

1. Introduction

Microfinance has become one of the favoured interventions for poverty alleviation and economic development for poor households across both the developing and developed world. There has been a rapid increase in the number of microfinance programmes over the last two decades. The Microcredit Summit Campaign documents 2,186 microcredit institutions operating in 131 countries reaching 54,904,102 clients with affordable credit (Microcredit Summit Campaign 2002).¹ Microfinance interventions are attractive for economic development planners because of their market orientation, whereby the supply of access to affordable savings and credit services enables the poor to help themselves out of poverty by starting or stabilising microenterprises. The most notable feature of the explosive outreach of microfinance is that 79 per cent of the borrowers worldwide are women (ibid). In many programmes women are being intentionally targeted on both equity and efficiency grounds.

On equity grounds, women increasingly comprise a larger portion of the poor across the globe. Women are more disadvantaged relative to men within the economy and they are perceived as more in need of financial resources to strengthen their productive roles. It is hoped that access to the scarce resource of credit will empower women, not only in the workplace, but also in the home and wider society. On efficiency grounds, practitioners note that women are easier to organise, and they are more disciplined in repaying. It is also argued that women make more productive decisions regarding the use of their income to improve family welfare compared with men, so that targeting women is linked to improving living standards within households.

Many programmes claim that microfinance not only results in economic welfare gains for women such as lower debt levels, improved incomes or more stable livelihoods, but also higher levels of empowerment. Indicators of empowerment most frequently cited include: greater control over resources, increased participation in household and community decision-making, greater mobility in the public sphere, as well as improved feelings of self worth and efficacy and better treatment in the home and community. Many of these claims have been made based only on anecdotal evidence. In

12. The Internal Learning System – A Tool for Tracking and Enhancing Empowerment Outcomes and Wider Social Impacts of Microfinance

Helzi Noponen*

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recent years, however, several systematic studies from South Asia have backed up these empowerment claims (Schuler and Hashemi 1994; Kabeer 2001; Noponen 1991, 1992, 2003) while others have questioned them (Goetz and Sen Gupta 1996; Rozario 2002). Some researchers claim that the potential for empowerment effects is being weakened by the trend of donors to emphasise the financial sustainability of programmes and the profitability of the loan funds that leads to an emphasis on large-scale, streamlined, “minimalist” programmes and a corresponding de-emphasis on promotion of women’s empowerment as an integral part of services (Mayoux 2002: 2003; Hashemi *et al.* 1996). However, the Grameen Bank, which falls into the above category of “minimalist” programme, actually had higher empowerment outcomes for women, compared with a more holistic programme emphasising broader aspects of social change.

This article first briefly reviews several conceptual issues in the debate regarding the effects of microfinance on women’s empowerment. Second, it provides a description of a tool, the Internal Learning System (ILS – introduced in article 6 of this *Bulletin*), for development organisations to track the extent to which their programmes have an empowering effect on women borrowers over time. Because the tool is currently being tested and refined in several Indian NGOs using a village-based Self-Help Group model, the system can also track the effect of group efforts to empower and improve local communities. Third, preliminary results are presented of the enhancing effects on women’s empowerment of using the ILS tool based on the experiences of the two Indian NGO ILS adaptors. The argument presented here is that the tool that can track empowerment outcomes of microfinance over time can also enhance them.

2. Conceptual issues regarding microfinance and women’s empowerment

Many of the contrasting views of the effect of microfinance on women’s empowerment have centered around process issues of control of the loan and the loan-supported enterprise activity and differing perspectives on cooperation and conflict in poor households (Kabeer 2001). Researchers studying the same microfinance programmes have come up with differing results regarding

empowerment outcomes. Reviewers of the same data results even arrive at differing interpretations of the empowerment outcomes.

Goetz and Sen Gupta (1996) found that in a large percentage of cases, women do not have full or even significant decision-making control over the loan-supported microenterprise measured by control of the production process and marketing, labour management and financial accounts (Goetz and Sen Gupta 1996). When analysing who controls the microenterprise among female participants in three Bangladesh microfinance programmes, Goetz and Sen Gupta (1996) found that women had full control of the enterprise in only 18 per cent of the cases. In another 19 per cent of cases, women had significant control of the enterprise. In 63 per cent of cases, the authors note, women had only partial, very limited, or no control. However, the fact that women have this level of control needs to be put into perspective; it can be considered a positive outcome, considering the extreme cultural constraints of *purdah* that operate to exclude women from mobility in the male-dominated public realm, particularly markets, and confine them to domestic activities in the home in rural Bangladesh.

Kabeer (2001) reviews the conflicting evidence for negative and positive empowerment outcomes from several Bangladesh studies. She criticises the results of the Goetz and Sen Gupta study because it conflates “control” with “management” (Kabeer 2001). The authors do not distinguish between decisions regarding loan use and decisions relating to implementation. Women may be making a rational decision regarding loan use given their household economic situation and their cultural setting rather than being coerced by dominating male family members to hand over their loans. Women, for example, may realise that their husbands have an advantage in market transactions compared with them. They may also choose to not to go to market as women who do so are perceived as having lower status and prestige in society. Kabeer also notes that positive empowerment results tend to be from researchers that recognise the significance of joint decision-making in an interdependent family unit (*ibid*).

Using data from their study of the Grameen Bank and BRAC microfinance programmes, Hashemi *et al.*

Table 1: Research questions for tracking Mayoux's virtuous spirals assumptions

Household well-being spiral	Economic empowerment spiral	Social and political empowerment spiral
<ul style="list-style-type: none"> ● Do women's work and expenditure burdens rise as men withdraw support? ● Do women make productive (health, nutrition, education) or non-productive (dowry, social spending) consumption decisions? ● Do women increase their decision-making on investments and gender equity in shelter, nutrition, health and education? ● Are women able to decrease spending on: liquor consumption, dowry, social or festival and rituals expenses? 	<ul style="list-style-type: none"> ● Do women control the use of the loan? ● Do they invest in their own, joint or male enterprises? ● Do they improve their incomes? ● Do they control the income from the loan-supported enterprise? ● Do they hire others or depend on the labour of children (girl child)? 	<ul style="list-style-type: none"> ● Are women borrowers able to improve their status and treatment in the home? ● Do they play greater roles in family, work and society? ● Are groups of women participants able to collectively address area problems? ● Are they able to change social practices?

(1996) predicted the probability for empowerment outcomes for several profiles of women who were non-credit programme members and not contributing income to their households, those who were credit programme members but not contributing income, and those who were programme members and also contributing to household income. The results show that women who belonged to the credit programmes and were also contributing income to the household had the highest chance of being empowered. For the case of the Grameen Bank, this probability of 45 per cent was 20 times greater than for women who did not belong to a credit programme or contribute to household income.

2.1 The “virtuous spirals” framework

Mayoux (2002; 2003) conceptualises three mutually reinforcing “virtuous spirals” to explain the assumptions regarding targeting of women for microcredit interventions by policy-makers, NGOs and funders. In the centre of Mayoux's conceptual diagram, women's access to savings and credit lead to an “economic empowerment spiral” marked by women's control over credit, the investment of the credit in their enterprise, and increased income in their control. This has a mutually reinforcing effect on a “social and political empowerment spiral”, marked by an increase in women's ability to

negotiate a change in gender relations. This can result in increased status and changing roles in the home and community, as well as increasing mobility and access to wider networks and movements for social and political change. In a similar manner, there is a reinforcing effect on a “household well-being spiral” as women's ability to control the increased income results in women's greater decision-making on consumption.

This virtual spiral conceptualisation provides a useful framework for tracking empowerment outcomes so that organisations can intervene at various points to prevent their breakdown or even to further enhance their operation. Table 1 shows a set of impact research questions that microfinance organisations (MFOs) can ask to test whether the underlying assumptions of the virtuous spirals are operating or not for their participants.

To answer these impact questions, organisations need to first identify areas of inquiry or broad categories of empowerment indicators for each question as well as precise variables for measurement. Second, they must select a tool for collecting data and information for each indicator from programme participants.

The ILS is one possible tool among several for tracking empowerment outcomes among programme participants. Because of its

Table 2: Selected empowerment indicators in the Internal Learning System

Household well-being spiral	Economic empowerment spiral	Social and political empowerment spiral
<ul style="list-style-type: none"> ● Decision-making on investments and gender equity in: <ul style="list-style-type: none"> – Shelter – Nutrition – Health – Education ● Decreased investment in: <ul style="list-style-type: none"> – Liquor consumption – Social spending on festivals and rituals 	<ul style="list-style-type: none"> ● Control of loan ● Control of enterprise ● Control of labour ● Loan use to production, debt or consumption ● Low-end or growth enterprises ● Start-ups, reinvests or job changes ● Control of profits ● Use of paid versus child labour in enterprise work or domestic work (to replace female earner) 	<ul style="list-style-type: none"> ● Gender relations in home ● Gender division of income earning and expenditure burdens ● Political participation ● Female mobility in public <p>Service demands for:</p> <ul style="list-style-type: none"> ● Improved area infrastructure/amenities ● Improved services ● Improved access to common pool resources <p>Social change:</p> <ul style="list-style-type: none"> ● Domestic violence ● Sexual harassment on job ● <i>Purdah</i> practices ● Dowry demands ● Untouchability or caste issues

participatory nature, in which participants keep their own impact diary, not only tracking changes in their lives, but also troubleshooting negative outcomes and planning remedies, ILS can also help enhance empowerment outcomes. See Noponen (article 6, this *Bulletin*) for a brief description of ILS.

Table 2 depicts a variety of indicators being tracked by several Indian NGOs who are using the ILS as a tool for on-going participant and programme learning of microfinance impact. The data from these indicators can be analysed on a longitudinal basis, tracking changes in the same women over time, or on a cross-sectional basis comparing levels of empowerment between newly joined members and those with longer access to credit. Some preliminary results of several NGOs using ILS are presented below.

2.2 Selected ILS empowerment and wider impact results from India

ILS has been successfully field-tested among five different NGOs operating in northern and southern states of India. Overall observations on the

usefulness of ILS for participants and programme staff are summarised below. This is followed by selected results for various empowerment indicators in each of the three virtuous spirals defined by Mayoux. It is beyond the scope of this article to provide a comprehensive picture of empowerment outcomes for any of the participating organisations that are at various stages of ILS field trials. The aim is to illustrate the ways in which ILS can gather data to answer the underlying impact questions for programme participants in each of the three spirals. The quantitative and qualitative results discussed below are from two NGO ILS users in South India – ASA (Activists for Social Alternatives), a large Grameen Bank-style microfinance replicator located in Tamil Nadu, and HLWDS (Handloom Weavers' Development Society), a small sector-specific advocacy NGO located in Kerala using microfinance as one part of a larger development strategy to improve the welfare and productivity of handloom weavers.

In both organisations, ILS works for participants for several reasons. These include:

Table 3: Control of loan among old and new ASA members

Who usually makes decisions on how to use the loan?		Years in ASA		
		2 years or less	More than 2 years	Total
Man	Count	49	34	83
	% within years in ASA	9.94	9.37	9.70
Woman	Count	99	76	175
	% within years in ASA	20.08	20.94	20.44
Joint	Count	344	252	596
	% within years in ASA	69.78	69.42	69.63
Others	Count	1	1	2
	% within years in ASA	0.20	0.28	0.23
Total	Count	493	363	856
	% within years in ASA	100	100	100

- The ILS workbook content is comprehensive, reflecting all aspects of their life, domestic and productive work, home dynamics and wider community issues.
- Women own the ILS workbook. It is their record. Though illiterate, they can “read” it. They know what is being “read” by others. They can “read” their fellow members’ ILS workbook diaries.
- No one has ever before suggested they can do such work. They take the responsibility seriously. They are cautious about recording accurately and they take pride in their accomplishment in doing so.
- The diary promotes reflection on their current situation and also goal-setting and priority selection and plan formats for the future. It is like a green light for them to dare to think about achieving a better life.
- Each indicator picture has an implied programme value attached to it. Women absorb this. It gives permission or space to discuss sensitive empowerment and wider social issues and the courage to attempt change.

There are also benefits to programme managers when participants and village groups use ILS diaries. These include the following:

- Member ILS diaries are comprehensive, providing more information about client socio-economic conditions than management information system (MIS) formats. It is quick to flip through one and get a broad sketch of a participant’s experience over time.
- This increased knowledge has positive outcomes for field officers’ interactions with clients in direct lending decisions, such as setting the level of loan or in efforts to improve livelihoods, e.g. noting asset under-utilisation and investment opportunities.
- Village group or centre diaries provide an invaluable record of the problems and progress of self-help loan groups. Members themselves do this documenting work but staff, especially new ones, benefit from this process document.
- Pictures aid in promoting discussion with women about proper group functioning and debt, savings and income issues, and wider development issues.

Table 4: Loan utilisation patterns for longer-term and newer ASA members

	Years in ASA	N	Mean
Consumption use*	2 years or less	481	11.94
	More than 2 years	312	16.77
Debt relief land use*	2 years or less	481	10.93
	More than 2 years	312	6.61
Redeem land use*	2 years or less	481	5.37
	More than 2 years	312	2.58
Woman's productive use	2 years or less	481	18.52
	More than 2 years	312	17.40
Man's productive use**	2 years or less	481	13.73
	More than 2 years	312	18.37
Joint productive use	2 years or less	481	39.51
	More than 2 years	312	38.27

* Results significant at the .01 level

** Results significant at the .05 level

- Without staff intervention, members are able to leverage individual and collective development resources from government using the ILS diaries as kind of parallel ration card documenting their needs and eligibility.
- Staff can also use data from the diaries to document and try to understand impact patterns over time for programme managers and other stakeholders.

3. Tracking and enhancing outcomes in the economic empowerment spiral

The economic empowerment spiral focuses on process and outcome variables related to the loan intervention (see Kabeer 2001). Process variables include issues regarding decisions on the use of the loan and control of the enterprise. Outcome variables include indicators of whether the loan has succeeded in starting, stabilising or expanding economic activities and whether it has resulted in increased or decreased income, and greater or lesser work burdens.

3.1 Control of loan and enterprise

In examining who controls or decides the use of loans in the household among a random sample of over 900 ASA members, the results show joint control for about 70 per cent, sole female control for 20 per cent and sole male control for only 10 per cent of participants. There were no statistically significant differences between longer-term and newly joined ASA members.

3.2 Control of profits

A related question is to what extent women are able to control the profits from the loan-supported enterprise, measured by the ability to make sole or joint decisions regarding use of profits. The results show a similar pattern to that found in Table 3 for use of loan with slightly more female control of enterprise profits at 21 per cent, joint control at 71 per cent and even less sole male control at 8–9 per cent with no statistically significant difference between longer-term and newer ASA members.

Table 5: Reduction in male alcohol abuse and wife-beating in HLWDS

Total groups 15 Total members 236	Baseline	After 1 year	After 2 years
Women suffering domestic violence	128 (54%)	104 (44%)	64 (27%)
Husbands abusing alcohol	145 (61%)	116 (49%)	74 (31%)

3.3 Loan utilisation outcomes

Although women appear to have retained a significant extent of decision-making control over the use of their loan, to what extent are they investing in their own or joint enterprise versus other uses such as consumption, debt relief and male business use? The results shown in Table 4 depict a pattern of decreasing debt relief use of loans for longer-term programme participants (favourable result), but increasing consumption use and investment in male productive activities (non-favourable result). It appears that over time loans are less effective in increasing productivity for women. Because of structural barriers to women's fuller participation in the economy, such as the burden of competing reproductive work responsibilities, low skill levels, restricted mobility and discrimination in supply and product markets, women may reach a point where there is little scope for further expansion of their small and marginal economic activities. They may therefore divert their loan to consumption use or male enterprise use. ASA may want to further explore the pattern of their women's economic activities and constraints to further investments and the possible programme remedies such as skill training, business services, gender sensitivity campaigns, either alone or in partnership with other providers.

How does use of ILS diaries enhance control of the loan and the loan-supported enterprise? Because women are tracking – through their responses to pictorial scenes in the diary – the extent to which they make sole, joint or no decisions regarding the use of the loan; how to operate the business; who does the labour; and how to use the profits, this reinforces the ideas of participating in the decisions regarding their scarce loan resources. In a focus group discussion with members from one ASA

village centre, the members reported their changing attitude to loan use issues as a result of using ILS.

We looked at the loan utilisation (in ILS diary) and decided to use the loan ourselves from now on. Previously we used to give it to our husbands who would put some money in the business and spend the rest lavishly. Now we ourselves are going to fully invest the loan in production. (ASA member)

4. Tracking and enhancing outcomes in the social and political empowerment spiral

The social and political empowerment spiral focuses on reinforcing the effect of women's access to credit and increased income on their ability to improve gender relations in the home and improve their treatment and status in the community. It also focuses on the extent to which they can network with other women to collectively address practical needs and strategic interests and work for issues of wider social change.

4.1 Gender relations

There are several indicators in various ILS adaptations from North and South India measuring gender relations in the home and community. Some of these include: male alcoholism, domestic violence, second wife, pressure for sons, child marriage, sexual harassment and economic exploitation in the workplace, and women being accused of sorcery or witchcraft in the community. The results for male alcohol abuse and wife beating in HLWDS shown in Table 5 indicate a decreasing trend in domestic violence and male alcohol abuse over time for the same panel of HLWDS members.

Table 6: Changes in public participation of HLWDS members over time

	Baseline	After 1 year	After 2 years
Approaches institutions for services	84 (36%)	117 (50%)	166 (70%)
Speaks out in public	82 (35%)	120 (51%)	163 (69%)
Organises others	71 (30%)	101 (43%)	147 (62%)

The statistical results shown in Table 5 are echoed in several qualitative case studies of women's experiences in using ILS diaries to reflect, discuss and take action on these sensitive issues.

We stopped an abused woman from jumping onto the train tracks with her two small children. We showed her our diaries and how we also suffer these problems, but how things are also getting better over time. Now this woman has taken a pledge to not commit suicide. Today she is a member of our group. (HLWDS group leader)

In the next ILS diary, we have made the decision to put a real photo of you in the picture of the drunkard and wife beater and your face will become famous throughout the country! (HLWDS member to her abusive husband)

4.2 Public participation

ILS also tracks the extent to which women participants are able to increase their political participation in the wider community in local community organisations and the *panchayat* (local governance) system. Table 6 shows increasing public participation over time for members of HLWDS measured by whether they have approached institutions for services, spoken out in a public meeting or helped to organise others to join the microfinance programme.

Women participants in both organisations reported that the diaries have motivated them to increase their participation in the public realm. In HLWDS, in

particular, women on their own initiative started to bring their ILS diaries to local community meetings and show them to government officials. They used the diaries as verification of their poverty status, much like the ownership of a ration card or Below Poverty Line (BPL) certificate to lobby for eligibility for government programme grants and services.

Before the diaries came, we went to the *panchayat* meetings but some of us were missing. Now all are going. Those who have spoken out are marking it in the diary. (ASA member)

We showed our diaries to the *panchayat* leaders and government official to show our needs. He said it was not an official document. But we were united, all carrying the books (ILS diaries) to the village meetings. The officer could see our solidarity. He looked at the books and he could quickly see our conditions. Now members have been sanctioned looms and some have got housing grants. (HLWDS group leader)

4.3 Mobility in the public sphere

ILS collects information on the extent to which women participants have increased their physical mobility in the public sphere. Whether a woman adheres to norms of observing *purdah* in the home was not an issue in the two organisations in South India as it was in the North. ASA, however, tracked the extent to which their participants visited important public places outside of the home and village. They found that women who had been in ASA for longer periods of time experienced a statistically significant higher level of mobility.

4.4 Group efforts to improve area conditions

ILS group diaries will enable organisations to monitor the extent to which village-based groups make attempts and are successful in improving local area conditions. There is an extensive set of indicators tracking area conditions including the most basic services such as electricity, water and sanitation and other amenities. Some ILS adaptors such as those used by PRADAN (Professional Assistance for Development Action), an MFO operating in seven of the most severely hit poverty states of North India, even use a five-point satisfaction rating scale to evaluate the effectiveness of local services in their diaries. A school, clinic, or ration shop may exist in an area, but the teacher may arrive late, the doctor does not attend duty, medicines are not available or the ration shop is not stocked. PRADAN staff and members can pursue several possible strategies of compiling these rating scores of village groups in a “grassroots state of the district” report and using them to apply pressure on local administration officials to improve their performance.

Quantitative data from group diaries on the extent to which groups have made efforts to improve their area conditions has not yet been processed for either organisation, but abundant examples from qualitative focus group discussions with group leaders and field officers using group level diaries demonstrated the impetus of using ILS diaries to work collectively to improve area conditions. The following was recorded in one such discussion:

In Nellimoodu village 22nd November 2002, ten Self-Helps Groups gathered and conducted a procession regarding the pure drinking water problem. The interesting thing was that all the members raised their ILS group diary to press for their demands. Interested by their unity and convinced after seeing the ILS diary, the *panchayat* president and other government officials gave assurance to establish pipelines in their areas within one year. (HLWDS)

4.5 Changing social practices

Because of the motivating aspects of using ILS diaries to address common problems, programme managers, and in some cases members themselves, have also included a few indicators addressing

issues of wider social change in discriminatory private and public practices and expectations. Some of these social practices include equal treatment of girl children, human rights abuses, dowry and high social spending practices, domestic violence in the home and sexual exploitation in the workplace.

ASA has a commitment to reach out to the poorest and most vulnerable in society, including *dalits* or the “oppressed” – formerly known as “untouchables”, officially known as “scheduled castes”. ASA includes a section on human rights abuses in the *dalit* community, including indicators tracking the extent of discrimination in services and unequal treatment in daily life and attempts by village groups to resist or oppose such practices. The indicators include: access to village well and village burial grounds and ability to refuse to engage in caste-based work.

Members of HLWDS urged their programme managers to add indicators of economic and sexual exploitation of women weavers in sweatshops following several incidents of sexual abuse of their fellow members:

Madhavi borrowed Rs.8,000/- from her master weaver for medical treatment of her husband who was paralysed. One day she felt a different kind of approach from her master weaver. Her master weaver harassed her sexually. When she protested it, he pressed her to return his money. Madhavi was thinking about suicide as a way out, but her group members gave a loan to cover the debt and visited the master weaver and showed him her ILS diary marking his sexual harassment. The members warned him not to follow such kind of practice and he vowed that he would not do this again. (HLWDS staff)

5. Tracking and enhancing empowerment outcomes in the household well-being spiral

Empowerment outcomes in the household well-being spiral focus on process variables of the extent to which women are able to participate in decision-making regarding family welfare such as decisions on household purchases, education, and family size. It also includes outcome variables

Table 7: Decision-making on major purchases among longer-term and newer ASA members

Who usually makes decisions on major purchases?		Years in ASA		
		2 years or less	More than 2 years	Total
Man	Count	51	45	96
	% within years in ASA	10.39	12.53	11.29
Woman	Count	107	134	241
	% within years in ASA	21.79	37.33	28.35
Joint	Count	324	177	501
	% within years in ASA	65.99	49.30	58.94
Others	Count	9	3	12
	% within years in ASA	1.83	0.84	1.41
Total	Count	491	359	850
	% within years in ASA	100	100	100

Results significant at the .01 level

demonstrating the extent to which they are able to improve conditions and gender equity in education, nutrition and health, and reduce expenditures on wasteful spending for festival, rituals, alcohol consumption and dowry demands.

Other impact questions concern the changing patterns of income-earning and expenditure burdens by gender in the household, and the extent to which males may or may not withdraw support as women increase their income contribution. A related question is to what extent women withdraw their daughters from school in order to help ease their increasing work burdens of balancing reproductive responsibilities, including domestic work and family care, and productive or income-earning roles in the family. Selected data results from ASA are presented below.

5.1 Household decision-making

In investigating who makes the decisions on major household purchases, high levels of joint or sole female decisions were observed overall for longer-term and newer members, with more sole female decisions, 37.3 per cent for longer-term ASA members compared to 21.7 per cent for newer members (see Table 7).

5.2 Education

The ability to send children to school is a good indicator of family welfare as it means that the household is able to pay for school fees, uniforms and supplies and forgo any earning potential or income saving from child labour. The extent to which families are able and willing to provide equal educational opportunities to girl children can also reflect changing status of women and improved gender relations.

The data results for ASA show fewer school drop-outs, or higher school attendance, for both male and female children for longer-term ASA members compared with new members. In addition, there was greater gender equity in school attendance for longer-term ASA members.

5.3 Changes in consumption decisions

The picture scenes relating to issues such as education and child labour, health practices, and basic living conditions encourage women to think about making better consumption decisions.

Women talked for hours about the health page. They challenged each other about not washing

Table 8: Reduced drop-outs and more gender equality for longer-term ASA members

	Years in ASA	N	Mean
Boys NOT in school	2 years or less	122	31.69
	More than 2 years	52	21.79
Girls NOT in school	2 years or less	105	41.27
	More than 2 years	40	21.25

* significant at the .10 level

* significant at the .01 level

hands. Most made pledges to change their practices. (PRADAN field officer)

The next day (after discussing the health practices page), two members went out and bought mosquito nets for their own use. (PRADAN field officer)

We are talking about alcoholism and there is a less drinking habit now. (ASA member)

Through pictures of income and expenditure, they come to know the way of reducing expenditure and increasing income. (ASA group leader)

The week before we filled in the child education page, one of our members had taken her daughter out of school; all the members discussed it and convinced the member to start sending her daughter to school again. She agreed. (ASA group leader)

6. Conclusion

Mayoux (2002) and other researchers have offered some suggestions for “best practice” to achieve more gender-equitable outcomes in microfinance. In terms of increasing the extent to which women control the loan and the income from it, Hunt and Kasynathan (2002) urge NGOs to improve the understanding and commitment of field workers to gender issues and improve the monitoring of control-of-loan and other empowerment indicators. They suggest that NGOs should provide

popular education on the importance of women's control of decision-making on credit use and ownership of assets created. They also suggest that NGOs should provide technical training to help women use their loans more productively. The case example of ASA shows how the ILS can be a valuable tool in both participant and programme learning for more productive use of loans in improving livelihoods.

Researchers also point to the need for integration of complimentary business services for women, such as collective supply or marketing activities, with microfinance provision either through the NGO's own efforts or through inter-organisational linkages with other providers (Mayoux 2002; Hunt and Kasynathan 2002). Mayoux (2002) calls for a ‘rethinking of group structures and functions’ to go beyond the group as a microcredit repayment mechanism to one that is assisted in developing its own empowerment plans and agenda. ASA is striving to be a “Credit-Plus” MFO, even though it is modeled along the lines of the streamlined Grameen-style franchise system. ILS plays a key role in the “Credit-Plus” strategy along with other programme interventions of watershed projects, weekly rural markets revival and target lending in key local industries such as gem-cutting. The tracking of women's changing status in the home and community and the individual and group planning formats in the ASA ILS diaries are tools for sparking individual and group social change, especially those that result in women's fuller and more gainful participation in the economy.

ILS is able to meet multiple objectives in impact assessment – an important organisational function for ensuring that programmes are accomplishing their goals. The strengths of ILS, however, are not in “proving” to outsiders, but “improving” activities by insiders. It is a participant learning tool in improving programme learning, enhancing participant understanding and analysis skills and

strengthening stakeholder relationships by solidifying commitment to core programme values. In essence, ILS uses impact assessment, analysis and planning activities as a teaching and an empowering tool for poor women to better understand their development situation and its gender dimension and collectively work to improve it.

Notes

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1. Outreach statistics are as of December 2001. Some microfinance programmes have broadened their services to the poor from a focus on savings and credit products to include animal asset insurance, human life insurance, medical insurance, natural disaster insurance and pension programmes.

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