

Journal of Interdisciplinary Feminist Thought

Volume 7
Issue 1 *Women and Leadership: Economic,
Political, and Cultural Aspects*

Article 3

7-16-2013

Women as Leaders in Differing Microfinance Models

Rae M. Randleman
Gonzaga University, rae.ripples@gmail.com

Follow this and additional works at: <https://digitalcommons.salve.edu/jift>



Part of the [Corporate Finance Commons](#), [Entrepreneurial and Small Business Operations Commons](#), [Finance and Financial Management Commons](#), and the [Women's Studies Commons](#)

Recommended Citation

Randleman, Rae M. (2013) "Women as Leaders in Differing Microfinance Models," *Journal of Interdisciplinary Feminist Thought*: Vol. 7 : Iss. 1 , Article 3.
Available at: <https://digitalcommons.salve.edu/jift/vol7/iss1/3>

This Article is brought to you for free and open access by Digital Commons @ Salve Regina. It has been accepted for inclusion in Journal of Interdisciplinary Feminist Thought by an authorized editor of Digital Commons @ Salve Regina. For more information, please contact digitalcommons@salve.edu.

In Bangladesh Muhammad Yunus (2007) founded The Grameen Bank, one of the original microfinance institutions (MFIs) in the world. In his founder and leader role, Yunus (2007) initiated a discourse which stated that as opposed to lending to men, granting loans to impoverished women resulted in better rates of return, improved outcomes for the family and community, and increased female empowerment. Yunus' narrative and focus on women has been imitated by much of the global microfinance (MF) industry. Microfinance institutions have created a capitalist, financial system of credit, in which banks provide microloans, usually \$20 or less, to impoverished women who repay the loans with interest (Roy, 2010). This capitalist approach to poverty alleviation is driven by a minimalist understanding of female disempowerment as an economic problem solved by access to financial markets. In the minimalist MFI programs there is no attempt to also influence change in the patriarchal, hegemonic social and political structures (Kabeer, 2005, p. 4710).

A microfinance organization virtually unknown outside of India is the Self-Employed Women's Association (SEWA). Ela R. Bhat founded SEWA in 1974, two years prior to Yunus founding the Grameen Bank. Unlike the financial market approach to poverty alleviation and women's oppression, SEWA is a movement, a collective of unions whose members and leaders are women (Blaxall, 2004). Through unionization SEWA is able to implement their vision of empowering disenfranchised and impoverished women through trade organizations. Unlike the minimalist, one strategy solution of Grameen Bank, SEWA's strategy is manifold (a) to enable women to achieve full employment and facilitate product marketing; (b) ensure social security through healthcare, education, and housing; (c) build assets through savings and microfinance loans; (d) build leadership through education, and (e) advocate for women's rights through changing the hegemonic patriarchal economic, social, and political norms (Aggerwal).

In this paper I will assess the role of women as leaders in two different microfinance models, the SEWA movement model and the Grameen Bank minimalist market model. I will also consider the degrees of empowerment through social and political institutional change influenced by the disenfranchised women as a consequence of women's leadership in the models. I will conclude with an assessment of the long-term future for women within these two models.

Empowerment and Relationships

Microfinance institutions claim to empower marginalized women (Cheston & Kuhn, 2002). Empowerment can, however, be a slippery term. Ibrahim and Alkire (2007) listed over 30 definitions of empowerment which have varying degrees of commonality and divergence. The authors distilled the characterizations of empowerment and defined it as an increase in agency, a process which transitions an individual from a circumstance of disempowerment to empowerment (Ibrahim & Alkire, 2007). The key concept within this definition of empowerment is agency. Sen (1985) defined agency as, “what a person is free to do and achieve in pursuit of whatever goals or values he or she regards as important” (p. 206). According to Ibrahim and Alkire’s (2007) definition, empowerment then is an increase in agency, an increase in what a person is free to do and achieve in pursuit of whatever goals or values she or he regards as important. This paper will use empowerment and agency interchangeably.

Alsop, Bertelson, and Holland (2006) highlighted the importance of relationships within empowerment, “As a relational concept, empowerment often means redressing imbalances of power between those who have it and those who do not” (Alsop R. B., 2006, p. xvi). For impoverished and disenfranchised women, disempowerment is a result of economic, social, and political structures infused with oppressive, patriarchal norms. Narayan declared that empowerment within a development context requires an increase in access and the ability to influence change within not just economic but also social and political structures so that they are no longer oppressive (Narayan, 2002).

Additionally, within the MFI relationship, an imbalance of power can be created as people with an excess of money loan to vulnerable populations of impoverished women, particularly without affecting change in the dominant social and political institutions. Rost (1995) proposed that leaders could counter a power imbalance by creating collaborative relationships of mutual purpose (p. 133).

Leadership and Power

Rost’s (1995) assessment on leadership included an examination of nearly 600 works written in the last 75 years of the 20th century (p. 132). As a result of his analysis, he defined

leadership as “an influence relationship among leaders and collaborators who intend real changes that reflect the purposes mutually held by both leaders and collaborators” (p. 133). Rost’s leadership definition encompasses empowerment’s relational concept of a balance of power.

Leadership roles for marginalized women may be difficult to assess since these women typically work in the informal economy and are relatively powerless and invisible in the public domain (Gill, Warner, Weiss, & Gupta, 2009). The informal sector is defined as “the part of the society/economy that is not registered with authorities and is not subject to public regulation and does not benefit from public services or goods” (Microinsurance Academy, 2013). In spite of their marginalized and impoverished status, women exhibit leadership “across a range of private and public domains, often outside the norms and mainstream institutions that dominate public life” (Gill, Warner, Weiss, & Gupta, 2009, p. 27).

The Grameen Bank’s minimalist MFI model and SEWA’s movement model have disparate organizational structures and approaches for empowering women. These models subsequently result in differing consequences for women’s empowerment and leadership roles. To assess the MFI leadership claims of empowering impoverished women, an overview of women’s roles within MFIs is necessary.

Female Leadership within Microfinance Organizations

Meadows (2008) stated that “power over the rules is real power” and “if you want to understand the deepest malfunctions of systems, pay attention to the rules and to who has power over them” (p. 158). The rule makers in the Grameen Bank are MFI executives and increasingly the international donors (Cheston & Kuhn, 2002, p. 6). Although there is female representation within the market MFI structures the nominal populations of women as employees, executives, and board of director members do not reflect the MFI’s stated democratic value (Cheston & Kuhn, 2002, pp. Introduction section, para. 3). The composition of these institutions, the rule-makers, remains predominantly male. In contrast, the SEWA leaders consist primarily of the female union members with a small cadre of educated women.

Senior Levels. In the U.S. non-profit, care industry only “seventy-five (or 18.8 percent) of the leadership slots at the 400 charities are held by women.” Women, however, make up about two-thirds of the nonprofit work force (Joslyn, 2009). The Bangladeshi Grameen Bank has a

markedly different board of director membership. The Grameen Bank's (2012) board members included a majority of women, about 77 percent. According to the organization's web site, however, three of the top director positions are held by educated, wealthy men: a former foreign secretary, an economics professor, and a medical doctor (The Grameen Bank, 2012). The women on the board are uneducated, impoverished, and rural (The Grameen Bank, 2012). While there is certainly a benefit to having a high percentage of the women being served by the organization participating on the board of directors, the Bangladeshi culture of female subservience and male superiority may create barriers to full female participation. The difficulties women in patriarchal cultures face in finding their voices are eloquently expressed by a woman activist from Kosovo,

There is education in the family: first you shouldn't speak because you are a girl, then later you shouldn't speak because no one will marry you, then later you shouldn't speak because you are a new bride. Finally, you might have the chance to speak but you don't speak because you have forgotten how to (An activist in the Drita Women's Group, 2000).

If the social customs are somehow overcome in the circumstance of the poor women on Grameen's Board, the high number of impoverished, rural female representation could be the one vehicle in which the marginalized women have a voice. The women may, however, remain deferential to the male members throughout the decision-making process. Of significant concern is that all of the men have remained on the Board from at least 2006 until 2010. Conversely, only one of the women has remained on the board during the same period (The Grameen Bank, 2012). Cheston and Kuhn (2002) expressed concern about female leadership within MFIs, "Their contributions—whether setting the vision on a board of directors, designing products and services, or implementing programs—are missing" (p. 1).

The men at the senior level positions in Bangladeshi MFIs are wealthy and born in a culture in which patriarchy and male superiority are not only the norm but are perceived as natural (Farouk, 2005). Therefore, men, rather than women, are positioned to produce what the public understands as the truth regarding the benefits marginalized females derive from microfinance (MF) loans. The cultural norms of female oppression, the low levels of female representation in the national government, and the generally weak state of the government

relative to the socially prominent and powerful non-governmental organizations (NGOs) results in substantial autonomy for MFIs.

Lack of government oversight, however, does not result in complete autonomy for the Bangladeshi MFIs. Western and multi-national agency donors provide substantial aid funding to MFIs. Consequently, managing the public discourse to illuminate the benefits and obscure the negative aspects of microloans is critical for market MFIs' continued aid funding (Cheston & Kuhn, 2002, p. 7). Mayoux (1997) warned that increased funding from international donors is accompanied by increased pressure to adopt capitalist measures of efficiency which results in fewer loans primarily to the poorest women who are in the highest risk category for nonpayment but who are also the population for whom microloans were meant to serve. Zhao and Wry (2013) found empirical evidence to substantiate Mayoux's (1997) concern. "Using data on more than 1,800 MFIs in 168 countries" Zhao and Wry (2013) determined that countries with liberalized financial markets are less likely to loan to the poorest of the poor women.

Zhao and Wry (2013) expressed concern about the trend for MFIs to abandon the original mission of lending to marginalized women. We "think there needs to be some sober thought about what—as a field—we think microfinance should be doing" (2013). Additional evidence of the trend to forsake the poorest of the poor women can be found in the growing number of international women's MF leadership programs which focus on financial efficiency and exclude goals to influence social and political change to reduce culturally oppressive conditions. Some of the new programs include; Women Advancing Microfinance (WAM), The Indian School of Microfinance for Women (ISMW), and Women's World Banking, the world's first women's microfinance network.

At its inception SEWA's focus was on economic autonomy as well as political and social freedom for the impoverished women. SEWA's original leaders were well-educated, middle and upper-class women who played a pivotal role in establishing the organization and building relationships with government and private institutions. As the organization developed and grew, however, the initial leaders provided mentorship and training for the "illiterate, rag-picker and head-loader" members who ultimately were able to assume leadership positions within the organization (Mehra, 1997).

SEWA's governing structure is markedly different from that of Bangladeshi MFIs. Each SEWA member is also a member of a trade group which elects from its members representatives

to a trade committee. From the trade committee, members are elected to be on the Council of Representatives and from the Council, delegates are elected to be on the Executive Committee. “SEWA’s constitution stipulates that the President and Vice Presidents, one of the Secretaries, and all the general elected members of the Executive Committee are working class women” (Blaxall, 2004, p. 17). The impoverished women who constitute the SEWA unions and maintain positions of power within the organization are able to voice the truth about themselves, their trade unions and labor rights for women who work in the invisible, informal economy” (Abbott, 1997, p. 200). Within SEWA the women are the leaders, they have the power over the rules, and they are empowered to define, achieve, and pursue their goals.

Lower Levels. Female loan officers could “provide role models for the women in lending groups and offer a tangible example of women’s empowerment,” Additionally, “same gender relationships facilitate open dialog about financial questions and problems in the home” (Zhao & Wry, 2013). Although there are clear benefits in employing female loan officers, 70 percent of the Bangladeshi MFI loan officers are men (Hunt & Kasynathan, 2001, p. 49). In addition to their maleness, the Grameen MFI loan officers are often distantiated from female borrowers by their professional role, education, socio economic class, autonomy, larger world-view, and dominant institutional position (Tronto J. C., 2001). This distantiation is supported by Hunt and Kasynathan (2001) who stated, “Very few field-level workers appear to us to be reflecting on the complex relationships between control of credit and empowerment” (p. 43). The lack of reflection and their distantiation are substantial barriers for the loan officers to sufficiently transverse dialectically and intellectually between their realities and that of the poor, rural women. Subsequently, with a male-infused normativity and a dearth of female representation at all levels, it appears improbable that MFIs can create leader/collaborator relationships of mutual purpose or influence change within social and political structures that result in a meaningful reduction in patriarchal hegemony or transformation of agency such that the lives of MFI member women can be substantially improved.

In addition to the differences in the executive leadership level, there is a fundamental difference between Grameen and SEWA in the representation of females within lower positions. In addition to the female, democratic, management structure SEWA reduces distantiation in several ways (a) through the organization’s emphasis on the Ghandian value of equality; (b)

including working class members in national and international meetings; (c) maintaining executive pay at no more than three times the lowest paid staff member; (d) efforts by senior members to identify, mentor, and develop new leaders from the ranks of the impoverished women members; (e) access to a leadership academy available to all members. SEWA's Academy was established as "part of its capacity building" efforts (Blaxall, 2004, p. 18). Courses range from very basic self-presentation skills and building self-confidence to more sophisticated courses on political lobbying (Blaxall, 2004, p. 18).

Social and Political Structures

Narayan declared that empowerment within a development context requires an increase in access and the ability to influence change within economic, social, and political structures so that they are no longer oppressive (Narayan, 2002). Kabeer (2005) also highlighted the imperative for MFIs to interact with other social structures to truly and substantively empower impoverished women. She stated, access to financial services is important to economic development, however, "it does not 'automatically' empower women, just as with other interventions, such as education, political quotas, etc., that seek to bring about a radical structural transformation that true empowerment entails" (Kabeer, 2005, p. 4709).

The MFI narrative of increased empowerment for women with an emphasis on opportunity structures such as the "creation of democratic institutions" (Yunus, 2007, p. 116) is in keeping with Narayan (2002) and Kabeer's (2005) recommendations for transforming structures. After operating for 30 years in Bangladesh, however, there is no evidence that MFIs, those that utilize only financial market loans as a solution to poverty, have influenced substantive transformation in other structures (Karim, 2008) particularly the pervasive and stable social culture of patriarchal domination (Farouk, 2005, p. 2).

The Grameen Bank was founded with individualized microloans as the only poverty solution. The Bank's minimalist strategy is to provide the poor with financial services then allow the women to identify the investment opportunities they are most capable of independently sustaining. As they remain isolated in their villages subject to persistent, patriarchal control and with minimal access to village markets, the women continue to endure oppression within the societal and political institutions (Karim, 2008). Beyond providing some training on literacy and money management Grameen Bank does not provide counseling for the poor women on

selecting a project or marketing their goods or services. Additionally, Yunus did not want the borrowers to blame the bank for failed investments. Consequently, if villagers inquired about investment advice, Yunus instructed his staff to respond, “The Grameen Bank has lots of money, but it has no ideas” (Bornstein, 1996).

Instead of a singular focus on loans, SEWA’s approach to poverty alleviation began with efforts to address the employment needs of the impoverished women. SEWA “sees its core role as organizing the women and building their capacity” to secure employment and become self-reliant (Blaxall, 2004, p. 4). Rather than keep the women segregated in small, isolated groups, as is the Grameen model, SEWA empowers the women to lead themselves and others through unionization and cooperation (Blaxall, 2004).

Early in SEWA’s history the women who, according to the Banking Registrar, “could not even sign their names,” challenged the banking structure (Abbott, 1997, p. 202). In an attempt to create a small bank to assist poor women, “SEWA women, all deeply indebted and on the edge of poverty, not only struggled daily to survive, but had also taken on a massive struggle in challenging the dominant power structures of caste and patriarchy” (Abbott, 1997, p. 202). Ultimately the women prevailed and helped initiate changes throughout India’s banking systems (Abbott, 1997, p. 202).

Also while in its infancy, SEWA applied to create a union to protect the women from various forms of exploitation. The government, however, predicated unionization in a definitive employer-employee relationship and denied unionization to the self-employed women. The negotiation became “a fierce battle between educated, articulate officials and the illiterate women of SEWA on the meaning of work and entitlement to trade unionism” (Abbott, 1997, p. 203). Through their “collective defiance and organization” the women achieved a reduction in systemic oppression and a sense of empowerment (Abbott, 1997, p. 204).

There are also stories of women’s empowerment as a result of membership in Grameen Bank. The film *Bonsai People* (Mosher, 2012), a celebration of the success of The Grameen Bank’s 30 years as an MFI in Bangladesh, depicted cases in which women did not have a male relative and other cases in which the patriarch of the family allowed the woman to decide how to spend the funds. In these instances, the movie depicted the lives of the women as materially improved. Absent from the film, however, were large populations of women who had radically improved their circumstances through MFI loans. There was one depiction in the film of a

woman who had seemingly achieved a position of power. The woman had been elected as the first and only female representative to her community's male-dominated governing body. The woman was, however, prevented by the men on the committee from speaking during the meeting (Mosher, 2012). While her election as a leader within her village was indicative of progress for women's empowerment, it was a small victory for 30 years of MFI effort. Farouk (2005) observed, male "community leaders actively oppose women's rights in order to maintain their own power positions within the community" (p. 5). Batliwala (2007) stressed, "Empowerment is about shifts in political, social, and economic power between and across both individuals and social groups" (p. 559). The film highlighted small victories for the impoverished Bangladeshi women, but it also highlighted the rampant dis-empowerment the women continue to experience in larger social and political contexts.

Batliwala (2007) emphasized, "Movement against...gender oppression calls for the redistribution of power...through the destruction of forms of social stratification" (p. 558). Husain, Mukherjee, and Dutta (2010) also identify social, political, and economic institutional structures as obstacles limiting the MFIs ability to empower impoverished women. They stated, "Patriarchal features of the local community and the absence of local investment opportunities limit the extent to which women are able to use [MFI] loans. The role poor, rural women serve in Bangladeshi MFIs is described as 'post boxes', 'receiving the loan then transferring the funds to their husbands or male relatives'" (Husain & Mukherjee, 2010, p. 6).

Member Women's Realities

The Bangladeshi MFIs require that village women receive loans as a group and attend weekly group meetings (The Grameen Bank, 2012). In development parlance, these assemblages are commonly referred to as Self-Help Groups (SHGs). During the SHG meetings, the women "collect and discuss loan proposals and create a space in which they can speak without men dominating the discourse" (Karim, 2008, p. 13). Also within the SHGs, the women determine each member's ability to make her loan payment. According to MFI rules, if one female group member cannot pay, the other members are responsible for making the woman's payment (Karim, 2008, p. 17). This effectively creates a disciplinary mechanism in which the women borrowers conduct surveillance on each other on behalf of the MFI (Karim, 2008, p. 17). The meeting cannot be adjourned until every woman has submitted her repayment. Through this

mechanism, the minimalist MFIs tie individual responsibility to group responsibility and “enforce payment through collective punishment” (Karim, 2008, p. 17).

In her description of the collective repayment process and adherence to MFI rules, Karim (2008) stated that on occasion a woman incapable of repayment will not show up at a meeting. The other SHG member will then employ one of several tactics. They will either temporarily cover her repayment fees; they may verbally shame her or her husband in public; or they may go to the woman’s house to abscond with household goods that can be sold to cover her fees (Karim, 2008). This group responsibility is described by Karim (2008) as the “use of shaming as an instrument of social control of the poor and particularly poor women since women are the custodians of family honor” (p. 10). This disciplinary practice enables MFIs to achieve a greater than 90 percent repayment rate for the women borrowers (Yunus, 2007) without disclosing the oppressive practices employed to achieve the high repayment rate.

Like the Bangladeshi loan recipients, the financial well-being of SEWA members is also precarious. Unlike Grameen, however, in addition to access to microloans SEWA has built a supportive infrastructure based on member-driven needs. SEWA members have access to local health care and child care services. Also through a combination of donor funding, government funding, and user charges SEWA members are able to access legal counsel, acquire insurance, and receive funds to purchase or improve housing (Blaxall, 2004, p. 2). The shaming practice prevalent in the Grameen SHGs is avoided by SEWA as administrative workers, rather than union members, collect members’ dues (Blaxall, 2004).

Agency and voice. Voice, according to Samman and Santos (2009), is one of the critical determinants of agency. Additionally, according to Sen, resource allocation and distribution within a household are influenced by women’s societal role and relative status (Sen A. , 1999). Consequently, a woman’s economic role and social status outside the home affect her agency and voice within the household (Marston & Nichols, 2006).

Patriarchal Bangladeshi culture requires that woman loan recipients often pass the loaned funds to a male relative (Hunt & Kasynathan, 2001). According to Hunt and Kasynathan (2001), 78 percent of the loans are controlled fully or significantly by husbands (p. 44). Women, therefore, are responsible for repayment but often lack the agency to choose the form of investment (Cheston & Kuhn, 2002, p. 8). Consequently, women systemically remain powerless

and voiceless in both the public and private spheres (Karim, 2008, pp. 13-14). In addition to being disempowered in deciding how the loans are invested, women are often “employed by the husbands as unpaid workers” (Mayoux, 1997, p. 2). Since the majority of female borrowers have no control over how funds are spent, the practice of making women responsible for each others’ repayments seems particularly egregious.

The Bangladeshi MFI narrative of empowering impoverished women and the village experiences are incompatible. Cheston and Kuhn (2002) stated, “The information and evidence that are available from qualitative studies give us a mixed picture [of minimalist MFIs], showing successes as well as some limitations” (p. 17) for increasing women’s empowerment. In her assessment of MFIs Karim (2008) stated, “Bangladeshi rural women’s honor and shame are instrumentally appropriated by micro-credit NGOs in the furtherance of their capitalist interests” (p. 1).

Comparatively, as a trade union with thousands of members and women assuming roles throughout the organization, SEWA is uniquely positioned to challenge the hegemonic and patriarchal political and social institutions’ definitions of justice relative to women’s roles and rights. An example of SEWA’s empowerment was exhibited in their protracted battle with the regional Labor Ministry and Municipality to obtain licenses for women street traders. Denied licenses, the female street traders were harassed and exploited by police who seized their goods. In response, SEWA organized public protests and the case was escalated to India’s Supreme Court. Ultimately the women traders won the right to trade legally with their SEWA membership cards as proof of their legitimacy (Abbott, 1997, p. 203).

SEWA has also been successful in challenging the normative perceptions of the work women do in their homes. In India’s cottage industry of cigarette rolling, women advocated to receive the minimum wage. As the women negotiated with the region’s Labor Commissioner, the Commissioner explained that women did not deserve the minimum wage because cigarette rolling is “housewives doing some leisure work” (Abbott, 1997, p. 203). As a consequence of their success and their 10 years of lobbying efforts, SEWA influenced a change in the public discourse and initiated an international debate on businesses women manage from their homes (Abbott, 1997, p. 203).

The collective voice of women is made powerful through the substantial population of women, more than 500,000 in its home state of Gujarat, in the SEWA unions (Blaxall, 2004, p.

1). Their previously described successes in lobbying, achieving legislative change, and influencing the national and international discourse is a strong indication of the leadership abilities of the SEWA women and the transformation in their agency.

Defining and Measuring Success

Most MFI assessments are infused with a capitalist normativity such as “improving net wealth and income security” (Wright, 1999, p. 8). While intermediary empowerment measures of increased wealth are certainly valuable to adequately measure an increase in agency, the intermediary metrics should be supplemented with direct measures of empowerment. The Measuring Empowerment (ME) framework, developed by Alsop and Heinsohn (2005) to measure and monitor empowerment, can be incorporated into the MFI processes to determine if their leadership is resulting in progress toward increasing agency of poor, rural women.

In their study on MFIs and gender, Hunt and Kasynathan (2001) pointed out the difference between what men and women value as loan recipients. The women loan recipients described what they valued using the language of care through relationships. Examples of what women valued included “having more value [within relationships], being listened to more, an ability to make a contribution to the household, or strength from being in a group” (Hunt & Kasynathan, 2001, p. 48). The authors indicated that men were more likely to value the material benefits and “focus on access to money as the most valuable thing to have come from women’s credit groups” (p. 48). The values that women enumerated are not included in MFI measures of success. Consequently, purposes of the impoverished women as collaborators are not integrated into the purposes of the MFIs. If you “get what you measure,” then the women’s purposes, which are absent from MFI measures of success, likely will not be substantively realized.

As Bangladeshi MFIs seek funding from donors within the capitalist societies, they are pressured to “adopt a financial systems approach which prioritizes cost efficiency and financial sustainability” (Mayoux, 1997, p. 3). Reliance on these donors and the capitalist measures of financial success may attenuate the MFIs’ ability to empower women (Mayoux, 1997, p. 3). According to Mayoux (1997), empowerment cannot be inferred by assumption of additional loans and repayment levels since “women may repay through taking loans elsewhere and get into serious debt” (p. 3). “Short-term efficiency may jeopardize long-term sustainability of women’s empowerment (Mayoux, 1997, p. 3). A heightened focus on repayment rates may also result in

pressuring MFIs to exclude the poorest of the poor, the very population for which Yunus (2007) founded the Grameen Bank.

The Grameen Bank's (2012) ten indicators for assessing the conditions in which a woman has moved out of poverty include (a) the quality of her house, water, and food; (b) whether her children attend school; (c) the amount in her savings; and (d) how well she repays her loan. There are no metrics to describe the quality of her life relative to whether she has experienced a transformation in agency according to her values. Some critical but missing metrics include increased participation in domestic or community decisions or an ability to travel to the market without a male escort (Hunt & Kasynathan, 2001, p. 45).

Without metrics to measure empowerment MFIs will not lead women to achieve substantive increases in agency. Alsop and Heinsohn (2005) stated, "Measurement of assets and institutions provides intermediary indicators of empowerment" (p. 10). Direct measures of empowerment suggested by the authors include; existence, use, achievement, and value of choice (p. 10). None of the Bangladeshi MFI indicators I reviewed included these direct empowerment measures.

Rather than just measuring the value of assets, increased control over assets would be an indicator of growth in women's agency. In their analysis, Hunt and Kasynathan (2002) determined that "regarding the impact of microfinance on whether women are able to acquire and control assets" (p. 3) the results were mixed. Hunt and Kasynathan (2002) concluded that "These findings raise serious questions about the impact of microfinance on poverty alleviation" (p. 3).

Finally, there are no metrics to measure the deleterious effects microloans may have on women (Karim, 2008). A woman's workload may increase as a result of acquiring loans and assisting her husband in the activity in which he chooses to invest (Hunt & Kasynathan, 2001, p. 46). Since women are responsible for all household activities, the increased workload may result in withdrawing daughters from school to help with household chores (Hunt & Kasynathan, 2001).

Rost (1995) defined leadership as an influence relationship inclusive of leaders and collaborators who intend real changes which reflect their mutual purposes. SEWA's measurements of success reflect Rost's leadership definition since SEWA's metrics of success were defined by the members themselves. There are some metrics SEWA has in common with

Grameen Bank and others which reflect SEWA's values of not just what a woman can do with money but more importantly, how she acquires money and what is preventing her from acquiring more to become economically independent. SEWA members perceive their health as their wealth and their bodies as their capital. Studies by SEWA and others have repeatedly shown these perceptions to be reality. The most important stress factor in poor women's lives is ill-health (Blaxall, 2004, p. 9).

As a consequence, SEWA's metrics of success reflect increases in and barriers to economic autonomy: (a) have the women achieved more employment; (b) have they increased their incomes; (c) do they have improved access to food and nutrition; (d) is their health safeguarded; (e) have they obtained childcare; (f) have they obtained or improved their housing; (g) have their assets increased; (h) has the workers' organizational strength, leadership strength, and education increased; (i) have they become self-reliant individually and collectively (Aggerwal)? It's important to note that in order to ensure daughters are unaffected by their mothers' employment, SEWA has made affordable child care services available.

Conclusion

The Grameen Bank's master narrative that access to capital has the "potential to transform power relations and empower the poor—both men and women" (Cheston & Kuhn, 2002, p. 4) primarily through entrepreneurial micro-enterprises (ILO, 2012) is defined by males. The low rate of representation of women by women within all levels of society generally and within MFIs specifically ensures that the narrative does not offer a platform for a female voice. The patriarchal social, economic, and political structures and relationships ensure that care and agency, the power of women to participate in decision-making and reveal through their actions who they are (Nelson, 2001, p. 52) remains elusive for marginalized, rural women. With so few women participating in the discourse that constitutes them, the MFI narrative will likely continue to prevent women from experiencing a substantive change in power relationships. The normative order will be maintained (Karim, 2008). Kabeer (2005) noted that, "there was very little evidence relating to the extent to which microfinance clients graduated out of poverty and into mainstream financial services" (p. 4718). It is a hubristic claim of one element of society to be able to empower a segment of the population without changes in other elements of society. Kabeer (2005) captured this conundrum when she stated, "Access to financial services does not

"automatically" empower women, just as with other interventions, such as education, political quotas, etc., that seek to bring about a radical structural transformation that true empowerment entails" (p. 1). Microfinance, therefore, "may at most provide a safety net for the poor rather than a ladder to climb out of poverty" (Kabeer, 2005, p. 4718).

The minimalist MFIs seem to be at an inflection point. Hulme and Mosley (1997) noted that, "Worryingly, both BRAC-RDP and Grameen Bank recently appear to be moving away from working with significant proportions of the hard core poor and focusing their activities on the middle income and upper poor, rather than the most desperate" (p. 38). Additionally, "Patriarchy may be changing the nature of microfinance in many countries. You are seeing an accelerated drift away from serving women. A lot more MFIs are doing a lot less good" (Zhao & Wry, 2013).

For Bangladeshi MFIs to ensure their narrative is impoverished women's reality, MFIs could increase the population of female employees within their institutions. In particular, the ability of marginalized women to achieve a loan officer position and all of the autonomy that position represents is an opportunity to change power relations. An impoverished woman as loan officer who receives a salary of her own could provide inspiration to other women borrowers such that they too could conceive of the possibility to transform their own agency and substantially improve their economic and social conditions. Additionally, the loan officer interacts as a leader directly with the female borrowers. In this capacity, she could initiate a discourse in which the women can perceive themselves and their daughters as subjects deserving of care, reciprocity, a voice, and agency.

To achieve their discursive claims of empowering females, Bangladeshi MFI leaders must influence change not only within their own institutions but also within the other patriarchal, social and political institutions. While access to financial services is important to economic development "it does not 'automatically' empower women, just as with other interventions, such as education, political quotas, etc., that seek to bring about a radical structural transformation that true empowerment entails" (Kabeer, 2005, p. 479). To ensure their loans empower the impoverished women as stated by their international discourse, MFIs should deepen their relationships with and support of the SHGs through increased collaboration; include the rural women's purposes and voices by employing more of the women at all levels of the organization; and incorporate into the capitalist, financial metrics of success direct measurements of

empowerment. Additionally, to initiate a reduction in the power of the paternalistic and capitalistic development approach and produce counter-stories that resist the master narratives through masculine truths Batliwala (2007) stated,

We need to build a new language...by listening to poor women and by trying to hear how they frame their search for justice. From this, I suspect, will emerge not only a new discourse, but also new concepts and strategies that have not yet entered our political or philosophical imaginations (p. 564).

SEWA, and other similar organizations with women as leaders and collaborators, could be role models for the minimalist MFIs that sincerely desire empowering disenfranchised women. "SEWA has succeeded in both enhancing women's choices and enabling them to implement those choices economically and politically; in short, SEWA has empowered its members" (Mehra, 1997, p. 148).

References

- Abbott, D. (1997, July). Who else will support us? How poor women organize the unorganizable in India. *Community Development*, 32(3), 199-209.
- Aggerwal, S. (n.d.). *Tackling social and economic determinants of health through women empowerment: The SEWA case study*. New Delhi: WHO.
- Alsop, R. B. (2006). *Empowerment in practice from analysis to implementation*. Washington, D.C.: World Bank.
- Alsop, R., & Heinsohn, N. (2005). *Measuring empowerment in practice: Structuring analysis and framing indicators*. World Bank Policy Research Working Paper 3510.
- An activist in the Drita Women's Group, P. K. (2000). *Women 2000: An investigation into the status of women's rights in Central and South-Eastern Europe and the newly independent states*. Helsinki.
- Batliwala, S. (2007). Taking the power out of empowerment: An experiential account. *Development in Practice*, 17(4/5), 557-565. Retrieved from <http://www.jstor.org/stable/25548253>
- Blaxall, J. (2004). *India's self-employed women's association (SEWA)--Empowerment through mobilization of poor women on a large scale*. The World Bank.
- Bornstein, D. (1996). *The price of a dream*. New York: Simon & Schuster.
- Cheston, S., & Kuhn, L. (2002). *Empowering women through microfinance*. New York: Microcredit Summit.
- Farouk, S. A. (2005). *Violence against women: a statistical overview, challenges and gaps in data collection and methodology and approaches for overcoming them*. Geneva: Economic Commission for Europe and World Health Organization.

- Gill, K., Warner, A., Weiss, E., & Gupta, G. R. (2009, Summer-Fall). From beneficiaries to change agents: The rise of women's leadership in international development. *The SAIS Review of International Affairs*, 29(2), 23-38.
- Held, V. (2008). Gender identity and the ethics of care in globalized society. In R. Whisnant, & P. DesAutels (Eds.), *Global Feminist Ethics: Feminist Ethics and Social Theory* (pp. 43-60). New York: Rowman & Littlefield Publishers, Inc.
- Hulme, D., & P., M. (1997). Finance for the poor or poorest? Financial innovation, overtly and vulnerability. In G. Wood, & I. Sharif (Eds.), *Who need credit*. Dhaka: University Press Limited.
- Hunt, J., & Kasynathan, N. (2001). Pathways to empowerment: Reflections on microfinance and transformation in gender relations in South Asia. *Gender and Development*, 9(1), 42-53.
- Hunt, J., & Kasynathan, N. (2002). Reflections on microfinance and women's empowerment. *Development Bulletin*(57), 71-75.
- Husain, Z., & Mukherjee, D. D. (2010). *Self help groups and empowerment of*. Kolkata: Munich Personal RePEc Archive (MPRA). Retrieved from <http://mpra.ub.uni-muenchen.de/20765/>
- Ibrahim, S., & Alkire, S. (2007). Agency and empowerment: A proposal for internationally comparable indicators. *Oxford Development Studies*, 1-59.
- ILO. (2012, June 25). *Small change, big changes: Women and microfinance: International Labor Office*. Retrieved from International Labor Office: Geneva: http://www.ilo.org/wcmsp5/groups/public/@dgreports/@gender/documents/meetingdocument/wcms_091581.pdf
- Kabeer, N. (2005). Is microfinance a "magic bullet" for women's empowerment? Analysis of findings from Asia. *Economic and Political Weekly*, 40(44/45), 4709-4718. Retrieved from <http://www.jstor.org/stable/4417357> .
- Karim, L. (2008). Demystifying micro-credit: The Grameen Bank, NGOs, and neoliberalism in Bangladesh. *Cultural Dynamics*, 20(1), 5-29.
- Marston, A., & Nichols, a. B. (2006). *Women in the economy: A review of recent literature*. USAID.
- Mayoux, L. (1997). The magic ingredient? Microfinance and women's empowerment. *Micro Credit Summit*, (pp. 1-6). Washington D.C.
- Meadows, D. H. (2008). *Thinking in systems: A primer*. White River Junction, Vermont: Chelsea Green Publishing Company.
- Mehra, R. (1997). Women, empowerment, and economic development. *Annals of the American Academy of Political and Social Science*, 554: *The role of NGOs: charity and empowerment*, 136-149.
- Microinsurance Academy. (2013, April 30). *Glossary: Microinsurance Academy*. Retrieved from Microinsurance Academy: <http://www.microinsuranceacademy.org/glossary>
- Mosher, H. (Director). (2012). *Bonsai people: The vision of Muhammad Yunus* [Motion Picture]. Retrieved from <http://bonsaimovie.com/>
- Narayan, D. (2002). *Empowerment and poverty reduction: A source book*. The World Bank.

- Nelson, H. L. (2001). Identity and free agency. In P. DesAutels, & J. Waugh (Eds.), *Feminists Doing Ethics* (pp. 45-62). Oxford: Rowman & Littlefield.
- Rost, J. C. (1995). Leadership: A discussion about ethics. *Business Ethics Quarterly*, 5(1), 129-142.
- Roy, A. (2010). *Poverty capital: Microfinance and the making of development*. New York: Routledge.
- Samman, E., & Santos, M. E. (2009). Agency and empowerment: A review of concepts, indicators and empirical evidence. *Human Development Report in Latin American and the Caribbean*, 1-48.
- Sen, A. (1999). *Development as freedom*. Oxford: Oxford University Press.
- Sen, A. K. (1985). Well-being, agency and freedom: The Dewey lectures. *The Journal of Philosophy*, 82(4), 169-221.
- The Grameen Bank. (2012, June 23). *Board of Directors 2006, The Gramen Bank*. Retrieved from The Grameen Bank: http://www.grameen-info.org/index.php?option=com_content&task=view&id=295&Itemid=283
- The Grameen Bank. (2012, June 23). *Board of directors 2012: Grameen Bank*. Retrieved from The Grameen Bank: http://www.grameen-info.org/index.php?option=com_content&task=view&id=295&Itemid=283
- The Grameen Bank. (2012, June 23). *Performance indicators: The Grammen Bank*. Retrieved from The Grameen Bank: http://www.grameen-info.org/index.php?option=com_content&task=view&id=632&Itemid=664
- Tronto, J. C. (2001). Does managing professional affect professional ethics? Competence, autonomy, and care. In P. DesAutels, & J. Waugh (Eds.), *Feminists Doing Ethics* (pp. 187-202). Boston: Bowman & Littlefield.
- Wright, G. A. (1999, March 1). The impact of microfinance services: Increasing income or reducing poverty? *Small Enterprise Development*, 10(1), 38-47.
- Yunus, M. (2007). *Creating a world without poverty: Social business and the future of capitalism*. New York: PublicAffairs.
- Zhao, E., & Wry, T. (2013). *Culture, economics, and cross-national variation in the founding and social outreach of microfinance organizations*. Working paper.