

Empowerment of Women Borrowers of Microfinance in Two Generations of Bangladesh

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Abstract

The objectives of this study were to assess the changes in women's empowerment in terms of social, financial and political aspects of microfinance borrowers of two generations in Bangladesh. The overall empowerment index revealed that the women borrowers enjoyed more empowerment than non-borrowers in the first-generation, while in the second-generation the situation was reverse. The Difference-in-Difference (DiD) estimates also showed that the overall social, financial and political empowerment of the second-generation microfinance borrowers declined by 3.9, 2.56 and 6.92 percentage points compared to the first generation microfinance borrowers. One of the reasons behind this was that the majority of the second generation borrowers, particularly the daughters-in-law, lived with the primary borrowers in the same household. As a result, most of the primary borrowers decided regarding the social, financial and political issues of the household. On the other hand, this also might happen due to the involvement of the second generation non-borrowers in better occupation with higher education. The empowerment level of the first-generation microfinance borrowers was higher than that of the second-generation. This means that empowerment gained through microfinance in the first-generation did not filter down to the second-generation. It was found that the financial empowerment of women borrowers of microfinance was about 3.4 percentage points higher in the first-generation than in the second-generation. It implies that the overall effect of microfinance on the financial empowerment of women reduced in the second-generation compared to that in the first-generation. The overall political and legal empowerment indices revealed that the level of empowerment declined for microfinance borrowers and increased for microfinance non-borrowers in the second-generation compared to the first-generation. The same trend was also observed for the social and financial empowerment of the respondents. One of the reasons might be that the women in the second-generation shifted their occupations compared to the women in the first-generation, which do not require microfinance.

Key Words: Microfinance, Empowerment, Women, Social, Financial, Political, First-generation, Second-generation, Borrowers.

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