Social Performance of Microfinance in Women Empowerment: A Paradox?

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Abstract

Despite the fact that microfinance has been acclaimed as a universal model against poverty alleviation and enhancing women empowerment, in the name of empowerment microfinance has created a number of social problems for its target group which is primarily poor women. This article presents a broad social perspective on the contribution of microfinance on women's empowerment in Bangladesh. That means, this paper will analyze both the positive and the negative social impacts of microfinance on women's empowerment and emancipation of women in Bangladesh.

Keywords: Microfinance, Neoliberalism, Women's Agency, Emancipation, Empowerment, Paradox.

1. Introduction

Bangladesh has established herself as the pioneer in developing and providing microfinance services since their inception in the early 1980s. Now Bangladesh is known as the most extensive microfinance service providing country in the world. Considering the socio-economic and socio-cultural conditions, Muhammad Yunus first developed microfinance as a non-profit model in 1976 at the Grameen Bank (GB) in Bangladesh. The neoliberal remaking of global governance and of state-based policies is generally considered to date from 1980. Neoliberalism as global governance is often identified with the structural adjustment programs. However, it is important to recognize that poverty remained the key target of the global development policy. The microfinance emerged as one of the most effective and flexible development tools under the neoliberal policy to fight against global poverty (Hickel, 2014). Its emergence is based on the judgment that poor people, who had been classified as 'unbankables', could be converted as dependable bank clients (Cull, Demirgue

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& Kent, 2009). Principally, microfinance supported poor women who are engaged in the informal economy in Bangladesh. It provided loan support to the poorest of the poor who were unable to obtain formal financial services due to lack of collateral or assets. Microfinance programs offer small loans to promote small-scale entrepreneurial activities without any physical collateral. These poor people are allowed to form a group to gain access to credit because it is a group-based lending program and microfinance institutions (MFIs) traditionally charged high-interest rates (Morduch, 1998; Imai & Azam, 2012). The microfinance institutions strictly monitor the borrowers' behavior to ensure weekly and fortnightly loan repayments and punctuality (Morduch, 1998).

The group as a whole is considered morally responsible for each others' loan payment which forms the basis of the social collateral but this is also responsible for violence resulting from aggressive debt collection. The social collateral mechanism and peer monitoring system of timely credit repayment system of the MFIs increased conflicts and eroded existing social capital among the offhand borrowers (Uddin, 2014). For timely repayment and maintaining the reputation in the village community or group, a member has to work hard to maintain such status (Imai & Azam, 2012).

According to Sen's (1999) analysis, microfinance provided a reliable platform for poor women to have access in the capital market. This connected the underprivileged section of the society with economic activities which in turn created wealth and in the long run empowered women socially and financially.

A wide range of studies has been conducted on the social impact of microfinance on women's empowerment. In microfinance evaluation, some studies argued that microfinance contributed to poverty alleviation and women's empowerment (Hossain, 1988, Hashemi et al., 1996, Khandker & Samad, 2014, Mahjabeen, 2008; Khandker, 2005). Some researchers have reservations and have critiqued the claims of the positive impact of microfinance (Jahiruddin, Short, Dressler & Khan, 2011; Rahman, 1999; Adams & Von Pischke, 1992, Montgomery, 1996). Some studies have illustrated the inability of microfinance to reach the poorest of the poor sections of the society (Scully, 2004; Chowdhury & Matin, 2002, Dutta, 2004, Amin, Rai & Topa, 2003). Some other researchers took the middle ground and acknowledged the positive impacts of microfinance but also argued that microfinance does not support the poorest section of the society as is widely portrayed (Hulme & Mosley, 1996, 1998).

It is important to note from the literature that microfinance has perhaps failed to establish women's agency and emancipated women in Bangladesh. On the other hand, World Bank and leading microfinance institutions (MFIs) like Grameen Bank, BRAC and ASA have written extensively on the positive claims of such studies. In fact, these MFIs are the major players in the field of microfinance in Bangladesh.

Despite the fact that microfinance has been acclaimed as a universal model against poverty alleviation and enhancing women empowerment, it has created a whole series of problems in these women's lives which questioned the very initiatives of microfinance though part of the literature on microfinance demonstrates that it has ensured the distribution of capital flows to the marginalized people.

This article presents a broad social perspective of the contribution of microfinance on women's empowerment in Bangladesh. That means, this paper will analyze both the positive and the negative social impacts of microfinance on women's empowerment in Bangladesh. The rest of the paper is organized as follows: Section 2 presents the nature and trend of microfinance in Bangladesh. Section 3 portrays the social consequences of microfinance on women's empowerment in Bangladesh based on ethnographic studies and Section 4 presents the concluding remarks.

2. Nature and Trend of Microfinance in Bangladesh

As of June 2013, MRA reported that 698 licensed NGO-MFIs served approximately 25 million clients in Bangladesh (MRA, 2014). Grameen Bank and BRAC are self-financed in the microfinance program (Rahman, Luo, Ahmed & Xiaolin, 2012). Other MFIs are highly dependent on donors to sustain their operations. As part of the contemporary neoliberal policy, external agencies such as the World Bank provided such support expecting that poor countries will be benefited from such investments. Presently, leading MFIs like Grameen Bank, BRAC and ASA have become too big to fail just like the big banks in the western economies that were deemed to be too big to fail in the 2008 financial crisis (Wheelock, 2012). For instance, the total estimated portfolio is Taka (Bangladesh currency) 158,807 million, where ASA, BRAC and Grameen Bank account about 79.26% (ASA 22.50%; BRAC 28.81% and Grameen Bank 27.96%) of the share and the remaining MFIs' constitute about 20.74% (Alamgir, 2010). These MFIs have highlighted the microfinance model as a panacea to reducing poverty and empowering women in Bangladesh, and globally.

Collateral free group-based lending microfinance programs have ensured capital access for poor women as well as reducing the risk and cost of providing financial services. Earlier, local money lenders offered credit at very high-interest rates. Morduch (1998) mentioned that these borrowers needed to provide a physical collateral to apply for loans from these money lenders (Rashid & Townsend, 1993). For these poor borrowers, a loan was often associated with high cost and risk. Microfinance paved the way for these underprivileged people to obtain loans that could be used as capital without any physical collateral (Khandker, 1998; Morduch, 1998; Yaron, 1994).

While MFIs are providing small loans to the underprivileged, they are still charging relatively high-interest rates. According to Faruqee, Khalily, Akhter, and Alam (2011, as cited in Kandker & Samad 2014, p.6), MFIs charged interest rates as high as 35 percent, compared to about 13 percent charged by commercial banks; nevertheless, commercial banks do not lend to the poor whose only choice is to borrow from the MFIs or from informal lenders who often impose high-interest rates as high as 240 percent per year (ibid). They have, however, had great success in delivering financial services to the poor women at a very low default rate. The transaction costs for lenders of maintaining the credit discipline among these poor borrowers are very high. It is for this reason that microfinance has become associated with new forms of discipline. MFIs maintain credit discipline through group pressure and monitoring borrower's behavior (Khandker & Pitt, 1998; Yaron, 1994; Morduch, 1998).

3. Social Consequences of Microfinace

This section evaluates the social impact of microfinance especially the correlation between microfinance and women's empowerment in Bangladesh. Empowerment is a vast and complex term and there is no consensus on the meaning of the concept itself. Smyth (2007, p. 584) argues that empowerment means enabling people to acquire the power to think freely, exercise their choice and freedom, becoming capable of using their full potential and be able to share equal membership status in the society. Although there is a modest harmony between microfinance and empowerment, this section illustrates both the positive and negative social impacts of microfinance.

3.1. Positive Social Impacts

In Bangladesh, patriarchal norms still persist in rural society. Practices such as 'purdah' confined women to the domestic environment and limited contact with men outside the family (Hashemi et al., 1996). As part of the microfinance policy, rural women participated in weekly meetings with male officers who acted as regulators of their loans and of the credit program. Such meetings grossly violated the patriarchal principles in Bangladesh. Moreover, many of the rural women who access these programs are uneducated and unskilled. So there are good arguments. MFIs have at least reached poor women and provided good reasons for them to be active in public space. They have also ensured capital access for severely impoverished women.

Though women do not have full control over their loan money, they often give up this control in order to ensure a stable marriage relation or improvement in other economic securities for herself or her children. Therefore, relinquishing control over loan money may constitute a 'viable economic and social strategy' for these improvished women (Aslanbeigui et al., 2010, p.187).

However, in order to fully measure the social impact of microfinance on the poor women, we also need to analyze the contribution of microfinance at the household level. The fact is that microfinance contributions to the family income are often very small in amounts (Hashemi et al., 1996). Poor women accessed microfinance to engage in economic activities like poultry, stock breeding, and handicrafts. Usually, these products have low demand and the small market in the economy and often they could not earn a substantial income through microfinance borrowing. However some have argued that despite generating low income, MFIs finance enterprises increased poor women's emancipation in the society (Develtere & Huybrechts, 2005; Aslanbeigui et al., 2010).

Further, using the term women's agency, Sen (1999) argues that women cannot merely be the passive recipients of aid but must be actively involved in improving their lives. Sen (1999) also asserted that women were taking part in household decision making and improved their status considerably by becoming an active breadwinner through microfinance in Bangladesh. Therefore, microfinance has improved women's emancipation and agency in the society. Further studies show that microfinance programs have enhanced women's socioeconomic status by increasing their mobility, decision-making ability, social awareness, education, and scope of employment (Datta, 2004; Pitt, Khandlker & Cartwright, 2003; Ullah, 2004; Zaman, 2001).

According to the Develtere & Huybrechts (2005), large-scale involvement of women in the family's critical decision making was the first indicator of women empowerment. For instance, all interviewees (borrowers of the MFIs) in the article by Aslanbeigui et al. (2010) confirmed that their status and decision-making power in their household and society has increased due to their holding income generating positions. Previously they were heavily reliant on their male relatives for their daily sustenance as part of the social folkways and more. Though women made insignificant gains from the microfinance loans but they were empowered to take family decisions regarding children's education and health which was earlier reserved only for their male counterparts. Overall, these women achieved honor, respect, decision-making powers and emotional well-being in the society.

Participation in MFIs programs not only enhanced women's mobility in the society through increased interactions but also increased their knowledge gathering which was restricted earlier due to their limited interactions within their family or within limited geographic boundaries defined by a male-dominated society in Bangladesh. The ethnographic research works by Aslanbeigui et al. (2010) and Hashemi et al. (1996) also confirmed that microfinance has strengthened these women's confidence and communication. As a result, they reduced the conflict among their family members and mitigate their socio-economic insecurity and uncertainty considering their inability to support themselves before their relationship with MFIs. Microfinance also propelled job creation among these unprivileged women which had a spillover effect on the rural economy and the society as a whole. For instance, small micro-entrepreneurs (particularly in the handicraft sector) created employment in the rural society. Therefore, the communities as a whole in which borrowers inhabited and conducted their businesses are benefitted from the spillovers - volunteer labor and improved employment opportunities in the rural society (Khandker, 2005; Khandker & Samad, 2014).

One of the notable impacts of women's emancipation was improved family planning in rural societies. Factors such as knowledge about contraceptives as well as interactive discussions and mutual support created an awareness of family planning among MFIs recipients and decreased fertility among borrowers (Schuler, Hashemi, Riley & Akhter 1996; Develtere & Huybrechts, 2005).

3.2. Negative Social Waves

Despite numerous positive contributions of MFIs in reaching out to women and improving their lives, there are considerable arguments about the actual social implications of microfinance in women empowerment in Bangladesh.

According to ethnographic studies, long-term membership of borrowers is a salient feature in the MFIs. Many borrowers, loan terms had been extended by as long as 15 to 23 years. It is also assumed that empowerment is a long-term project (Aslanbeigui et al., 2010, p.197). In Bangladesh, empowering effects of microfinance programs are recognized in such a way that their outreach still faces social barriers like supremacy and legitimacy of institutional traditions such as patriarchy and purdah. This argument is also supported by Aslanbeigui et al. (2010). This acted as an impediment to women's obtaining short-term objectives since breaking the social norms for these women had both short-term and long-term consequences. The question, then, is whether the duration of microfinance membership enhanced women's empowerment through microfinance programs. No research studies have been conducted that have focused time length of microfinance program as a borrower. In this framework, the arguments for the relationship between microfinance and women's empowerment in Bangladesh are inconsistent with the short-term nature of their research findings.

MFIs have also created unsustainable debt cycles among these poor borrowers. The aged borrowers who were unable to pay off the loans transferred their payment obligations to their descendants who also went on to become new microfinance members (Aslanbeigui et al., 2010). This cycle clearly demonstrates the harmful effect of debts on these borrowers who are in this situations for a variety of reasons including financial mismanagement. It is not clear whether these outcomes are considered in definitions of empowerment. Moreover, there are no national consensus in Bangladesh or available statistics on the meaning of the idea of empowerment itself.

There are also debates about whether the female borrower actually had any control in decision making over the use of the loan money and whether it actually protected her from domestic violence. Empowerment concepts differ depending on the emphasis on access to credit on the one hand and the strategic gains in intra-household decision making on the other. From the microfinance and empowerment perspective, it is one of the essential condition for women to exercise managerial control over the use of borrowed money (Aslanbeigui et. al., 2010). In Bangladesh, nearly 17 percent women borrowers had control over their borrowing decisions. This argument also supported by Goetz & Gupta (1996), Rahman(1986), White(1991). Therefore, it can be asserted that access to credit does not automatically ensure and translate into the women's emancipation (Hulme & Mosley,1996).

Furthermore, in the patriarchal society of Bangladesh, cash is a traditionally male economic recourse and its trade in the markets is a restricted male domain (Aslanbeigui et. al., 2010). In a male dominated hierarchical society, to maintain marital harmony, well-being and children's welfare, women give up their decision making regarding the use of borrowed money. They were assured of a food supply and other forms of basic economic security by this sacrifice (Goetz & Gupta, 1996, p.50). Therefore, it is very difficult to ensure that women keep control over loans because of the male dominance (monetary and public market sphere) and social structure of Bangladesh (Aslanbeigui et al., 2010, p.187).

Considering the nature of rural society in Bangladesh, Goetz and Gupta (1996) suggest that women can never fully control their loans and thus can never become empowered without substantial changes in social structure. Thus empowerment does not only mean free access to capital and change in income when the end result in reality does not truly benefit women owing to the social fabric of the rural Bangladeshi society. So how is it rational to treat microfinance as an effective tool for women's empowerment when they are unable to exercise decision-making activities?

3.3 Microfinance Paradoxically Disempowered Women

In reality, instead of empowering women, microfinance chained many poor women in a debt cycle through the loan repayment system. Inspite of creating employment opportunities, in terms of real disposable income these women's financial condition deteriorated, compared to their pre-microfinance period, when they were unable to meet repayment schedules (Aslanbeigui et al., 2010, p.190). Microfinance is supposed to empower women, however, case study based research suggests that the way the microfinance model is put into practice can intensify women's subjection to gender-based violence.

The microfinance model requires that the borrowers maintain a strict weekly repayment system. In this case, women have been exposed to physical, mental and sexual violence by loan recovery officers, as well as frequent repossession of assets when they were unable to repay (Cons & Paprocki, 2010, p.645). Rural women's sense of honor is used as a substitute for collateral in the microfinance model to guarantee payment from these women. Grameen Bank (98%) and other MFIs high loan recovery rates supported the above argument.

Traditionally women are the protectors of family honor and MFIs are using shame as an effective social instrument to control these poor people in Bangladesh (Karim, 2008). Shaming takes many forms in the rural society ranging from rude language to physical violence. Society, men, and their families constantly try to uphold their family honor by upholding the honor of their women. These poor rural women's honor and shame have been instrumentally dishonored by the microfinance loan recovery system and produced conflicts and violences in the rural society (ibid).

Paradoxically microfinance continues to tie women to patriarchal based forms of violence. In rural Bangladesh, expanding women's access to economic opportunities and resources did not always protect them from domestic violence. In many cases, husbands became increasingly violent as their wives began to earn independent incomes (Schuler, Hashemi, Riely & Akhter, 1996). Poor women often acted as a vehicle in the transaction between the MFIs and their husbands because microfinance recipients are generally poor women (Cons & Paprocki, 2010). Men pressured their wives to take loans for unproductive uses and these women had to bear the brunt of failing to make the weekly repayments. This has led to suicide among these vulnerable women who were unable to repay their borrowed money because they are legally responsible for loan transaction and repayment (Mallick, 2002). The effect of microfinance on protecting women from violence is ambivalent depending on whether the credit program encourages or discourages violence (Khan, 2005). The effect of microfinance on either enhancing male supremacy or liberating women seems to lean towards the former (Rahman, 1999; Mallick, 2002). Women are now suffering cruelty from both sides - they face repayment pressures from MFIs and domestic violence. Simultaneously, their male partners compelled them to borrow against their wish. In this extent, empowerment through microfinance became a paradoxical process in which the tools of empowerment have proved to be self-destructive.

There is, however, another paradox. The same literature that documents the way microfinance works through patriarchy also showed how the exploitation of women through microfinance is producing a new form of the relationship between labor and capital (Rahman,1999; Mallick, 2002). Therefore, microfinance model which is supposed to serve the emancipation of women tool rather it has served the interests of capitalism (Karim, 2008). Keating, Rasmussen & Rishi (2010) argued that microfinance is a set of processes which enticed new subjects into the structure of capitalism. But the processes are exploitative and often violent. It is an emerging form of capitalistic exploitation that is coined with the concepts of gender equality and empowerment. Women's empowerment through microfinance appeared to have liberated them from partial patriarchal domination but, at the same time, incorporated them into global capitalism on significantly unequal terms (Hartsock, 2006, p.188).

Microfinance loans are also used as a kind of social safety net but the effect is to often further disempower poor women. Many poor borrowers used loan money to meet unanticipated situations like medical treatment, dowry or in the natural disaster (Cons & Paprocki, 2010; Mallick, 2002). As a result, they failed to repay the instalments. Many borrowers were forced to sell their little property for repayment or needed to cross-borrow from other MFIs or local moneylenders to meet loan repayments (Jahiruddin, Short, Dressler & Khan, 2011). As a result, these marginalized borrowers who are unable to comprehend the complex credit structure of the debt cycle that they are deeply entrenched in more debt because they have no option to repay their loan payment.

Critically, repetition of debt (cross-borrowing) also created a chronic credit dependence among the poor borrowers and hence cyclical and unsustainable borrowing. MFIs claim to encourage the value of discipline and competitiveness among the borrowers. However, their emphasis on an oppressive loan recovery strategy rather than a socially inclusive approach means that they disempower rather than empower poor women (Karim, 2008). In this way, microfinance in the guise of empowerment expanded the labor and capital market and often ended up, placing poor women in subservience as debtors (Hickel, 2014, p.1356).

The duplicity of these terms and conditions of microfinance really opens up the actual claims to women's empowerment to question. Or, we can articulate this in a more contradictory way - on balance microfinance may be empowering one set of actors through capital access on one hand while it may be disempowering others through a strict loan repayment system. In other words, it may be creating new forms of inequality.

3.4. The Paradox of Women Agency

One of the major objectives of empowerment is to form, sustain, and strengthen agency. But different authors define agency from different perspectives. Goetz & Gupta (1996) defined women's empowerment as a process, and the success depends on the extent of the control over productive activities or enterprises. On the other hand, Hashemi et al. (1996, p. 635–638) defined empowerment as an outcome and a set of conditions that women achieved as a result of their entrepreneurial efforts. Aslanbeigui et al. (2010, p.191) argue that agency in empowerment for these women as personal autonomy which means the capacity to develop independent objectives, purposes, and decisions and the disposition to act. Sen (1999) argued that microfinance promoted women's agency and empowerment through an increase in income but that they also need to build human capabilities. Income and capital access by themselves cannot guarantee women's empowerment in the patriarchal society of Bangladesh. These require a whole societal level of change and acceptance for these objectives to be attained.

Kabeer (2005, p.14-15) observes that rural women's experiences of empowerment often begins with a woman's sense of herself as a decision making and implementing individual who makes choices in ways that challenge and transform institutional limitations on her freedom. Aslanbeigui et al. (2010) also argued that most women interviewees acknowledged that microfinance brought significant changes in their lives. For instance, it increased their social status in the family as well as in the rural society even though their life is not free from male domination. Therefore, the subjective dimension of empowerment in the sense of agency is a hope.

In understanding these changes, however, there is a strong argument that agency in empowerment is determined principally by a microfinance institution's socialization processes in poor countries like Bangladesh. Moreover, development strategies put in place by the international development theorists and planners (World Bank, International Monetary Fund) in Bangladesh are solely driven by the neoliberal policies. These neoliberal policies are executed through organizational socialization processes, controlled by experts, economists, and bureaucrats who explicitly aim to fabricate poor women's identities. These women were disciplined according to the organizational rules, norms and interests (Aslanbeigui et al., 2010). Institutional determinations are very distinct in these organizational socialization processes. For example, in the Grameen Bank's institutional policy, the formation of women agency is very apparent through their own 16 'Decisions' (*ibid*, p.192). Usually, group members of the GB are made to recite the 16 'Decisions' at the beginning of each meeting. This list of 16 'Decisions' strongly emphasizes on re-enforcement of obligations or commitments that hold the strict discipline of the loan re-payment system as well as a number of social improvements. The social development involves safe and sound housing for the borrowers, abandon dowry practices, plant crops to make certain material comfort as well as build safe and hygienic sanitary system for the household (Cons & Paprocki, 2010). All these decisions are asserted as both effective instruments for as well as confirmation of sociocultural transformation. These 'Decisions' also claimed that rural societies have benefited through this policy from the socio-cultural and economic perspective (*ibid*).

But the reality is different. Despite the refusal to exchange dowry in the Grameen Bank's 16 'Decisions' which is recited regularly by borrowers, Aslanbeigui et al. (2010) argued that people (interviewees) have very much positive attitudes and commitments about the dowry practice which sounds paradoxical. On the other hand, dowry practice is a great concern for the poor people in Bangladesh. In these circumstances, Cons and Paprocki (2010) state that microfinance has exaggerated the dowry practices and has a severe effect on inflating dowry prices in the rural society. In this experience, dowry practices raised questions about the impact and actual intended use of microfinance which are frequently included in the empowerment discussion.

Therefore, to develop women's agency, Grameen Bank designed a set of distinct behaviors to empower rural women through weekly meetings, strict loan repayment system and peer monitoring system. However, there is strong evidence that these new practices established a new banking system in the rural society rather than empowering women. These processes have aimed to exploit the local cultural values of their target group, but have not allowed women to develop according to their own values. Women had no chance to express and share their ideas, thoughts, and experiences in this process. As a consequence, microfinance's beneficiaries may have little input and feedback into the development and administration of the microfinance programs. Although women borrower groups are often shareholders in MFIs, they are rarely involved in decision-making processes and in many cases are even unaware of their own shareholder status and the facilities that they are entitled to (Aslanbeigui et al., 2010).

4. Conclusion

From the overview of ethnographic literature, it is clear that microfinance alone is not a viable tool to ensure women's empowerment in Bangladesh. However, MFIs have a positive impact on women's emancipation and agency in the society, increase in women's self-esteem, the scope of employment and social mobility. Empirically the users of these microfinance impact studies are the World Bank, leading MFIs, international agencies and professionals, so the positive findings have a big influence on current objectives regarding women's empowerment and development in Bangladesh (Hulme, 2000). Though studies of the social impact of microfinance are ambiguous.

However, literature has overlooked a number of critical issues or failed to resolve the question of microfinance impact on women's empowerment. One of the most debatable issues is multiple memberships or cross-borrowing which created debt dependence among the borrowers. The literature has yet to explain the reasons and the long-term consequences of the multiple memberships of the MFIs (Khandker & Samad, 2014). Further, it is also important to identify the length of membership of microfinance borrowers because it is closely related to the women's empowerment. Lifelong indebtedness is irrational with empowerment. So there is a moral question that if microfinance program's policy objective is to empower poor women, but in reality creating a number of social problems in the vulnerable poor women, then how can microfinance justify the ethical and moral claim to be empowering poor women?

It also noticeable that in the patriarchal society of Bangladesh, microfinance has increased women's dignity through income earning, involvement in family decisions, expanding knowledge and awareness and contribution to children's education. On the other hand, microfinance created a number of social problems in the name of empowerment, both in rural society ass a whole as well as in poor women's lives. So in this context, it remain to be justified that microfinance contributes to women's empowerment in Bangladesh.

It also seems that it is poor women's responsibility to remark themselves as enterprenurs and at the same time, encouraged the MFIs to pursue their profit motive in the name of women's empowerment and economic development. In this case, the success indicators of the microfinance program like high repayment rate and increase in women borrowers' productivity can serve as a proxy for the women's empowerment. But all these processes have contributed to the development of the MFI's business model rather than to women's empowerment. It has remained these poor women's own responsibility to utilize the loan money and ensure timely loan repayment. Microfinance disciplines poor women to manage their welfare through active participation in the market economy. Infact, there is no seismic shit or transformation through microficance but a contingent set of adjustments in beliefs and practices that do not allow a uniform or consistent pattern to empower poor women. It indicates that the pragmatic role of microfinance is to marry the ideology of empowerment with market-led development.

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