of resources, not dominated by others
5. Ability to interact effectively in the public sphere	Awareness of legal status and services available, ability to get access to social services, political awareness, participation in credit program, provider of service in community
6. Participation in non-family groups	Identified as a person outside of the family, forum for creating sense of solidarity with other women, self-expression and articulation of problems, participating in a group with autonomous structure

According to Schuler and Hashemi (1993), researchers at JSI, the order of domains suggests a process of empowerment that begins at the level of a woman's individual consciousness and becomes externalized through greater physical mobility, remunerated labor, a strong role in the household and, eventually, meaningful participation in the larger community. However, the empowerment process as defined by JSI is not as linear as the description suggests, but more similar to a loop or spiral.

The Schuler and Hasehemi (1994) study of empowerment and contraceptive use among Grameen Bank and BRAC participants in Bangladesh documents how participation in a group has an empowering effect beyond any direct economic impact. Women's identification with the group gave them a socially legitimate reason to meet and interact in the public sphere, which served to increase their exposure to new ideas, their self-confidence and their mobility. In particular, the more regimented and ritualistic approach of Grameen (compared to BRAC) was thought to develop a more intense identification and bond that made it easier for women to resist the restrictions of traditional family life and adopt new family planning norms.

### **The Ability to Make Choices**

Kabeer's (1998, 1999) notion of empowerment refers to the processes by which those who have been denied the ability to make choices acquire such an ability. The expansion in the range of potential choices available to women includes three inter-related dimensions that are inseparable in determining the meaning of an indicator and hence its validity as a measure of empowerment. The three dimensions are as follows:

1) *Resources*

The pre-condition necessary for women to be able to exercise choice. Women must have access and future claims to material, human and social resources.

2) *Agency*

The process of decision-making, including negotiation, deception and manipulation that permits women to define their goals and act upon them.

### 3) *Achievements*

The well-being outcomes that women experience as a result of access to resources and agency.

According to Kabeer, empowerment cannot be reduced to a single aspect of process or outcome. How women exercise choice and the actual outcomes will depend on the individual. Choices will vary across class, time and space. In other words, there are measurement problems in capturing social change because of the unpredictability of human nature. Moreover, impacts on empowerment perceived by outsiders might not necessarily be those most valued by women themselves.

#### **Power**

Mayoux's (2000) definition of empowerment relates more directly with power. See Box 2 for Mayoux's framework for empowerment.

Mayoux concludes that women's empowerment cannot be assumed to be an automatic outcome of microfinance programs. According to Mayoux, unless empowerment is an integral part of the planning process, the expansion of microfinance is unlikely to make more than a limited contribution to empowerment.

#### **Box 2: Mayoux's Framework for Empowerment**

**What is empowerment?** A multidimensional and interlinked process of change in power relations.

- **Power within.** Enabling women to articulate their own aspirations and strategies for change.
- **Power to.** Enabling women to develop the necessary skills and access the necessary resources to achieve their aspirations.
- **Power with.** Enabling women to examine and articulate their collective interests, to organize, to achieve them and to link with other women's and men's organizations for change.
- **Power over.** Changing the underlying inequalities in power and resources that constrain women's aspirations and their ability to achieve them.

These power relations operate in different spheres of life (e.g., economic, social, political) and at different levels (e.g., individual, household, community, market, institutional).

**Whose empowerment?** A predominant concern with equity and empowerment of those currently most disadvantaged in the different spheres and at different levels.

**Who should decide?** Empowerment is of necessity a process of negotiation where the subjects of the empowerment process define the main priorities and strategies.

## Limitations to Microfinance Empowering Effects

### *Control of Loans*

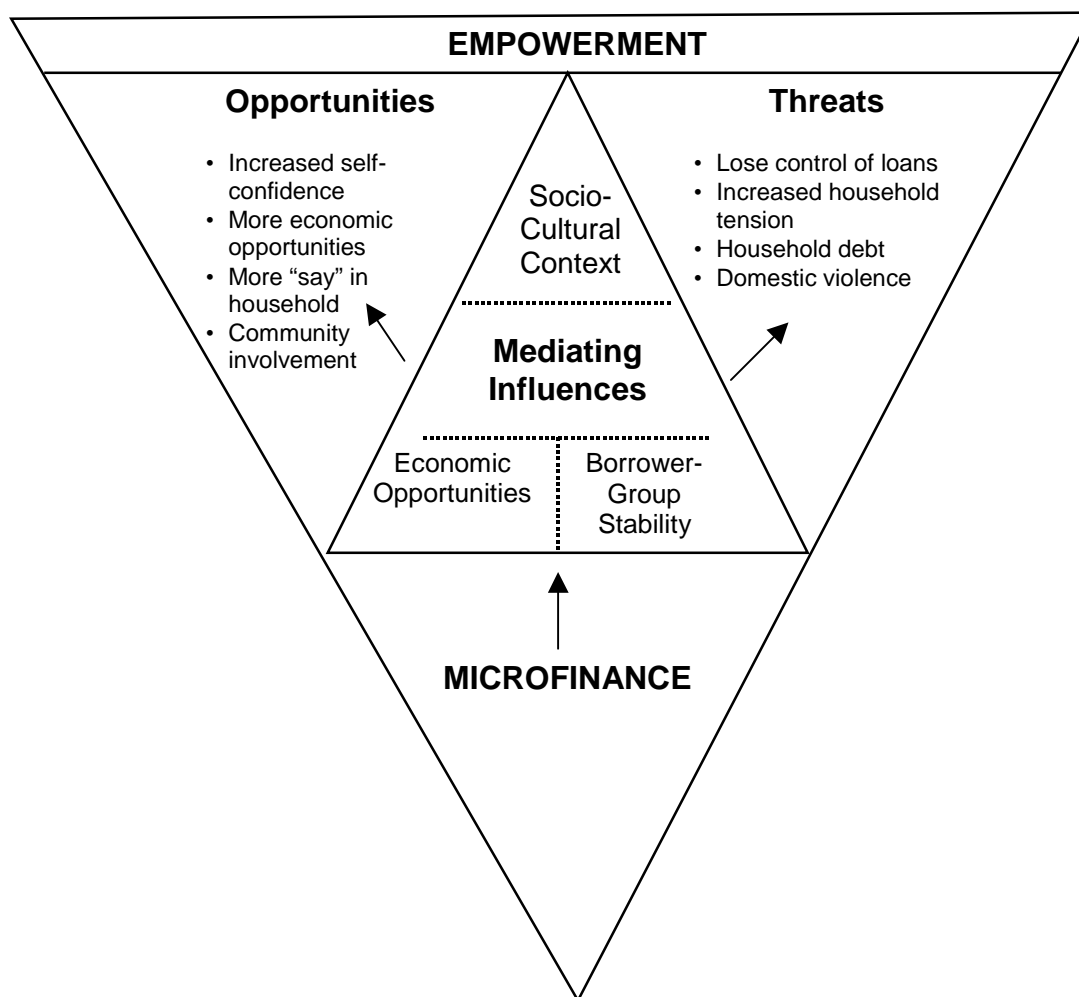
Goetz and Sen Gupta's (1996) study of credit programs in Bangladesh challenges the assumption that loans made to women are always used by women. They found that in two-thirds of the loans in their study, men either significantly or partially controlled the credit women brought into the household. Women were unable to make their own decisions on how to invest or use the loan. This is an important finding as it supports Mayoux's point that empowerment cannot be assumed to be an automatic outcome of microfinance programs, especially given sociocultural settings such as Bangladesh where women are extremely "disempowered" to begin with. Goetz and Sen Gupta also report increases in household tensions and domestic violence where women need to ask their husbands for loan installments.

### *Increased Tension and Physical Violence*

Rahman's (1999) research is a study of Grameen Bank lending to women in Bangladesh as well. Based on findings similar to Goetz's and Sen Gupta's, Rahman questions the degree to which microfinance benefits women and explains that women in Bangladesh are often unable to use loans by themselves in the structure of patriarchy and the rural market economy. The absence of investment opportunities for rural women and the lack of control by the lending institution as to how loans are used and by whom lead women to pass on their loans to others (generally men) and lose control of their loans altogether. The findings of Rahman's research also support Mayoux's idea that loans alone, without opportunity for women to transform the power relations and create their own spaces in the prevailing power structure, make empowerment of women unattainable in that society. He further points out that the empowering influence of microfinance is not always associated with improvements in women's lives, and credit as a debt for the household constitutes a risky strategy. Other threats to positive empowering effects includes the possibility of increased intra-household tensions as a result of the desperate need for cash to make weekly loan repayment, or men withdrawing their own incomes and/or women struggling to retain control of their own earnings.

From the literature on microfinance and empowerment discussed in this section, it is apparent that the process of empowerment poses both new opportunities and threats to women. Some factors may enhance empowerment while other factors may impede its development. The studies by Rahman and Goetz and Sen Gupta are reminders of the importance of the sociocultural setting, to not extrapolate findings between different cultural contexts, and that the cultural context can limit empowerment benefits of microfinance programs for women. Change in the power structure is not seamless. Development and transformation are often associated with upheaval and in this case might be faced with resistance at the household and community level. In addition, "empowering" effects might be linked or even dependent upon success. If a woman "fails" in her business or group dynamics are highly fractious, it seems likely that a disempowering spiral might occur. So, while the potential for many positive expressions of empowerment exist, they cannot be assumed to be automatic or complete. A conceptual framework depicting the opportunities and threats associated with microfinance and empowerment as discussed in this section is diagrammed in Figure 2.

**Figure 2: Empowerment Threats and Opportunities**



## **FREEDOM FROM HUNGER STUDY RESULTS ON EMPOWERMENT**

Over the past decade, Freedom from Hunger has conducted numerous impact evaluations of *Credit with Education*. Multi-year studies in Ghana and Bolivia were the most extensive research efforts undertaken to date by Freedom from Hunger (in collaboration with the University of California, Davis, Program in International Nutrition).<sup>1</sup> While these two studies focused primarily on the impact of *Credit with Education* on children's nutritional status, women's empowerment was conceptualized as having an important mediating effect.

<sup>1</sup> MkNelly, Barbara and Christopher Dunford. (1998) *Impact of Credit with Education on Mothers and Their Young Children's Nutrition: Lower Pra Rural Bank Credit with Education Program in Ghana*. Freedom from Hunger Research Paper No. 4.  
MkNelly, Barbara and Christopher Dunford. (1999) *Impact of Credit with Education on Mothers and Their Young Children's Nutrition: CRECER Credit with Education Program in Bolivia*. Freedom from Hunger Research Paper No. 5

For the methodology to assess empowerment, Freedom from Hunger consulted Sid Schuler and Syed Hashemi of the JSI Empowerment of Women Program. This section of the paper highlights the evidence regarding the impact of the *Credit with Education* approach on empowerment of women from the Ghana and Bolivia studies. Where relevant, evidence from Burkina Faso and Thailand is also presented. For more methodological details on the designs of these studies, see Annex 1.

Building on the JSI work, for the Ghana and Bolivia studies, Freedom from Hunger defined women's empowerment in terms of 1) women's self-confidence and vision of the future; 2) status and bargaining power within the household; and 3) status and networks in the community. Although these categories offer important guidance, qualitative interviews were conducted with staff and clients to identify manifestations and indicators of empowerment appropriate to the local context and to the relationships being studied. The baseline survey included only a few indicators of empowerment to allow for qualitative research to identify appropriate empowerment indicators. For this reason, baseline data is not available for all the empowerment measures.

### *Community Level*

*"We like the solidarity of our Credit Association. Before, we worked alone, now we work together—we discuss our problems in life and work and find the solutions together."*

—Credit with Education client

*"I thought I was too poor to join, but now I'm very proud to be a part of my Credit Association. The other women in the group are kind and helpful to each other. For instance, one of our members just lost her husband. We are all contributing a small amount to the family to help them."*

—Credit with Education client

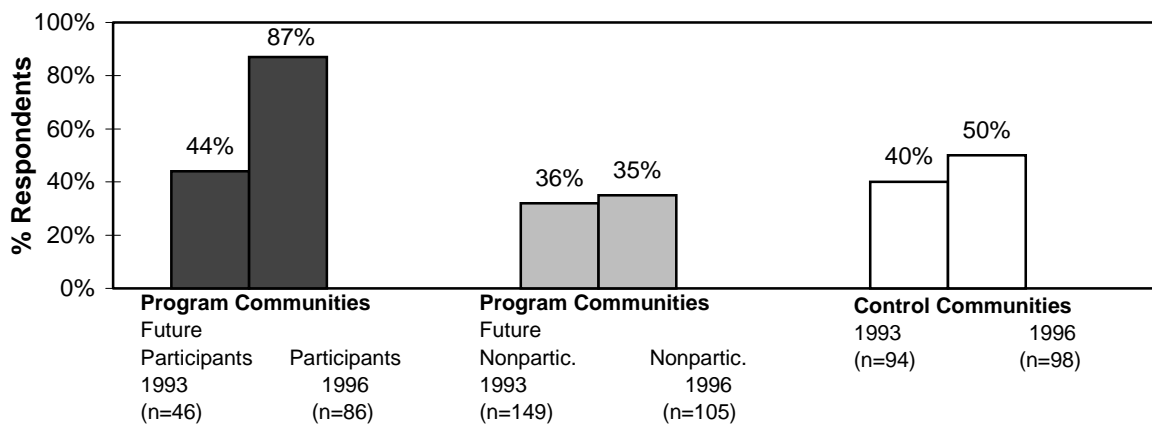
Empowerment might be evident or manifest itself in the degree of civic involvement and/or in the strength and variety of social networks women maintain beyond their family. Questions to measure these types of social relations were included in both the baseline and follow-up interviews. Women were asked whether in the last six months they had

- helped a friend with his/her work;
- given advice about health or business; or
- been a member of a group or association.



In both Ghana and Bolivia, participation in *Credit with Education* seemed to foster among clients greater “helping” contacts. See Figures 3.1 and 3.2 for responses by survey participants on giving business advice and health/nutrition advice to others in the last six months. Program impact is evaluated by comparing the difference between the baseline and follow-up surveys for participants, nonparticipants and residents in control communities (communities randomly selected following the baseline to not receive the program during the study period).<sup>2</sup> Among the *Credit with Education* participant group, the inter-year difference is significantly greater than in the other two groups regarding whether women offered others advice in topic areas addressed through the strategy’s education component. Clients were becoming a more proactive resource for others.

**Figure 3.1: Ghana Study—Gave Business Advice in Last Six Months**

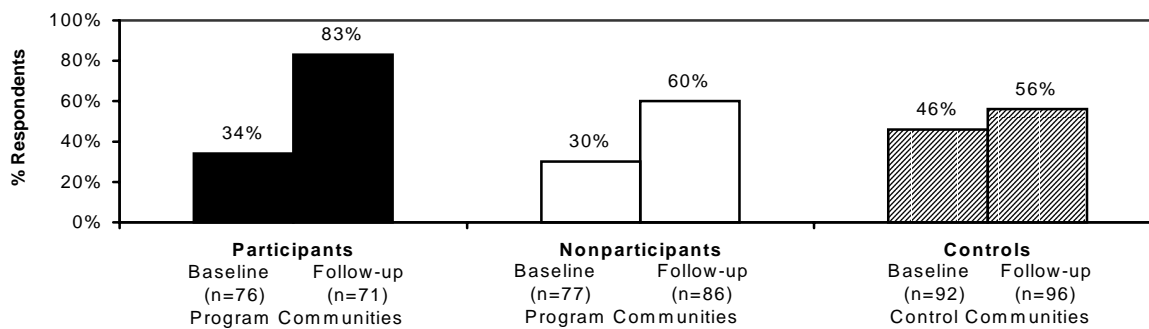


**Comparing 1993 and 1996**

- \*Significant difference for participants versus control group ( $p < .001$ ).
- \*Significant difference for participants versus nonparticipants ( $p < .001$ ).
- \*No significant difference for nonparticipants versus control group.

<sup>2</sup> At the time of the baseline survey, none of the respondents were *Credit with Education* clients since the program had not yet been offered to these communities. However, baseline respondents were classified retrospectively at the time of the follow-up survey by whether or not they ever joined the program when it was offered. Consequently, baseline respondents in study communities that later received the program are classified as “future participants” or “future nonparticipants.” By comparing the baseline measures of future participants to actual participants, the difference between years can be attributed more reliably to the impact of the program rather than a self-selection bias that women who choose to join *Credit with Education* are inherently different from those who do not.

**Figure 3.2: Bolivia Study—Gave Advice About Good Health or Nutrition Practices in Last Six Months**



**Comparing Baseline and Follow-up, by Group**

Significant difference for participants versus controls and participants versus nonparticipants when controlling for distance from major market and month the interview was conducted ( $p < .05$ ). Marginally significant difference for nonparticipants versus controls ( $p = .06$ ).

In-depth interviews were also conducted in both countries to identify meaningful indicators of “empowerment” in that sociocultural setting. In Ghana, the research revealed that an important aspect of a woman’s (or any adult’s) social status in the community was related to how active a role she played in attending and contributing to funerals. As a result, two additional indicators of social status were added to the Ghana follow-up survey: 1) the number of non-kin funerals attended; and 2) the amount of money contributed to funerals attended. And in Bolivia, to capture the potential of a woman’s increased exposure to new ideas and influences beyond her community, the number of times she had traveled to La Paz in the last month was added to the follow-up survey. On the basis of the in-depth discussions, two other indicators were added to the Bolivia survey to measure women’s involvement in the civic life of the community: 1) whether in the last six months a woman had been a candidate for public office; and 2) whether in the last six months a woman had spoken at her community’s General Assembly Meetings.

Table 1 provides a summary of community-level responses in Ghana and Bolivia. In Ghana, the *Credit with Education* program appeared to have positively affected women’s participation in the community and their ability to help family and friends. Participants were more likely to be members of a community group beyond their families; to have helped a friend with his/her work; and to have contributed money to non-kin funerals, which as mentioned earlier is important to an individual’s social status and to the reputation of one’s family in Ghana. In Bolivia, participants were more likely to be running for and holding offices in local governing bodies. And in both countries, participants were significantly more likely to have given others advice about practices for both good health/nutrition and business development.

**Table 1: Summary of community-level indicators in Ghana and Bolivia**

Indicators	Significantly different for participants versus nonparticipant and control group = ✓	
	Ghana	Bolivia
<i>Women in the last 6 months...</i>		
Helped a friend with his/her work	✓	✓
Gave advice about health/nutrition	✓	✓
Gave advice about business	✓	✓
Were a member of a group or association	✓	✓
<i>Women in the last month...</i>		
Attended non-kin funerals	✓	
Made cash contributions to non-kin funerals	✓	
Were involved in community political life*		✓
Spoke at the community's General Assembly meeting		✓
Ran for public office or was a member of the community's <i>sindicato</i> *		✓
Traveled to La Paz *		✓
Hosted a community festival either by themselves or with their family*		

\*included in the follow-up survey only

In Burkina Faso, there is anecdotal evidence of collective action and an improved sense of solidarity and organizational capacity among women, which has ultimately enabled them to help each other and to address community problems:

- Women had contributed to the funding and implementation of village improvement projects. For instance, a great majority of borrowers stated that the group funds had been used to buy something for the village (a pump, a building, a clinic).
- The directors of the schools in two communities were enormously impressed with women's activities. According to them, the women have been far more organized and have contributed more to the village than men.

And in Thailand, 60 percent of the participants stated that since joining the program they cooperated "more" or "much more" with their neighbors.

#### *Household Level*

*"Before, the only way women could get what we needed for ourselves and our children was to steal millet from our husbands. Now we have our own resources."*

—Credit with Education client

*"In the beginning, my husband was not really supportive. Now, he's realized that his wife is helping him and the household, and he's happy. He was upset in the beginning because I was away from the house more and moving around a lot."*

—Credit with Education client

Women's empowerment might also be evident in their changed status or decision-making role within the household. Women's increased economic contributions or cash earnings can potentially translate into increased intra-household bargaining power. The baseline and follow-up survey included a series of questions to capture women's relative say about a variety of decisions. Married women were asked to identify who made these decisions using the following scale: "only your husband," "mostly your husband," "jointly—you and your husband," "mostly you" and "only you." To better capture shifting between response categories, the mean values for these ordinal rankings were compared between the groups. The summary results are as follows:

- In Ghana, there was a significant increase in participants' say in whether their children went to school as compared to nonparticipants in the same communities, and a marginally significant difference as compared to residents in control communities.
- In Bolivia, there was a significant increase for participants in spending on house repairs relative to nonparticipants and residents in control communities.
- In Bolivia and Ghana, there were no significant differences in women's relative say in how much to spend on clothing, medicines and agricultural inputs.

In terms of discussing family planning with their spouses, there was no significant difference in Ghana. However, there was a significant and positive impact seen in Bolivia among participants compared to nonparticipants and residents in control communities.

A concern regarding the "empowering" effect of women earning greater cash income is the possibility that women's income-related increase in "say" has come as a result of men withdrawing or decreasing their support for certain types of household expenditures. Given the possibility of this dynamic, several questions were included in both Ghana's and Bolivia's follow-up survey to capture manifestations of empowerment that reflected the husband offering greater assistance or consideration for his wife. Each woman was asked whether in the last six months her husband had 1) helped her with childcare by offering to take care of the study child while she was busy and 2) directly helped her in some way to carry out her income-generating activity. An additional question in Bolivia was also added to capture women's increased economic self-reliance or economic contribution. Women were asked if during the last six months they remembered an occasion when they gave their husbands spending money because their husbands wanted something but lacked the money to buy it.

The results are as follows:

- In Bolivia, no significant differences were evident for either likelihood that husbands had offered to help with childcare or with an income-generating activity. However, in Ghana, participants' husbands were significantly more likely to have helped with childcare and nonfarm enterprises than nonparticipants' husbands. There was, however, no significant difference between participants and residents in control communities.

- In Bolivia, while participants were slightly more likely to give their husbands spending money than nonparticipants and residents in control communities, there was no significant difference between the groups in this indicator.

During the informal discussion groups and in-depth individual interviews for both the Ghana and Bolivia studies, several women mentioned that their husbands appreciated their increased economic contribution to the family. The women in the Bolivia study were proud to be able to contribute more to the family's expenses. The women in the Ghana study mentioned that their husbands appreciated their increased economic contribution to the family and respected and listened to them more than before they joined the *Credit with Education* program. However, there was little quantitative evidence of a shift in women's relative say for intra-household decision-making for basic needs expenditures in either Ghana or Bolivia (see Table 2). It may be that the scale approach is not sufficiently sensitive to measure subtle changes in these types of social dynamics.

**Table 2: Summary of household-level indicators in Ghana and Bolivia**

Indicators	Significantly different for participants versus nonparticipants and control group = ✓	
	Ghana	Bolivia
<i>Women's relative say in decisions about:</i>		
How much to spend on clothing for children		
How much to spend on medicine		
How much to spend on agricultural inputs		
How much to spend on fixing the house		✓
Whether school-aged children will go to school	✓	
Paying primary school fees for children		
Paying school expenses—clothes, food, materials		
<i>Women were asked if:</i>		
In the last 6 months, husband offered help to watch children (follow-up survey only)	✓ difference between participants and nonparticipants only	
In the last 6 months, husband offered help with nonfarm enterprise (follow-up survey only)	✓ difference between participants and nonparticipants only	
They ever discussed method of spacing or preventing pregnancies		✓
They remembered an occasion when they gave their husbands spending money because their husbands wanted something but lacked the money to buy it (follow-up survey only)		

### *Individual Level*

*“I am full of hope now. Little by little, I will finish the construction of my house. My children will grow stronger and all of them will have an education. Their life will be better than mine has been.”*

—*Credit with Education* client

*“The meetings are good to learn and to talk... I have made better friends .... I am not afraid to talk in public anymore.”*

—*Credit with Education* client

Another level at which empowerment might be evident or manifest itself is in the woman herself—in her self-confidence, self-perception and attitude. While it is very difficult to measure attitudes such as self-confidence, an effort was made to tie the concept to a specific situation or action.

In the follow-up impact survey in Ghana, women were asked to assess their own degree of self-confidence using a specified range of “Very Confident,” “Somewhat Confident” and “Hopeful, but Not Confident” on whether they thought they would be able to

- feed their children the good foods that they know they need;
- prevent their children from getting diarrhea and other illnesses;
- educate their child to the child's fullest potential; or
- earn more money next year than this year.

Testing this approach worked well in Ghana. The questions were posed in the local language of Twi and women had little trouble with the concept of “self-confidence” and the process of rating it. In fact, a woman's facial expressions and body language as she considered how to rate herself often predicted the response she would give. The “hopeful, but not confident” option captured many women's aspiration to accomplish the stated action but indicated a relative sense of powerlessness in making it occur. Testing this approach in Bolivia, however, led to the decision not to pursue this line of questioning partly due to the difficulty of finding an appropriate translation for the local language of Aymara. Women experienced difficulty understanding the line of questioning and moreover did not seem comfortable with the self-rating approach. Because the “self-confidence” line of questioning did not seem to work in gathering meaningful and valid information, it was not included in the final version of the Bolivia survey.

In Ghana, the responses of *Credit with Education* clients of at least one year were compared to those of randomly selected women with young children who had not joined the program but who lived in program communities (nonparticipants), and those who lived in communities that had not yet received the program (control group). The results are as follows:

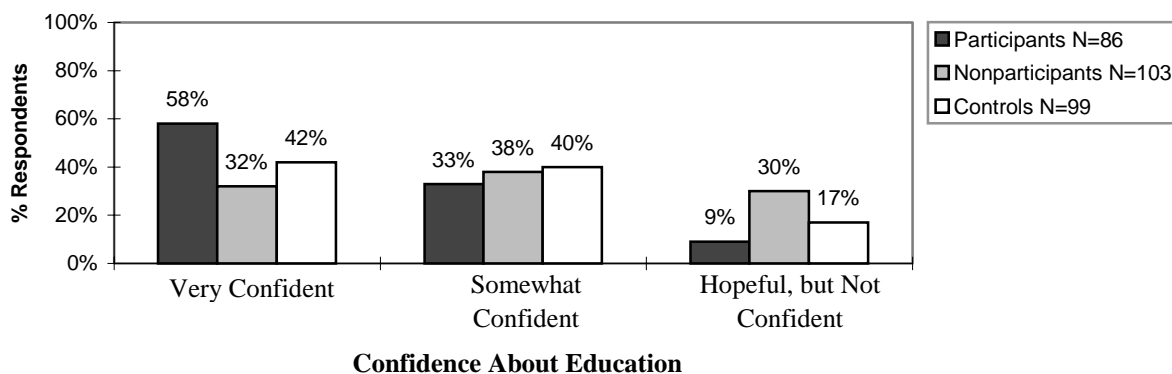
- Participants in Ghana rated themselves as significantly more confident than the nonparticipant group and the resident control group that they would be able to earn more in the following year, prevent their children from becoming infected with diarrhea and other illnesses and feed their children the good foods they know they need.

- Participants in Ghana were not, however, significantly more confident that they could educate their children to their children’s full potential.

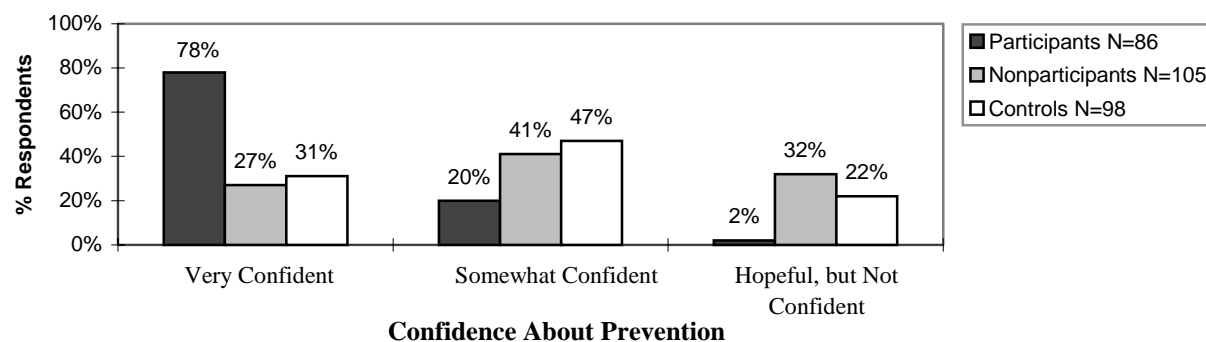
In Thailand, there was evidence of changing attitudes with 75 percent of participants stating that they had “more” or “much more” self-confidence. Examples of women organizing and taking unprecedented leadership roles were also noted in the Thailand study.

Figures 3.3 through 3.6 summarize the self-confidence ratings women in Ghana gave themselves during the follow-up survey.

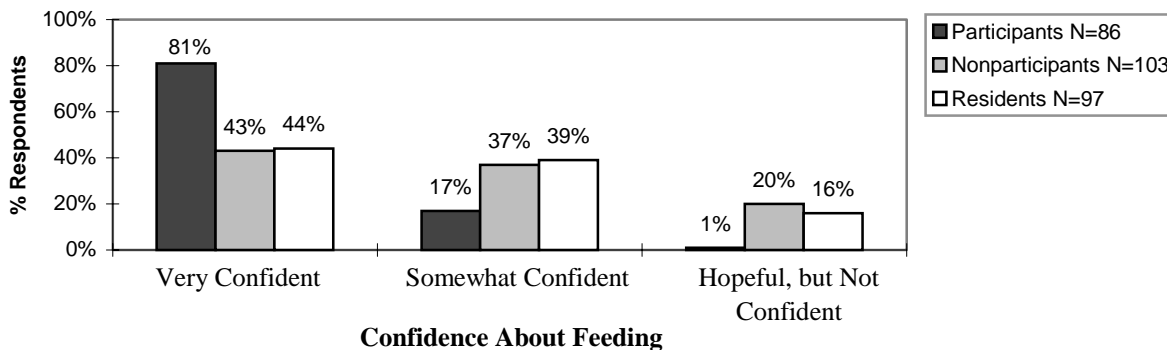
**Figure 3.3: Confidence in Ability to Educate Your Child to His/Her Full Potential**



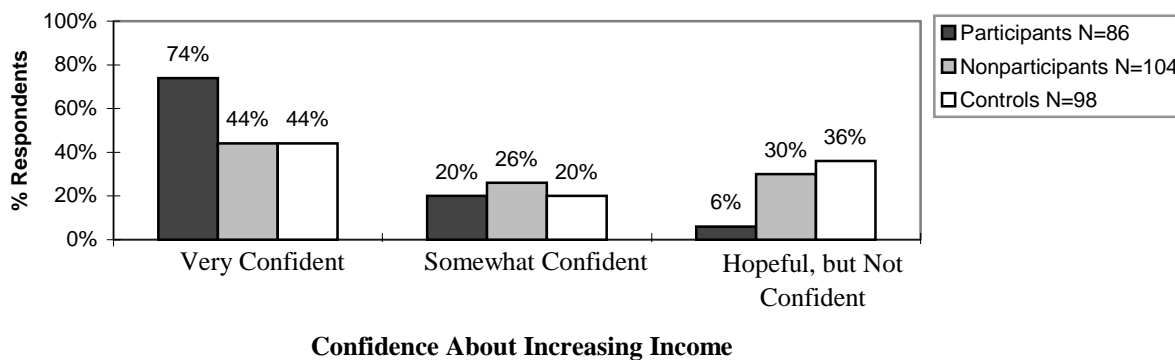
**Figure 3.4: Confidence in Ability to Prevent Your Child from Getting Diarrhea and Other Illnesses**



**Figure 3.5: Confidence in Ability to Feed Your Child the Good Foods that You Know He/She Needs**



**Figure 3.6: Confidence in Ability to Earn More Money Next Year than This Year**



## SUMMARY

The complexity and multidimensional aspects of microfinance and empowerment have been illustrated in this paper. Despite the difficulty of quantifying the types of attitudinal and social changes that reflect “empowerment,” the Ghana and Bolivia studies did provide evidence to support the idea that *Credit with Education* was bringing about change at the community, individual and household levels.

*At the community level*, women’s degree of civic involvement and the strength and variety of social networks they maintain beyond their families improved in all study areas. It would appear that meeting and active involvement in non-kin groups has strengthened women’s relationships. Clients were making more helping contacts and more actively participating in public life. It also seems likely that there is some interaction between a client’s success with the program and her



public role. For example, women in Ghana spoke proudly about being able to attend and contribute more to funerals in their community because they had greater economic resources to do so. Also, the degree of solidarity will most likely depend on the specific group and how well it functions in terms of the quality of the group's management committee and internal rules of conduct.

***At the individual level***, women's self-confidence, self-perception and attitude improved in Ghana. Whether women feel more self-reliant and confident about their future also is likely linked to whether or not they enjoy economic success. It also seems that education contributes to women's self-confidence, but unfortunately Freedom from Hunger's study design doesn't permit us to tease apart the relative contributions of education and financial services in affecting the effectiveness of women's actions or the possible synergistic effects of the combined services on women's empowerment.

***At the level of the household***, fewer significant differences were evident in the indicators selected to reflect women's empowerment, particularly in the area of intra-household decision-making. There were few significant results, except for greater "say" in how much to spend on house repairs in Bolivia and greater "say" in whether or not their children went to school in Ghana. There was also concern about women taking on added responsibilities in both Ghana and Bolivia. It cannot be considered particularly empowering if as women shoulder greater economic responsibility their husbands withdraw support. A series of questions were included in both the Ghana and Bolivia study to control for husbands withdrawing or decreasing their support for certain types of household expenditures. In Ghana, findings regarding husbands helping their wives showed greater positive results than in Bolivia.

For each of these areas—community, individual and household—the indicators for which baseline and follow-up measures are available are more revealing. Certain measures of empowerment were added to the follow-up survey and not included in the baseline survey, as noted in Tables 1 and 2. Based on in-depth discussions carried out over the course of the research, these indicators are tailored to the sociocultural setting. However, without baseline measures, it is difficult to know whether they reflect the influence of the program or a self-selection bias whereby relatively more "empowered" women tend to join the program. The fact that fewer differences were found in women's "empowerment" at the level of the household might be explained by several factors. It may be that these types of subtle shifts in social power are not readily captured by quantitative scales of relative "say" or bargaining power. Or, it may be husbands are resistant to these types of changes. Marcus (1997) states that the likelihood of microfinance programs precipitating changes at the intra-household level relates to 1) the size of income women generate; 2) the extent to which they retain control over their loans; 3) the extent to which they can build up independent assets; and 4) the implications of male perception on their activities.

In the individual and small-group interviews, women much more frequently described their husbands as being appreciative rather than threatened by their involvement in *Credit with Education*. Little evidence surfaced during the in-depth discussions of increased household tension or physical violence, although this is a dynamic that arguably requires considerable respondent trust to penetrate. It is certainly possible that some men feel that their role as

provider is undermined because of the additional income women contribute. And it is certainly true that microfinance programs in general place additional demands on a woman's time.

However, another important factor to consider with any impact assessment is the amount of time that is really needed to bring about the types of changes being assessed. One to three years of program participation by women may be too little to change deeply embedded power relationships and expectations at the intra-household level. Referring to the Bangladesh setting, Osmani (1998) points out that one generation of extensive exposure to income-earning activities cannot be expected to completely defuse centuries of cultural conditioning. Women in Bolivia and most certainly in Ghana have a longer history of active involvement in the market economy than those in Bangladesh. Still, transformations in personal attitude and social relations may take time to become quantitatively detectable.

## CONCLUSION

Mayoux's statement that microfinance will not **automatically** "empower" women is an observation that Freedom from Hunger and its partners take to heart. Moreover, the evidence demonstrates that the positive effect of *Credit with Education* depends on the individual woman's successful use of the services, her family dynamics, and her group's internal rules of conduct.

Freedom from Hunger has learned from the impact studies discussed in this paper, as well as the expansive literature on empowerment, that a necessary first step for empowerment to change cultural conditions for women is the incorporation of empowerment in the design of microfinance programs through a participatory approach. Freedom from Hunger feels that practitioners can proactively foster women's empowerment further in the following ways:

- 1) Listening to their clients so they can offer the most appropriate service package to enhance client success. Treating "clients" as customers who have important feedback is both a good business and social practice. It fosters in women a sense that what they think and say does matter in general and specifically for the implementation of the program. Frontline staff, middle and senior management should all be given the permission to acknowledge that the implementing organization does not have all the answers and be encouraged to engage and learn from the clients.
- 2) Taking steps to take advantage of the particular opportunities group-based lending offers women's empowerment while trying to minimize the threats. Group-based lending has the potential to build solidarity and foster self-management and leadership capacity but it also presents additional implementation challenges. Frontline staff must work diligently to inspire positive group dynamics and leadership capacity within the groups. Program terms and services must be more flexible within group structure and tolerant of the inherent stress within village banking, such as varying loan sizes and membership turnover (client departure and entry) over time.
- 3) Offering nonformal education in addition to financial services. Women not only typically have relatively poorer access to financial services than men but also to information and

education. Nonformal education that involves women in an assessment of their own situation and the most appropriate solutions is also an empowering process. Through their mutual support, encouragement and sharing, women can help each other take action and weather the changes that are inevitable in any development process.

Rahman points out that access to financial services does not change the fact that women typically live in a social context that undervalues their worth and rights. At the same time, it is the empowerment of women that will bring about a positive change in a woman's cultural conditions and the ability to access and use resources in a manner that will benefit herself, her family and her society at large.

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## ANNEX 1

### Box 3: Research design—Ghana and Bolivia

Following baseline data collection, study communities were assigned to either a program or control group, with the latter not receiving *Credit with Education* until the evaluation research was completed. Baseline respondents were later classified as future “participants” or “nonparticipants,” depending on whether they joined the program (when and if it was offered in their community).

Three sample groups of women with children under three years of age were included in the follow-up research: *Credit with Education* program participants of at least one year; nonparticipants in program communities; and residents in control communities selected not to receive the program for the period of the study. Women for the two nonparticipant groups were randomly selected from comprehensive lists of all women with children younger than three years of age.

Program impact was evaluated by comparing the magnitude and direction of change in the responses and measurements between the two data collection rounds—program participants versus nonparticipants and residents in control communities.

### Box 4: Research Design—Thailand and Burkina Faso

#### **Thailand:** (MkNelly, Watetip, Lassen and Dunford, 1996)

This research was designed as a cross-sectional interview study of *Credit with Education* participants and nonparticipants in Korat Province. The study methods included standardized surveys and in-depth interviews to address a number of evaluation questions including, “What impact is *Credit with Education* having on women’s attitudes, organizational capacity and social status that might empower them to improve the health and nutrition of their families?” Participants interviewed were members of Credit Associations for at least one year and had taken at least one loan in the past 12 months. Nonparticipants were drawn at random from control villages that were matched by proximity and size to the program communities. Participants and nonparticipants had at least one preschool child.

#### **Burkina Faso:** (Kevane, 1996)

This study was conducted with participants in the *Credit with Education* program of the Réseau des Caisses Populaires du Burkina (RCPB). In-depth, qualitative, retrospective interviews were conducted with nearly all members of three caisses villageoises (Credit Associations) in operation for at least two years, in three distinct rural communities of the Central Plateau region around Ouagadougou. A number of questions were addressed including, “What impact is *Credit with Education* having on women’s solidarity and community action?” Each community was visited for approximately one week. Community leaders and other nonparticipants were interviewed as well. The objective of the study was to clarify the processes by which program impacts occurred