Sustainable Livelihood Amongst Rural Women Through Microcredit Programme in Bangladesh

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Abstract: Rural women in Bangladesh have a lower socio-economic status compared to men though they often contribute significantly to their families. They have very limited access to income generating as well as social activities due to number of social, cultural and religious barriers. Participation of rural women in decision making regarding family matters is very low. Thus microcredit programme is intended for improving the socio-economic status of rural women in Bangladesh. It also contributes to poverty alleviation and sustainable livelihood of rural women in Bangladesh. In the present study, an attempt has been made to discuss the relationship between microcredit programmes, vulnerability and sustainability livelihood. It is concluded that rural women have improved their socio-economic well being as well as sustainable livelihood by participating microcredit programmes of Bangladesh.

Key words:

INTRODUCTION

In Bangladesh, women constitute about half of the total population and they are not only socially discriminated, but also are subject to threat, exploitation and harassment of all sorts. Especially rural women are economically dependent and vulnerable, educationally backward as well as politically and socially disadvantaged (Sarker, 2007). Status of Bangladeshi women has been ranked the lowest in the world on the basis of twenty indicators related to health, marriage, children, education, employment and social equality (NCBP, 2000). It is a well established fact that in a patriarchal society like Bangladesh, women are ascribed a lower status as men who have the sovereign power to control households and society as a whole, while women are often secluded in their homes (Balk, Deborah, 1997). In this event, microcredit programme provides small loans to the very poor in order to undertake self-employment and other financial and business activities giving them the ability to care for themselves and their families and thus, achieve a level of independence. Microcredit is also referred to as microfinance and micro lending which has demonstrated to be an effective tool in the ongoing struggle against poverty and enables those without access to lending institutions to borrow and start small business. Especially, one of the purposes of the microcredit programme is to provide loans facilities to the rural poor women to engage themselves in activities that generate income. Consequently, rural women can contribute to increase in total household income and help their families get free of poverty. Therefore, women are major beneficiaries of microcredit and are often targeted because women are one of the most vulnerable socioeconomic populations (Mcneilly, E., 2008).

This paper presents a case study on how microcredit programme contributes to the sustainable livelihood of rural poor women. This paper also discusses the vulnerability status of the rural women in terms of religion constraints, early marriage, gender disparity, natural disaster etc.

Access to microcredit is very important for the rural poor because poor households can get benefit from credit in different ways. It provides them a means to escape from poverty and ensure sustainable livelihoods. Drake and Rhyne (2000) claimed that microcredit programme is a cost-effective, sustainable development model that reaches the poorest, increases their income, empowers women and enables the poor families to access to better health care, education and nutrition. According to Harka Gurung (2000), ‘Microfinance is an essential key of the creation of sustainable livelihoods that are productive enough to afford poor households an escape route from poverty based on self-help and mutual support for self-reliance’. Similarly, Dwyer and
Bruce found that microcredit contributes positively in improving women’s livelihoods and bringing about more fundamental changes in their lives, in terms of their self-esteem, confidence, participation in political and community life, and family decision-making power and status. Other studies on microcredit programme argued that well-organized and group-based lending is an effective way of addressing the needs of the poor which can improve their income as well as help them escape from poverty (Hulme, 1996; Hashemi, 1997). Fleischer (1999) conducted a case study on Grameen Bank replication programme in Papua New Guinea and found that the participants of the microcredit programme had not only increased their household incomes but also improved the quality of their lives by utilising small loans. One of the aims of microcredit programme is to provide sustainable livelihood to low income households, which consequently is crucial for sustainability of MFIs because increased income of the borrowers could also improve the repaying capacity of loans (Waheed Seemi, 2009). Microcredit also improves the capacity of the borrowers to cope with economic difficulties through increasing the well-being of borrowers (Hoque, Seerajul, 2008). So it can have not only a major impact in the fight against poverty but also can help to ensure a sustainable livelihood (Paul, 2000). Therefore, microcredit is a veritable tool of mitigating the harsh effects of poverty among vulnerable groups and enhancing the level of income of the beneficiaries (Ayanwale, 2004).

**Vulnerability Context of Rural Women:**
Though rural women contribute significantly to make livelihood and well-being of families, their contributions remain unrecognized in most of the cases. Moreover, participation of rural women in income-producing activities outside their houses is discouraged and impeded by a number of social, cultural and religious norms and traditions. In addition to these, environmental factors also affect their access to both assets and activities they need to create a livelihood. These factors can be termed, in a broader sense, as ‘vulnerability context’. One of the religious constraints existed in rural areas is purdah system which limits or restricts women’s movement outside their families (Agawal, B., 1994; Abdullah, 1982). It affects work opportunities and social networking for rural women beyond their families.

Early marriage of women is a social tradition in rural Bangladesh which puts them into vulnerable situation. The early marriage affects the health of both mother and child. The consequent of first pregnancy at early age increases the risk to their health. Moreover, the women are confined to household chores and child rearing activities. As a result, they have the less opportunity and time to participate in income-generating activities. Early marriage is also a barrier for education of rural women as they have to leave school in order to take care of their husband’s family after marriage. Parents in remote rural areas of Bangladesh do not tend to invest in the education of their girls. This is due to the fact that women are not expected to contribute to the family income and to support their parents in old age. It contributes to the lower literacy rate among the rural women. Less educated women posses the lower capabilities to access to and use of assets for livelihood.

Rural women also suffer from gender disparity. Since infancy, a girl child often has unequal access to nutrition, health care. As a result, women experience malnutrition and poor health. Another gender disparity existed in rural areas is that most women are not allowed to buy or sell goods in the haats and bazars (village markets). Consequently, they suffer from the lack of market knowledge. Besides this, lack of fund, technical knowledge, and land ownership hinders women’s access to productive resources needed for livelihoods. In addition to social, cultural and religious obstacles, rural women are also vulnerable to environmental factors over which they have little or no control.

Natural disaster such as, flood, cyclone, salinity, draught is fairly common events in the everyday life of Bangladeshis (Azam, 2009). Since 1954, there have been 30 occurrences of floods, 16 of which were considered devastating, including the floods of 1987 and 1988 (Alam, 1994; Smith, 1996). These natural shocks cause tremendous losses and damages of valuable resources which put poor rural households in a miserable situation. In these circumstances, the widowed, divorced and abandoned women who have no bread earner, asset or source of income as well as have no choice but to work in other people’s house for very nominate wage or resort to begging for their survival (Haque, 2009). Other shocks include sickness or death of a family member and the loss of land because of erosion. These factors directly and indirectly influence and impede the access of rural women to productive resources and economic activities needed for livelihoods.

**Role of Microcredit Programme to the Improvement of Sustainable Livelihood:**
Though rural poor people in Bangladesh depend on a variety of daily activities for their livelihoods, they are mainly engaged in agricultural activities. The other activities include non-farm activities, livestock and poultry rearing, varieties small shops, tea stole, wage labor, petty hawking and trading, handloom, handicrafts and etc. Rural women play a praiseworthy role in making livelihoods for their households. They contribute
tremendously to household chores and well-being for the household. But rural women have a very limited access to economic activities outside their houses due to a number of social, cultural and other barriers. They also suffer from lack of access to fund, lack of technology-based knowledge, market knowledge and lack of support from family members. In addition to these, women in rural Bangladesh are also vulnerable to environmental factors, such as flood, cyclone, drought and seasonal shifts. In this context, microcredit programme conducted by various MFIs has emerged as an important financial instrument to reduce poverty of the rural poor. One of the main objectives of microcredit programme is to enhance income-generating potentials of female members of the rural families and empower them socially and economically. The programme helps poor rural women to become able to create sustainable livelihoods for themselves and their families. The relationship between microcredit programme, vulnerability and sustainable livelihoods for rural women can be represented through a framework which is shown in Figure 1.

**Sustainable Livelihood Outcomes:**

With the context of socio-cultural as well as environmental vulnerability around them, rural poor women apply a combination of livelihood strategies to make sustainable livelihood outcomes. In this circumstance, microcredit programme has emerged as an important financial instrument which helps rural people, especially rural poor women to cope with the adverse situations and make a sustainable livelihood. The prime objective of microcredit programme is to enhance income-earning potentials of female members of the rural families and empower them economically and socially (Afrin Sharmin, 2008). Microcredit programme provides financial supports to the poor rural women for income generating and self-employment activities. With the loan facilities, rural women accomplish various productive activities as well as operate various small and profitable businesses. In this way, microcredit programme helps rural women to earn more and spend more for the development of their lives and families. It also encourages women borrowers to save from their increased income to cope with adverse situations in the future. These small savings contribute to accumulation of financial capital at the household as well as national.

![Fig. 1: Linkages between microcredit programmes, vulnerability and sustainable livelihood.](Source: Modified from DFID, 2001)

Microcredit programme emphasizes on raising awareness and empowerment among rural poor women. By contributing to family income, women strengthen their status and perceived worth within their households, increase their influence and ability to make decisions regarding household matters. The frequent interaction with programme staff and other members in the group meetings exposes women to new ideas and increases their awareness about education, health condition, and nutritional status of their families. Microcredit programme also gives high priority on building social capital (Ali, M.H., 2008). It is promoted through formation of groups and centers, developing leadership quality through annual election of group and centre leaders, electing board members when the institution is owned by the borrowers (Hashemi, 1996). It also contributes to the formation of human capital among the women borrowers. For the formation of human capital, it makes efforts to bring technology, like mobile phones, solar power and promote mechanical power to replace manual power (Hashemi, 2007).

In short, microcredit provides important inputs into the livelihoods of rural poor people and also contributes to their well-being. Moreover, it helps to reduce vulnerability by diversifying income sources and increasing assets of all kinds including human and social assets and women’s empowerment (AIMS, 2000). MFIs (microfinance institutions) not only provide loan facilities to the borrowers but also support them with other financial products and services (such as micro-insurance, savings, investments and so on) that the rural
people greatly need. Microcredit allows the rural poor to increase their household income, build assets and reduce their vulnerability to adverse situations. In this way, microcredit helps rural poor women to make a sustainable livelihood. A sustainable livelihood is likely to be one in which people are able to build their capital assets – e.g. through savings and access to credit, access to education and training or investment in their own house.

**Conclusion:**

From the above discussions, it can be concluded that microcredit programme is an important part to the economic well being of the rural poor women. The programme also contributes significantly to alleviate poverty, make sustainable livelihoods and improve the quality of life for rural poor women and their families. It is also concluded that providing small loans is considered one of the most effective tools in poverty and vulnerability reduction. However, supply of credit is increasingly being looked upon as a significant contribution to upgrading quality of life of the rural women. Therefore, microcredit is an important instrument in assisting the rural poor to improve their social position, gain gender equality and sustainability livelihood.

**ACKNOWLEDGMENTS**

The research study is supported from the Commonwealth Scholarship and Fellowship Plan (CSFP) in Ministry of Higher Education Malaysia.

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