

Microcredit and Women's Empowerment in Dry Zone Area, Myanmar



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จุฬาลงกรณ์มหาวิทยาลัย

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Microcredit (microloans) has proved to be an important liberating force in societies where women have to struggle against repressive social and economic conditions. As a tradition in Myanmar society, women often take the back seat and are not active in decision-making despite working hard in all aspects of the economic sphere. The improvement in women's economic empowerment has the potential to lead to positive changes in both social and psychological dimensions. An important institution for promoting microcredits in Myanmar is Pact INGO, which is implementing a savings-led economic empowerment program for women, under the WORTH model. Since its launch, Pact has provided WORTH technology to over 2,000 saving groups with more than 60,000 members in Myanmar.

The main research aims to analyze how the savings-led microcredit approach can promote women-led microenterprises and how different pathways of empowerment (material, cognitive, perceptual and relational) can lead to women's multidimensional empowerment. The objectives of the study are to explore the relationship between the savings-led microcredit approach and the multidimensional empowerment of women; and to analyze the microcredit-driven empowerment processes of women under the context of development programs. This study discusses microcredit's economic, social, and psychological impacts on women through the different pathways of empowerment. The study uses a qualitative method including focus group discussions and in-depth interviews with rural women members of saving groups. The study area was in Budalin Township, lower Sagaing Region, Dry Zone under the Shae Thot (Way Forward) project implemented by Pact INGO. For this study, the primary concept of empowerment is used, in particular, the specific definition characterizing it as economic security, ability to purchase, involvement in major household decisions, self-confidence, mobility of women, and participation in community development activities. Empowerment is a non-linear, multidimensional process, which evolves along different pathways – material, perceptual, cognitive and relational.

By analyzing the change processes through different pathways, the study finds that financial literacy and business management skills as well as access to microcredit are important factors in promoting women-led microenterprises resulting to women's economic empowerment. It is also found that women's social empowerment can be achieved through the social interactions within saving groups under the relational pathway. Noticeably, changes under perceptual pathway which lead to women's psychological empowerment are outcomes of changes in other pathways. It was concluded that the cognitive pathway is the leading pathway and material pathway is the second leading one to reach women's empowerment.

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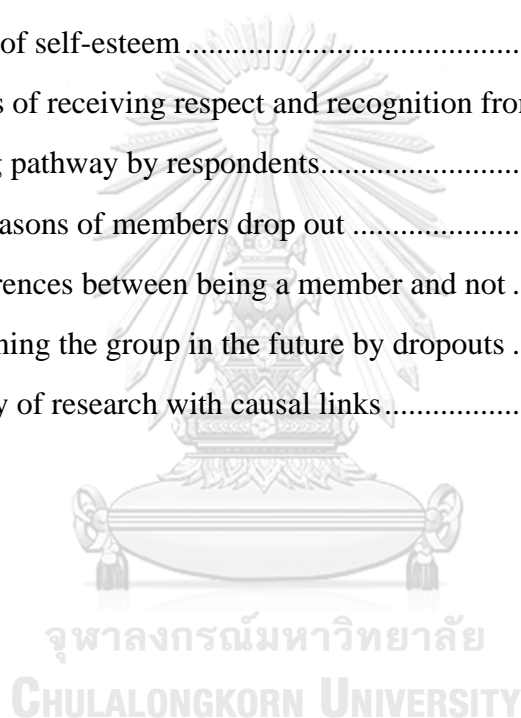
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List of abbreviations

AI- Appreciative Inquiry
APA- Appreciative Planning and Action
BRAC- Bangladesh Rehabilitation Assistance Committee
Bangladesh Rural Advancement Committee
Building Resources Across Communities
FGDs- Focus Group Discussions
HDI- Human Development Initiative
IDIs- In-Depth Interviews
KIIs- Key Informant Interviews
LDC- Least Developed Countries
MIX- Microfinance Information Exchange
MFIs- Microfinance Institutions
PGMF- Pact Global Microfinance Fund
PRA- Participatory Rural Appraisal
ROSCA- Rotating Saving and Credit Association
SHINE- Sustainable Health Improvement and Empowerment
UNDP- United Nations Development Programme
UNIFEM- United Nations Development Fund for Women
USAID- United States Agency for International Development
VDCs- Village Development Committees
VDFs- Village Development Funds
VHDF- Village Health Development Fund
WASH- Water, Sanitation & Hygiene
WEP- Women Empowerment Program
WORD- Women Reading for Development

CHAPTER I - Introduction

1.1 Introduction

Microfinance is established and recognized as one of the new paradigms of development programs for poverty alleviation through the economic and social empowerment of women. The focus of most Microfinance Institutions (MFIs) and microcredit (microloans) programs is women because they have the potential to invest in a more sustainable way for long-term benefits than compared to men, and they are usually in need of finance for investment. The connection between microcredit and women empowerment becomes obvious when we realize that microcredit is not only a significant instrument for poverty reduction but also a tool for women's empowerment. Given the interconnectedness of the economic, social, psychological and political dimensions of empowerment, changes in one dimension seems to trigger changes in other empowerment dimensions as well. Thus, improving the economic dimension of women's empowerment potentially leads to positive changes in the social, political and psychological dimensions.

This study not only focuses on changes in the lives of women with regards to the empowerment, but also looks into the social context in which these women live. This is particularly important in Myanmar, one of the least developed countries (LDC) with a HDI ranking of 148 out of 188, where the majority of population lives below the national poverty line ((UNDP), 2014). It is obvious that this status quo has a grave impact on other socioeconomic statuses such as education and health. In spite of working very hard throughout all aspects of the economic sphere, women in Myanmar often take the back seat in decision-making processes as a tradition of Myanmar society. Since economic development and democracy cannot achieve their full potential if women cannot equally participate with men in political and economic arenas, it is essential to holistically empower women starting from the family and community levels. Within this context, this study focuses on changes in the lives of women with regards to microfinance and women's empowerment, as well as on the social context in which these women live.

1.2 Statement of the problem

In general, women in Myanmar do not have equal chances in almost all aspects of life despite contributing to their families and communities more than men. Although many women are educated in Myanmar, they are paid less for the same amount of work, have considerably less opportunities to participate in administration and politics, let alone take higher level decision-making positions. Moreover, the burden of household chores and raising children is almost always on the shoulders of women, even if they are earning more than their spouse. Maternal and under-five child mortality rates in Myanmar are significantly higher than that of neighboring countries as a result of the low priority and low empowerment of women. Although the Myanmar Government is a signatory of the CEDAW, many old laws that are not fulfilling gender equality still need to be reviewed, revised, and reinforced.

The Dry Zone area of Myanmar is in the central part of the country consisting of three regions, namely Magway, Mandalay, and the lower part of Sagaing((MIMU)). It is a vast semi-arid lowland between two hilly regions and has been affected by a series of consecutive years of drought in the past, as well as floods in recent years. The viability of rural livelihoods in this area is under constant threat because of irregular rainfall and extreme water shortage ((FAO), 2003). Women in Myanmar's Dry Zone suffer the brunt of gender inequality compounded by the poor economic situation of the country because of deeply rooted cultural norms, unfavorable climate, and water scarcity, etc. Moreover, women with poor socioeconomic conditions suffer in silence as a result of almost 50 years of dictatorship. Therefore, it is interesting to study the situation of local people (especially women) in the Dry Zone; how they live, cope, and handle their livelihoods through microcredit services, designed to promote livelihood and income of the region, implemented by development agencies.

1.3 Background of the study

Pact is an international, nonprofit organization with forty-five years of experience, based in Washington D.C, United States currently working in 57 countries and implementing more than 100 programs. The vision of Pact is to help reach a world where poor and marginalized people can exercise their voice, build their own

solutions, and take ownership over their future (Pact, 2017). Pact has been working in Myanmar for nearly two decades, implementing a wide range of development programs including livelihoods, health, local governance, civil society strengthening, renewable energy, water and sanitation which promote the lives of vulnerable communities (Pact, 2017). It is an important institution for promoting women empowerment in Myanmar through its savings-led economic empowerment program for women, under Pact's award-winning WORTH model.

Unlike a formal credit-led program, the WORTH model does not use outside loan fund/seed money from development agencies. It is a community-based group approach which is sustained entirely through the management and initiative of the women members themselves. It strengthens women's ability to support themselves and their families by providing access to a series of trainings related to financial literacy, business and women's rights, and microcredit via savings-based group loan fund. In WORTH, small groups save the money to lend among themselves. Women are bankers, not just borrowers; and they are creating wealth, as well as social capital. Presently, Pact has implemented the WORTH methodology to over 2,000 saving groups with more than 60,000 members in Myanmar (Pact, 2017).

1.4 Research Questions

How do microcredit programs bring economic, social, and psychological changes on women empowerment?

- (i) How can a savings-led microcredit approach promote women-led microenterprises in terms of women's empowerment?
 - (ii) How can different pathways of empowerment (material, cognitive, perceptual and relational) lead to women's multidimensional empowerment?
- A case study of women's economic empowerment program in Dry Zone area implemented by Pact in Myanmar INGO

1.5 Objectives

- To explore the relationship between savings-led microcredit approach and the multidimensional empowerment of women in Dry Zone area of Myanmar;
- To analyze the microcredit-driven empowerment processes of women in Dry Zone area of Myanmar;
- To discuss the economic, social and psychological impact of savings-led microcredit program on women's roles in the household and community;
- To discuss the effect of microcredit along different pathways of empowerment (material, cognitive, perceptual and relational).

1.6 Scope of the study

- Budalin Township, lower part of Sagaing Region under Dry Zone area of Myanmar

1.7 Research Methodology

This study relied on both primary and secondary data collection. In order to study the influence of microcredits along the different empowerment pathways (material, cognitive, perceptual and relational), qualitative research methods are used. Primary data collection came from Focus Group Discussions (FGD), In-Depth Interviews (IDIs), and Key Informant Interviews (KIIs) with different stakeholders (women members from saving groups, field staff from Pact in Myanmar) while secondary data analysis is from observation, project documents and case studies of individuals (Please see the detailed in Chapter III Research Design).

1.8 Significance of the research

In communities where women have to struggle against repressive social and economic conditions, microcredit has proven to be a crucial force for liberation from marginalization. Although there are various studies on microfinance programs for women, most of them focus on the "credit-led" microfinance approach that provides loans directly to the community. This study will focus on an alternative microfinance model, "savings-led" approach, which is not yet well-known and is still

under the radar of most major microfinance institutions. Regarding the study area, there is limited research on the linkage between microcredits and women's empowerment in Myanmar especially for rural areas of the Dry Zone. Since women's participation and societal roles are some of the key issues in the development of Myanmar, how women can become decision-makers in the social and economic matters of households/families through savings-led microcredit services will be critical not only for development agencies but also for policy-makers on poverty reduction strategies.

1.9 Limitation of the research

The field research was conducted within a one-month period in May 2017. Due to time constraints, the study covers only one region (lower Sagaing), one township (Budalin) and six villages in the Dry Zone area, and thus has limited coverage. Moreover, only one organization, Pact INGO, was chosen as the MFI for the data collection whereas other MFIs were not included because of limited time. Regardless, this is not an evaluation study of Pact's program in the targeted area. The research surveys the women members of saving groups in the villages under Shae Thot project (2014-2018). This study focuses on rural women with low-income levels only (limited context); microcredit for urban women or women with middle-income levels are not included. This study deals with changes on women's economic, social, and psychological empowerment through the microcredit program. The relationship between microcredit and political empowerment will not be included in the study.

CHAPTER II - Literature Review

2.1 Introduction

For this chapter, relevant references are reviewed to understand the following topics. The topics include microcredit, microfinance, microfinance institutions (MFIs), and the two different approaches of microcredit; namely credit-led and savings-led. Additionally, the history of the WORTH savings-led model and how Pact INGO is implementing WORTH in Myanmar are also reviewed.

Although scholars usually use the terms ‘microcredit’ and ‘microfinance’ interchangeably, there are some slight differences between them. Microcredit is the extension of small loans (microloans) provided to the poor who lack collateral and who are not considered bankable (Armendariz, 2005). It is designed to assist poor women and alleviate them from poverty, and also to empower them and inspire entire communities by extension. Microcredit is part of microfinance. Microfinance provides a wide range of financial products and services including savings and insurance products, and small loans to the poor (Armendariz, 2005). Microfinance also refers to a series of financial and non-financial services such as entrepreneurship development for the poor to overcome poverty. The main features of microfinance focus on the poor, targeting women, keeping the small loans, adopting group-based lending systems and mobilizing small savings deposits (Aung, 2005).

2.2 Background of microfinance and microcredit

The history of microfinance can be described by three generations; the first runs from the mid-1970s to the late 1980s, the second from the late 1980s to around 2006 and the third one from the mid-2000s to the present (Stiglitz, 2016).

Microfinance began as small-scale lending experiments in the villages of Bangladesh through the Grameen Bank in the 1970s and has successfully enabled extremely underprivileged people to engage in self-employment that allow them to generate an income and to exit poverty. The founder of Grameen Bank, Mohammad Yunus, believes that the immediate need of poor people is access to credit in order to

start/expand self-employment. Under Yunus's mechanism, poor people were able to form groups and access institutional credit. Basically, it offers loans with interest to poor people without physical collateral or legal contracts and is based on trust. The core concept was the 'group' consisting of five to ten borrowers. Lending to the group was based on joint liability and if one member of the group could not pay the loan back, others could not get next loans. Those loans are paid back in weekly/monthly installments. Borrowers have to join the groups to get loans and they can get the loans continuously after the previous loan is paid back. The interest rates are fixed and lower than moneylender's rate.

The golden era of microfinance is in the 1980s when it became global and known in the development field. At that time, there were millions of borrowers to Grameen and BRAC—known as the Bangladesh Rehabilitation Assistance Committee, then changed to Bangladesh Rural Advancement Committee and later as Building Resources across Communities (Abad, 2016)—which led to the replication of the Grameen Bank model not only within Bangladesh but also around the world. During 1990s, microfinance became one of the most important development programs supported by the United Nations and the World Bank. The United Nations declared 2005 as the International Year of Microcredit and Mohammad Yunus and the Grameen Bank were awarded the Nobel Peace Prize together in 2006. After the Grameen Bank model in Bangladesh, other self-reliant, sustainable and replicable microfinance models also appeared in Southeast Asian countries like Thailand, Indonesia, and the Philippines. The common objectives are to promote small or medium size enterprises (SME) and socioeconomic development in those countries.

Microcredit could obviously help in poverty alleviation by promoting the businesses, increasing the income and reducing the vulnerability of the poor. Credit could not create the income directly, but it has broader impact. The target borrowers are women as women's participation is one of the critical issues in development. First, microcredit is promoted through the formation of groups, developing leadership and mutual trust in each other. Then, it becomes a powerful instrument for the poor women to be empowered and become economic agents of change. This also leads to positive impacts for their families. Moreover, the group-based social development model also promotes women's economic participation, equity, and

long-term social and economic development. With the remarkable development of microcredit, there are now growing numbers of microfinance institutions (MFIs) around the world.

2.3 Microfinance institutions (MFIs)

Since the 1990s, many development NGOs with various programs added microcredit as a new service; some of them kicked off as MFIs. Microfinance programs have been increasing in recent years and can be found not only in developing countries in Asia, Africa, and Latin America, but also in the U.S and other Western countries. In 2016, the number of MFIs that reported to Microfinance Information Exchange (MIX) was 1,112 which reached to 132 million clients around the world (Stephens, 2017). In South Asia alone, there are 222 MFIs with 78 million clients; which is 59% of all borrowers around the world (Stephens, 2017). Commercial MFIs financially sustain themselves by providing loans directly to people who are economically active and attained greater outreach. Mohammad Yunus argues that profit-based MFIs operate like commercial banks by providing loans with high interest rates to the wealthy poor. Non-profit MFIs such as local/international NGOs are dependent upon funds from donors and their target clients are very poor people. They use social collateral rather than material collateral in provision microloans.

It is assumed that very poor people do not have entrepreneurial skills to use the loans effectively and there is high risk for both MFIs and clients for repayment. Generally, microfinance programs offer some relevant trainings to the borrowers such as leadership, business management, vocational training, and income generation. A majority of the clients of both commercial and non-profit MFIs are women as they are seen to be in need of access to credit, and are also likely to use the loan money in a more sustainable way than men. According to the Microfinance Barometer 2017, 84% of all borrowers across the globe are female and in South Asia, 92% of borrowers are women (Stephens, 2017).

2.4 Microfinance in Myanmar

Starting from the 1980s, microfinance was globally recognized as one of the most effective tools for poverty alleviation. The Financial Institutions of Myanmar Law 1990 did not allow financial institutions to provide credit without collateral. All bank credits needed to have collaterals either with real estate or fixed deposit account. Therefore, small and micro-entrepreneurs had to borrow from informal moneylenders, with high interest rate of around 10% per month. Microfinance in Myanmar is an innovative program that provides financial and non-financial services to the poor at both the village and township levels. The system targets poor women, the landless and other vulnerable and marginalized groups. It is serving a big market that is growing bigger due to inflation and population pressure. Although no nationwide credit-need survey has been conducted so far, the existence of a wide gap between the demand and the available supply of credit among the poor is obvious. The United Nations Development Programme (UNDP) through its Human Development Initiative (HDI) programme introduced microfinance in Myanmar in 1997.

Some International NGOs have also started microfinance services in recent years as part of their poverty alleviation activities in Myanmar under agreements with the government. Among them, Grameen Trust (Delta area), Pact in Myanmar (Dry zone) and GRET (Chin and Shan State) are well-known international organizations implementing microcredit programs. The overall goal is to improve socio-economic well-being of poor and vulnerable people in Myanmar through increased access to sustainable financial services, such as microloans. In these days, semi-government agencies and NGOs are also piloting some group-based microcredit programs in peri-urban areas. Although there are growing numbers of MFIs in Myanmar, they remain under researched and poorly understood (Pan, 2010).

2.5 Credit-led microcredit versus savings-led microcredit

To date, the global microfinance movement caught public attention and became a billion-dollar industry, reaching millions of poor and marginalized people around the world. The majority of microfinance programs from multinational banks, government organizations, local/international NGOs, charities, and private donors, follow the 'credit-led' approach; which provides loans with interest directly to the poor. An alternative microfinance approach, 'savings-led' exists though it is not well known and still below the radar of MFIs.

Unlike a formal credit-led model, the savings-led model does not use an outside loan fund from an organization and is sustained entirely through the management and initiative of the women members themselves. At first, a series of financial literacy trainings and self-learning materials for women are provided to start their savings groups. Women create their own self-governing groups with their own savings, read self-help books together, turn their savings fund into a loan fund, take loans with low interest rate (which is settled by women member themselves), and start or extend their business without external assistance. Periodically, the savings group distributes the interest back to the women members as a dividend. Since the issue of dependency is very critical, the savings-led approach focuses on building strong, sustainable and self-reliant groups. It can meet members' credit needs through locally generated capital (savings).

Savings groups are dependent upon trainings offered by organizations during their initial period, but they need further support to function successfully compared to credit-led programs. Indeed, the borrowers of MFIs have to rely on external sources of capital (loan fund) even after the initial trainings. The largest international organizations around the world offering savings-led programs are Pact, CARE, Catholic Relief Services, and Oxfam America (D. L. Mayoux, 2008). The savings-led approach has reached around two million poor people, especially women. However, it fails to attract greater investment for many reasons including the 'bandwagon effect', as well as established ties between donors and credit-led programs. The main differences between 'credit-led' and 'savings-led' are as follows (D. L. Mayoux, 2008):

Credit-led approach	Savings-led approach
Assumption: Poor people need external credits and ongoing support.	Poor people can meet needs by saving and then lending their savings; groups can operate on their own.
Objectives: Organize and train groups to be responsible borrowers of the MFI funds.	Strengthen groups to become savings groups or local village banks.
Ancillary objectives: Varies, but is primarily financial	Literacy, empowerment, and community activism
Safe money handling: MFI is responsible for safe money handling and fraud prevention; limited numbers of 'eyes' watch the money.	Women are trained in best practices, learn systems for transparency; many 'eyes' (all group members) watch the money
Sustainability: Achieved when interest income covers all costs of MFI (operational and financial)	Achieved when the groups save and lend their own funds without outside loan fund or support
Replication strategy: Expansions are planned and controlled by staff and depends on external resources	Savings groups replicate new groups without dependency on external resources or seed money

Table 2.1: Savings-led microcredits versus Credit-led microcredits

The main differences are the source of capital and who manages the money (MFIs in credit-led and borrowers themselves in savings-led). While MFIs can provide larger loans to more clients during the initial period through the credit-led approach, the savings-led approach can provide limited loans to group members at start-up. In fact, it takes time for members to manage their groups and to get enough loan fund from their savings. However, the saving groups can be sustained and replicated quickly as they do not require any specific fund or apparatus like formal credit-led groups and specific staff such as loan officers for loans and repayments. This makes savings-led programs less expensive than credit-led programs. Besides, in credit-led approach, the interest upon loans flow to the MFIs, whereas in the savings-led approach, it goes back to the members and interest can be invested in lending again.

Credit-led approach	
Advantages	Disadvantages
Larger loans can be received by borrowers at any time	Interest upon loans are kept by MFIs
Additional services by MFIs are available for borrowers	It is difficult to create large-scale MFIs and to be sustained (costly)
Ongoing support and guidance by MFIs are available for groups or borrowers	MFIs control fraud and staff are responsible for safe money handling
	To expand or replicate can be carried out only by MFIs
	Sustainability of services (loaning and others) depends on the MFIs

Table 2.2: Advantages and disadvantages of credit-led approach

Savings-led approach	
Advantages	Disadvantages
Can be implemented by existing local self-help groups, community-based organizations, NGOs and also churches	The group members (especially leaders) must put substantial effort to form the group and manage the fund
Saving groups are responsible for safe money handling and also to control fraud	It takes time to get adequate fund to give significant loans to many members simultaneously
Members can replicate the groups by themselves	Additional services beyond saving and loaning cannot be available
Ownership sense and sustainability of loans and other issues can be under the control of group members	It may take time to get other benefits such as empowerment for members and also community development
Interest upon loans are kept by members and ensure equity for group	

Table 2.3: Advantages and disadvantages of savings-led approach

It is apparent that the majority of microfinance funding supports credit-led programs worldwide. Nowadays, new MFIs, which are supported by private organizations, private donor and also churches, appear as a significant positive impact of microcredit. There is a highly uneven investment between credit-led and savings-led programs when even the savings-led approach is more effective and less costly than traditional credit-led. Donnelly points out that the same economic and development returns can be attained through the savings-led model as credit-led does, but without providing loans or seed money (Donnelly, 2008). Additionally, the

savings-led approach needs less donor investment to reach the same number of people. According to the Asian Development Bank Institute's paper "*Forms of Microcredit Interventions and Cost-Effectiveness*", Donnelly postulates that while the credit-led costs quite high between \$150 and \$600 per person, the savings-led approach costs only between \$20 and \$50 per person (Donnelly, 2008). Moreover, Donnelly states that it can produce a noticeable impact from investment in people's abilities such as literacy, decision-making, empowerment, self-confidence and community leadership which is not found in traditional credit-led.

There are various reasons why there is limited investment in savings-led program. First is the 'bandwagon effect': since clients experience benefits through traditional approach, more funds are brought to support or replicate the credit-led. Traditional microcredit led to an increased number of formal and informal networks and it was easy to spread the credit-led model compared to new models. Second, most of the publications on microfinance emphasize on credit-led and researchers prefer to do more research on the issue since it has more existing literature. As a result, the majority of donors do not know much about savings-led approach. Moreover, it can be seen that there are ties developed between donors and credit-led MFIs or NGOs and it is easier to use the funds through credit-led than with a different approach. If the MFI chose the new savings-led approach, they need to develop new knowledge, systems and networks. Since the savings-led approach depends on local grassroots organizations, donors may find it difficult to reach them. In addition, they may find it difficult to implement programs with many players and may prefer to support funds through MFI as single-delivery entity. Scholars point out that savings-led has been delayed by the lack of interest and the sustainability of saving groups is uncertain without backing donors (Levin, 2009). Some assume microfinance as a connective device for isolated groups with other financial institutions and linking saving groups to the broader financial sphere is debated.

2.6 Pact (Global) and WORTH Program

Pact is an international, nonprofit organization based in Washington D.C, United States with forty-five years of experience as an international development

agency. 'Pact' stood for Private Agencies Collaborating Together, but their name is no longer an acronym and is not written with capital letters. Pact is and currently working in 57 countries, implementing more than 100 programs. Their vision is a world where those who are poor and marginalized people exercise their voice, build their own solutions, and take ownership over their future (Pact, 2017) .

In 1981, WORTH began in Nepal with a research entitled 'The Status of Women in Nepal' that highlighted the various obstacles including caste, religion and culture, social, and economic status of Nepali women in all levels of society. Since there were extremely low literacy rates among women in Nepal, the United States Agency for International Development (USAID) provided Pact INGO a grant for a project named "Women Reading for Development (WORD)" to conduct literacy training to 500,000 women. During this program, Pact discovered the motivation of women and found that women can contribute to their family income through literacy. Pact tried to implement income-generating programs for poor women with respect to a local tradition where individual women collect money together in a shared 'pot' from which the lump sum would go to each woman on a rotating basis. This became known as a Rotating Saving and Credit Association (ROSCA) in other countries and *dhukuti* in Nepal. Women from WORD groups also participated in *dhukuti* groups and eventually there became a link between literacy and saving money.

In early 1997, USAID Nepal invited proposals for a new women's empowerment program in which literacy, microfinance, and small enterprises development are combined together. Pact Nepal proposed a program based on the strategy of successful WORD literacy groups. Pact did not want to take a role as a formal MFI for credit and designed the informal groups in rural or remote areas where MFIs could not reach. The fundamental concept of this new program is 'dependency is not empowering' which believed that women were able to appreciate their own strengths when they became literate and access to credits for their wealth. If they create their own savings groups or village banks with their own saving money and read self-help books together for banking and business skills, they would become self-reliant without external assistance. The key assumptions of the new program are (D. L. Mayoux, 2008):

- (1) If women are given the right literacy tools, illiterate women could learn together with their peers to read and write.
- (2) If women are given the right financial tools, they could become responsible borrowers and even bankers.
- (3) If women are given the right business tools, they could become successful entrepreneurs.
- (4) If women are given the right tools for empowerment, they could bring social and economic changes to their community.

In 1998, USAID selected Pact for the implementation new program called, 'Women's Empowerment Program (WEP). When it was later adapted to other countries, Pact would call it WORTH, to reflects the idea of the inherent worth of women to themselves, their families, and their communities (D. L. Mayoux, 2008). Despite being designed for rural poor women and not for better-off, Pact believed that better-off women can be an important asset as they can contribute more savings. Since its inception in 1998, WORTH has operated in 14 countries including Cambodia, Colombia, Myanmar, Nepal, Democratic Republic of the Congo, Ethiopia, Kenya, Tanzania, Madagascar, Swaziland, Lesotho, Uganda, Vietnam and Zambia. Women's Empowerment Program (WEP)' was used only in Nepal program. The unique features in WORTH include the development of village banks by focusing on financial literacy trainings and business management trainings under the women's empowerment framework. It started very quickly across the southern Nepal with thousands of community groups, in which most of them were already attached to other organizations for credits. Pact implemented WORTH in 21 districts of Nepal.

WORTH is assumed as a time-limited catalyst for development process, which is expected to sustain itself. Pact appreciated the power of local NGOs during the earlier WORD program, so as a strategy, Pact worked with local grassroots groups rather than directly with target women as. Approximately 400 local organizations heard about WORTH program for their potential role and applied to Pact in order to learn more. This meant that local groups became familiar with the program and were able to continue to work with target women after Pact's implementation.

2.7 Village banking

WORTH includes a series of financial literacy trainings for rural women to form their saving groups called village banks. At the same time, they use WORTH self-learning materials (books) to learn about business and banking. Women practice their financial literacy skills by reading those materials together and turn their savings fund into a loan fund.

It is mandatory for every member has have to save money (rate is settled by members themselves) in their saving group every week. Moreover, members can deposit additional savings temporarily as voluntary savings. Although members may withdraw voluntary savings with notice to the group, mandatory savings cannot be withdrawn until the end of the banking cycle. Both mandatory and voluntary savings are lent out to individual members with an interest (rate is settled by member themselves). Repayment was done in weekly installments. Weekly installments are repaid by borrowers so the group were able lends out each installment again and again. It is recommended for saving groups to keep the interest of an entire loan at the time of disbursement.

Members who receive loans are encouraged to start or extend their own small businesses rather than to use them in immediate needs such as food. After the 6-month banking cycle, the group distributes the interest back to the members as a dividend. Returns on savings depend on the interest rate charged and the active lending of the total group fund. For example, if the loans are lent out with 2 percent interest rate per month, the gross return would exceed 12 percent per 6-month banking cycle. In this way, women would have two streams of income; one from their own businesses and one from their collective village bank. WORTH has no supports like paid staff as loan officer, stationery which are usually provided by other development initiatives Women members have to pay member fees that contribute to their group fund. This includes purchasing a cash box, calculator and other materials for their banking activities with their own fund.

2.8 Financial literacy

To establish successful savings groups, and later, village banks, women members learned about the election of management committee members, their responsibilities, and the loan cycle. They also learned about setting interest rates, loan repayment schedules, rescheduling and refinancing loans and distributing dividends at the end. In the beginning, management committee members (the chairman, secretary, treasurer and monitor) were elected by members through voting systems. These elected leaders have to attend extra basic and advanced trainings for accounting system which includes how to use banking forms and bookkeeping skills. At this point, it becomes questionable whether rural women would be able to learn accounting with the low levels of educational attainment. However, it became apparent that women leaders, despite their primary level education, became successful accountants for their groups. Moreover, workshops on human rights, women's rights and child's rights accompany trainings on financial literacy, the introductory workshops for self-learning booklets, mobile workshops for business management, market linkage, sustainability and impact sharing. These series of trainings and workshops are now used in all WORTH programs in Asia and Africa.

2.9 Women-led microenterprises

Women members of WORTH programs usually use their loans to set up or expand their small businesses. WORTH does not offer specific skills training or vocational trainings and promise that women members would reach the markets. WORTH only encourages women to build on their own knowledge, focus on locally available materials, seek out market niches in their own areas and explore the challenges. Moreover, women are taught how to overcome obstacles through the stories of other women, self-learning materials, and with their creativity and imagination. Self-learning books are namely 'Our Group', 'Forming Our Village Bank', 'Village Bank Lending' and 'Selling Made Simple'. These books are now condensed into one book called 'Road to Wealth' for village banking; and five

booklets named ‘Selling Made Simple’ for business development. The main issues included in ‘Selling Made Simple’ booklets are:

- (1) Type of businesses
- (2) How to start a selling business
- (3) Good business ideas
- (4) Earning money all year around
- (5) How to find selling advantage and profits.

2.10 Appreciative Planning and Action (APA)

Among the participatory approaches, Appreciative Planning and Action (APA) is one of the successful strength-based and asset-based tools central to the WORTH model. It was developed in Nepal based on Participatory Rural Appraisal (PRA) and Appreciative Inquiry (AI). It seeks to discover what is resilient and feasible based on the assumption that solutions already exist in the community. It describes a preferred future of a community along with an understanding of how they can build toward that future. It invites rural women to “reflect on their best practices rather than admit their failures and unsolved problems.” It is an analysis of the best, worth keeping, and valued things by focusing on examples of success stories in the past and the causes of these successes. APA encouraged women to share their success stories and to listen the stories of their peers and building confidence which contributes to empowerment. It is also about the commitment of individuals/group to achieve their goals and by using the best of the past to build the future through appreciative ways. The basic steps of APA are:

- (1) *Discover:* finding out what was the most successful/memorable best events/experiences/ accomplishments in their family or community lives. These will be significant stories of their lives in order to move towards positive future.
- (2) *Dream:* what do the community people wish for their own/family/community’s future? This involves the creation of a vision and collective aims of community people.

- (3) *Design*: constructing the future dream together. This includes designing the structure, systems, processes, culture and environment based on their vision in the dream stage.
- (4) *Destiny/Delivery*: what will the community people do to achieve their dream?

2.11 Pact INGO in Myanmar

Since 1997, Pact INGO has been helping the people of Myanmar to improve their lives through locally developed and owned solutions. Pact has been implementing a wide range of development programs in Myanmar including livelihoods, health, local governance, civil society strengthening, renewable energy and water and sanitation by working closely with citizens, local government and civil society (Pact, 2017). Pact designs the development projects to maximize local ownership and existing systems and networks by partnership with USAID, UNDP, DANIDA, Chevron, Coca-Cola, Ooredoo, Shell, 3MDG, LIFT, along with 133,300 local community organizations in Myanmar (Pact, 2017).

In most of Pact's project areas, community education is combined with local governance through Village Development Committees (VDCs) and financial sustainability is attained through Village Development Funds (VDFs). Pact promotes inclusive and participatory village decision-making by strengthening local communities. They support transparency and accountability for community development by mentoring grassroots organizations to develop their institutional capacity. Under the mobile clinics project, people in hard-to-reach areas have access to health care services, including maternal and child health programs, which is integrated with other livelihood programs in target areas. In 2015, approximately 1.8 million people have access to better health care services by Pact (Pact, 2017). Pact also played a critical role in relief activities after natural disasters in Myanmar and helped to provide food, water, household supplies, health care and medicine to after Cyclone Nargis in 2008 and Cyclone Komen in 2015.

Pact is also an important institution for the promotion of women's empowerment in Myanmar through its savings-led economic empowerment program, based on Pact's award-winning WORTH model. The model does not use

an outside loan fund/ seed money/grant but is sustained entirely through the management and initiative of the women members themselves. Up to this day, Pact has implemented the WORTH methodology to over 2,700 saving groups with nearly 70,000 members in Myanmar(Pact, 2017). Pact’s vision for Myanmar is “Vibrant and diverse communities exercise their voice, build the lasting solutions for a better life and finally they can say “We did it ourselves” (Pact, 2017).

2.12 Pact Global Microfinance Fund (PGMF)

Since 1997, Pact also operates as credit-led microfinance institution with the support of UNDP, providing small loans to poor people in rural area. In 2012, Pact’s long-serving microfinance programs were turned over to the new government-licensed entity, Pact Global Microfinance Fund (PGMF), as a result of new national microfinance regulations. In 2013, PGMF worked with nine Local NGOs to promote microfinance programs in the remote areas of Myanmar. A majority of loans by PGMF are for farming and market-products and those promote household incomes and improve their lives. Based on the principle that credit alone is not enough for the poor to reach income security, the borrowers attend business trainings where they can learn saving, loaning and also income-generation activities.

In 2014 alone, PGMF provided over one million loans (around \$255 million) with a 99.31% repayment rate (Pact, 2017). Currently, PGMF is the largest microfinance institution in Myanmar, serving over 640,000 households (99% of them are women) in more than 9,000 villages around the country (Pact, 2017). The demand for microcredits in Myanmar is estimated to be \$1 billion per year yet only 28% is currently being met. In response, PGMF is planning to increase new borrowers (especially rural poor) by offering the opportunity to participate in Myanmar’s new economic progress in the future.

2.13 WORTH program by Pact in Myanmar

In Myanmar, Pact INGO incorporates the WORTH model into three projects; (i) Swan Yi project, funded by the Coca-Cola Foundation; (ii) the Sustainable Health

Improvement and Empowerment (SHINE) project, funded by Chevron and (iii) the Shae Thot (the way forward) project, funded by USAID.

2.13.1 Swan Yi Project

Swan Yi uses the WORTH model to assist rural women to better supporting themselves and their families. In addition to savings and lending, it includes intensive trainings to build members' capacity as successful entrepreneurs. Since 2013, around 1,200 savings groups with over 30,000 members were established under the Swan Yi project (Pact, 2017). Currently, the total group fund of all Swan Yi groups is more than \$1.5 million through weekly savings and around 100,000 loans (about \$5.7 million) are taken by women members (Pact, 2017). Self-learning materials help the members to develop business literacy and numeracy skills for their businesses which includes a curriculum based on rights and advocacy such as labor law, domestic violence, women rights, child's rights, and land rights.

Because of the successful results from the Swan Yi I project, Swan Yi II will continue to empower 12,000 additional women in 480 groups to increase household income through village banking and business training including mobile technology until 2018 (Pact, 2017). The majority of Swan Yi I townships in Myanmar are in the Dry Zone (Mandalay Region and Sagaing Region) and some are in Yangon Region. New townships, Taunggyi (Shan State) and Thaton (Mon State) are included in Swan Yi II. Since there are lower literacy rates and multiple ethnic languages in the new project townships, women members will also participate in an empowerment literacy curriculum with community-based literacy volunteers.

2.13.2 Sustainable Health Improvement and Empowerment (SHINE) Project

SHINE is an integrated program that combines health and livelihoods to empower rural people and improve their lives in durable ways. Communities learn about maternal and child health, disease management, and village banking through trainings and workshops. Community members then organize themselves around these issues to deliver their own solutions for improvement. The community also choose health volunteers among themselves to be trained to diagnose, treat, and refer

cases of diseases such as tuberculosis and malaria. These communities also use Village Development Funds to empower communities and fund development priorities with their own decisions. SHINE launches mother's groups for community-based health education and Pact's signature WORTH model for rural poor women to save money and start small businesses. Target area is Dry Zone where Madaya Township and Pyin Oo Lwin Township under Mandalay Region are active currently and others are phased out.

2.13.3 Shae Thot (The way forward) project

The Shae Thot project uses an integrated, holistic approach to overcome poverty and address health issues in rural villages in Myanmar. The project started in September 2011 as a five-year project that later received an additional 18-month extension to end in March 2018. It has been implemented in 2,844 villages around the country and is currently active in 1,994 villages across 22 townships in the Dry Zone, Yangon Region, and Kayah State (Pact, 2017). The Shae Thot project has implemented the WORTH model in 588 villages, with a total of 26,579 women members across the Dry Zone and Kayah State (Pact, 2017). Currently, 236 villages are active while others have been phased out. To date, the WORTH model serves as a critical tool for Pact's integrated approach to development in Myanmar. It is not only for poverty reduction but is also a platform from which to promote women's involvement in local governance, to lift people living with HIV out of poverty, and to share the information about health, nutrition and sanitation.

The Shae Thot project includes strengthening community institutions and livelihoods (village banking through WORTH model), as well as addressing maternal and child health, food security and also water, sanitation & hygiene (WASH). The project creates Village Development Committees (VDCs) in target villages. These VDCs are composed of elected village members who are not village authorities. Through VDCs, the Shae Thot project promotes capacity building for accountable and transparent community planning, along with participatory decision making, implementation and monitoring to create long-term impact. Furthermore, the project establishes Village Development Funds (VDFs) where villagers raise funds from household contributions. Through the Shae Thot project, many community members

have been trained as health workers in child health and nutrition, thousands of community people have benefitted from mobile-clinics and family planning services, the percentage of women who have given birth with a skilled birth attendant have increased, access to potable water have improved, and a wide-ranging hygiene training have been provided to stem the spread of disease.

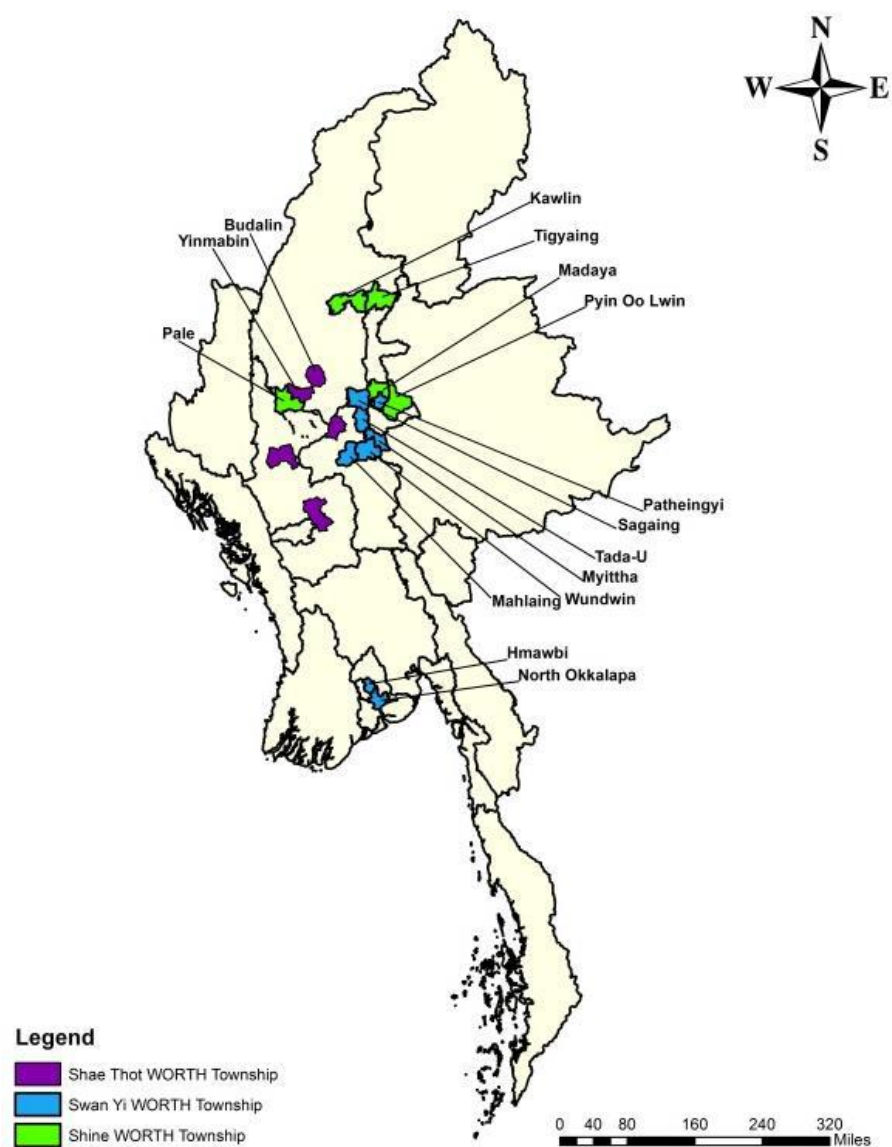


Figure 2.1: WORTH townships in Myanmar (source: Pact in Myanmar)

2.14 Women as clients in microfinance programs

The primary function of microfinance is to provide financial services for poor women and men. Beyond financial services, microcredit is seen to have the potential of empowering women. Recognizing that female participation in development process is a component of sustainable development; governments, development agencies, and donors focus on microcredit as a strategy to empower women. It has been observed that providing women the control and the responsibility of small loans can raise their socio-economic status, which can be seen as a positive change in existing gender and class power relations. To date, microcredit programs have become an important entry point in various community development programs around the world. According to the Microcredit Summit Campaign: “Women are often responsible for the upbringing of the world’s children and the poverty of the women generally results in the physical and social underdevelopment of their children. Experience shows that women are a good credit risk, and that women invest their income toward the wellbeing of their families. At the same time, women themselves benefit from the higher social status they achieve within the home when they are able to provide income”(Dialogue, 2007).

According to Noeleen Heyzer, Executive Director of the United Nations Development Fund for Women (UNIFEM), “Microcredit is about much more than access to money. It is about women gaining control over the means to make a living. It is about women lifting themselves out of poverty and vulnerability. It is about women achieving economic and political empowerment within their homes, their villages, their countries” (Lise Adams, 2000).

A senior official from the Grameen Bank states, “The target group for Grameen is the family and it can be seen that family welfare is best served by women as they are more concerned about family and more forward-thinking than men. Moreover, Grameen benefits the women themselves by promoting the confidence of women by let them learning to manage loans, to sign their names and so on (Stiglitz, 2016).

2.15 Women's empowerment

The term 'empowerment' is not new and has been defined by different scholars and practitioners in different contexts. It is related to terms like autonomy, independence, self-determination, self-direction, self-strength, self-confidence, decision making, capacity to fight for one's rights, capability for participation, control and mobility. In general, empowerment is defined as "increasing the capacity of individuals/groups to make focused choices and the capacity to transform these choices into desired actions and outcomes" (Petesch, 2005). The World Bank's empowerment sourcebook defines empowerment as, "the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control and hold accountable institutions that affect their lives" (Narayan, 2002). Control here means control over resources (physical, financial, human and intellectual) and ideology (beliefs, values and attitudes). Institutions mean both informal and formal institutions. The key concept taken from the above definitions is that empowerment is about changing a community's perceptions in order to improve individual capabilities for strategic choices of their lives.

The dimensions in the women empowerment framework by Malhotra and Schuler (2005) are economic, social & cultural, psychological, legal and political:

- **Economic empowerment** includes access to credit, contribution to family needs, increased household assets, control, and ownership.
- **Social & cultural empowerment** includes freedom of movement, lack of discrimination and violence against women, decision-making, participation and control in domestic issues.
- **Psychological empowerment** includes increased self-esteem, self-satisfaction, realization of self-values, and psychological well-being.
- **Legal and political empowerment** includes knowledge of legal rights and mechanisms, political systems and also exercising those rights and political engagement (Malhotra, 2005).

Mayoux, on the other hand, presents a framework for empowerment and defines **empowerment** as a multidimensional process of change in power relations. These power relations are as follows:

- **Power within:** Women are able to articulate their own aspirations and strategies for change;
- **Power to:** Women are able to develop the necessary skills and access the necessary resources to achieve their goals/ ambitions;
- **Power with:** Women are able to examine their collective interests, to organize to achieve them and to link with other agencies for change;
- **Power over:** changing the underlying inequalities in power and resources which constrain women's aspirations and their ability to achieve them (L. Mayoux, 2000).

The above mentioned power relations work in economic, social, and political spheres and at micro (individual/household/community) and macro levels (L. Mayoux, 2000).

2.15 Microfinance and women empowerment

Regarding microfinance and empowerment of women, Mayoux defines the following concepts:

Economic empowerment: It is assumed that sustainable microfinance services lead to the economic empowerment of individual women through encouraging women-led microenterprises that result in increased women's income and control. Women's access to savings and credit results in women's greater economic role in household decision making. When women control decisions regarding financial issues, the household's welfare is potentially improved. An economically active woman with her own savings and increased income that is shared within the family has more economic power.

Increased well-being: Women's access to savings and credit products raise women's voices and facilitates women's economic decisions at home. This may lead to an increase in household expenditure. In addition to microfinance, other interventions like health, nutrition, and literacy are advocated to decrease women's vulnerability while improving their skills.

Social and political empowerment: Women's increased economic activity and control over income via access to credits improve women's skills, knowledge, mobility, status within community and social networks. This may lead to wider movements in social and political issues (L. Mayoux, 2000).

Based on these concepts, Mayoux presents three paradigms on microfinance and gender:

Financial self-sustainability paradigm: This paradigm is a leading paradigm within the microfinance models promoted by USAID, the World Bank, and UNDP and so on. The main idea of this paradigm is to provide self-sustainable financial services to poor people and entrepreneurs of micro-enterprises. It assumes that targeting women can ensure higher repayment rates, women's increased economic activity, and enhanced economic growth. This means that it is based on the idea that increased women's access to microcredit will itself lead to economic, social, and political empowerment of individual women in the long run.

Poverty alleviation paradigm: Dominant in poverty reduction programs, the main concept of this paradigm is poverty alleviation community development can be achieved through increased wellbeing. It includes small loans for consumption and production but needs considerable level of funding support in some contexts. Most of the programs under this model have developed effective methodologies and operate in rural remote areas. Women are identified as a target population due to high levels of female poverty with respect to their significant responsibility within the household. Poverty reduction and women's empowerment are seen as two sides of a coin. This paradigm assumes that women's increased access to microcredit leads to increased household incomes, improved household wellbeing, and changes to existing gender inequality.

Feminist empowerment paradigm: This paradigm is found in the gender policies of current NGOs/ INGOs. It is rooted in earlier microfinance programs in the Global South and is assumed to provide a gender lens to microfinance programs. The main concept of this paradigm includes women's rights, gender awareness, and gender

equality. Here, microfinance is considered as an entry point for women's economic, social and political empowerment. Therefore, many programs develop effective methodologies for increased gender awareness, gender advocacy, as well as challenge gender discrimination.

In summary, the financial self-sustainability and feminist empowerment paradigms focus on women's income-generating activities and improved wellbeing as a result of increased women's income and participation in economic activities. Alternatively, the poverty alleviation paradigm emphasizes more on increased household income and loans usage for consumption. Although the financial self-sustainability and poverty alleviation paradigms accept that social and political empowerment can occur without particular interventions in gender relations at micro (household and community) and macro levels, the feminist empowerment paradigms call for specific strategies to support individual women's abilities and collective gender interests at both micro and macro levels (L. Mayoux, 2000).

2.16 Conceptual Framework

Muhammad Yunus advocated that the mutual support of people through their credit groups, strengthening social bonds among women and enhancing social skills and collective advocacy, can help poverty alleviation and is a core element of original microfinance concepts. Literatures on empowerment usually try to grasp this phenomenon by describing four different dimensions of empowerment: economic, social & cultural, psychological and legal & political.

According to Roxin (2010), women's economic empowerment can be facilitated if they have improved access and control to markets, land, wage labor, and so called productive resources via increased opportunities. In this way, women can participate in, contribute to, and to benefit from development processes. Through participating in the public sphere, women's social empowerment can be promoted, resulting in greater decision-making processes and improvement in the status of poor rural women at the domestic and community levels (Malhotra, 2005). Political empowerment refers to issues of political participation and representation (Roxin, 2010). The improved socioeconomic status of women allows the individual to focus not

only on survival, but also on the environment. As the women view themselves as more effective in political matters, they are able to confront the actors who are responsible for the welfare of their surroundings (Bayulgen, 2015). Political empowerment can be found in a society with increased social capital that improves an individual's access to political information and capacity to participate in politics (Bayulgen, 2015).

It can be seen that the above-mentioned dimensions of empowerment are quite broad and difficult to operationalize. Therefore, the analysis of this study focuses on change processes along different pathways that are more practical, detailed, and developed for a microfinance setting. These change processes will then be linked to the three dimensions of empowerment: economic, social and psychological) and the study will not cover the women's political empowerment. The primary concept of this study takes the following definition of empowerment: empowerment happens when individuals and organized groups of people are able to imagine their world differently and to realize that vision, by changing the structures that have been keeping them in poverty. Thus, empowerment is characterized by having economic security, increased purchasing power, women's involvement in major household decisions, self-confidence, mobility, and participation in community development activities. Based on these general assumptions, we believe that empowerment is a non-linear and multidimensional process through changes along four different pathways – material, perceptual, cognitive and relational. Analyzing empowerment from this angle allows for a more structured look at change processes (Chan, 1995):

- (1) The **material pathway** involves changes in access to and control over material resources. Changes in income, ownership of assets, fulfilment of basic needs and earning capacities are included here.
- (2) Changes at the level of knowledge, skills and awareness of the wider environment are associated with the **cognitive pathway**.
- (3) The **perceptual pathway** encompasses changes in the self-perception of women (e.g., self-esteem, self-confidence, visions and plans for the future) as well as changes in how women are perceived by others (e.g., visibility, respect, recognition).

- (4) The **relational pathway** considers changes relating to social interaction (e.g., decision-making, bargaining power, participation, organizational strength and mobility).

Although these four pathways are separately listed for conceptual clarity, these are interdependent pathways in the real world. Thus, changes are related among the different pathways and mutually affect one another. This means that empowerment processes occur through changes in different aspects along various pathways. Changes can be thought of as ingredients for empowerment. For example, access to microcredit may trigger various types of changes. These changes have the potential to empower women. Along the material pathway, credits can help women increase their income through the start-up or expansion of their business activities. At the same time, this may lead to increased mobility (relational pathway) and increased self-confidence (perceptual pathway). Other examples include the improvement of women's financial literacy (cognitive pathway) through their participation in microcredit related trainings or an extension of their networks (relational pathway) via membership in saving groups.

Different degrees of empowerment evolve with the changes that take place along the pathways. Initially, empowering changes may influence women's vision on life, and their ability to think about their lives differently. The choices, decisions and actions of women strongly influence the progression of empowerment. The degrees of empowerment are stages that build upon each other, but are not parts of a linear process.

Levels of empowerment:

- (1) Micro/Local level - individual, household and community
- (2) Regional level - groups, networks, organizations
- (3) Macro/ National level - state, supra-national

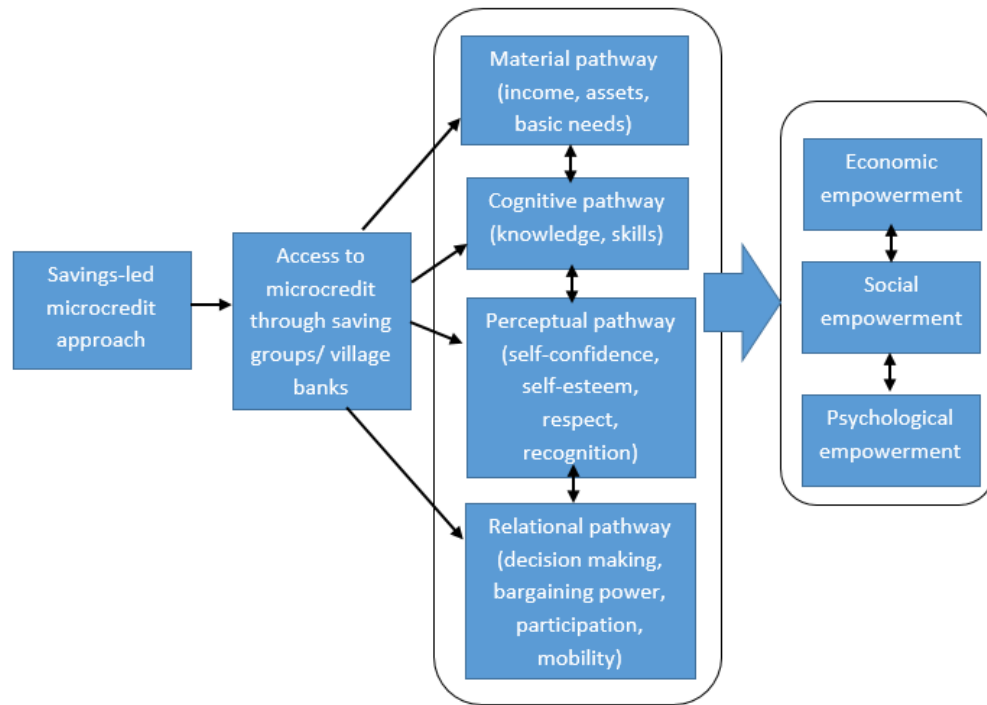


Figure 2.2: Conceptual Framework



CHAPTER III - Research Design (Methodology)

3.1 Introduction

One major point of debate regarding empowerment is its *measurement*. Although empowerment has been identified as a primary development goal, neither the World Bank nor any other major development agency has developed a rigorous method for measuring and tracking changes in levels of empowerment (Anju Malhotra, 2002). The key methods that researchers usually use to measure empowerment include the Gender Development Index, Gender Empowerment Measure, quantitative surveys, ethnographic investigations, focus group discussions and case studies, etc. It is also agreed that certain key measures of empowerment such as decision making, self-confidence and self-esteem are very difficult to measure (Kuhn, 2002).

The main purpose of this study is to explore the multidimensional empowerment of women through savings-led microcredit program implemented by Pact INGO in Myanmar. In order to study the influence of microcredits along the different empowerment pathways (material, cognitive, perceptual and relational), qualitative research methods are used. Primary data collection came from Focus Group Discussion (FGD), In-Depth Interviews (IDIs) and Key Informant Interviews (KIIs) with different stakeholders while secondary data analysis is from observation, project documents and case studies of individuals.

Observation: Throughout the field visit, observation assisted in triangulating the data collected from the survey and the interviews, as well as in judging the accuracy of the participants' responses.

Focus Group Discussion (FGD): FGDs were conducted with members of saving groups (especially similar backgrounds or experiences in microcredit programs). The group of participants was guided by a moderator (or facilitator) who used guide questions and helped the group to participate in a lively and natural discussion.

In-Depth Interviews (IDIs) and Key Informant Interviews (KIIs): The interviews were conducted with the individual members of saving groups, individual dropout members and also with the people who are currently working in microcredit programs (i.e., volunteers, development workers and field staff in the targeted township).

3.2 Sampling strategy for targeted township and villages

Regarding the targeted area for field data collection, it is found out that there is no active project township in Magway Region (all are already phased out), no Shae Thot project townships in Mandalay Region (all are Swan Yi project townships) and most of the project townships are already phased out in the lower part of Sagaing Region. Therefore, Budalin Township which is currently active in the lower part of Sagaing Region under Dry zone area where Shae Thot (the way forward) project is being implemented, is chosen purposively for field data collection.

Data collection took place in rural areas (village level). To choose the villages, consultations were made with personnel from Pact INGO head office, field staff of targeted township, and with volunteers in the villages. In Budalin Township, there are 90 active project villages with 185 saving groups currently implemented under the Shae Thot project. The field staff divided these villages into three levels (strong, medium and weak) according to the current field implementation. According to the time limitation of the researcher, two villages from each level (total 6 villages) were selected purposively during the initial meeting with project staff.

In general, three rounds of data collections were conducted based on the respondents in the selected 6 villages. The first round of data collection were focus group discussions where all members of a saving group participated at a time. Second were individual in-depth interviews with members of saving groups who received their loan and start-up or extend their business activities. Individual interviews with “dropouts”, women who took out loans before but stopped taking loans for different reasons, are also conducted. Those interviews are not used for comparison, but as a source of information about the challenges for members and the microcredit program. Finally, the third round of data collection were key informant interviews with field

staff and volunteers in the targeted township mainly to explore the challenges and obtain opinions/suggestions for current activities. In this study, the women who have been participating in the saving group for at least one year are included to assure a valid impact measurement and enable comparisons between their situation and the situation of women before and after participating in the saving group.

3.3 Sampling strategy for participants in Focus Group Discussions and In-Depth Interviews

The field staff and volunteers contacted the leaders of saving groups in targeted villages a few days prior to the activities and the leaders gathered the women members who were available for group interviews (Focus Group Discussions). First, the researcher explained the purpose of the study and related activities to all the participants. Then, the group interviews were conducted by the researcher and facilitator by using a set of guide questions (please see the Appendix A). The focus group participants provided information about the background of the saving groups and social relationships within groups. For the individual in-depth interviews, the participants from focus group discussions were sampled by identifying those who took loans from their saving groups (at least once) and are willing to share their time for individual interviews. One woman leader or ordinary member of each group in targeted villages and two or more women from some villages with only one saving group were chosen for in-depth interviews. The researcher and the facilitator conducted the interviews by using an interview questionnaire (please see the Appendix B). These individuals provided information especially about their businesses, perceptions, and changes before and after access to microcredits.

After the in-depth interviews with current, female members, the interviews with 'dropouts' were conducted. Leaders of each group in targeted villages helped in finding the dropouts for interviews. In some villages, it was not easy to find dropouts since they are rare and were not available on that day because of their busy schedule. Dropouts from three of the six villages were interviewed for their reasons of dropouts and for the different situations of being a member and non-member (please see the Appendix C for questionnaire for dropouts).

After all village level activities had taken place, the interviews with key informants (current WORTH trainers and volunteers) were conducted using another questionnaire (please see the Appendix D) to explore the challenges of project implementation and suggestions on savings-led approach.

3.4 Ethical issues

For this study, the researcher discussed with the women members of savings groups as well as staff from Pact INGO. Before the process, the consent of each interviewee was obtained in order for them to participate voluntarily in the study. During the process, the objectives of the study were explained to all the informants. Permission was also requested in order to record focus group discussions and individual in-depth interviews. Moreover, the personal data of informants has been maintained with confidentiality, anonymity, and priority as respect to the rights of the informants is essential.

3.5 Study Area

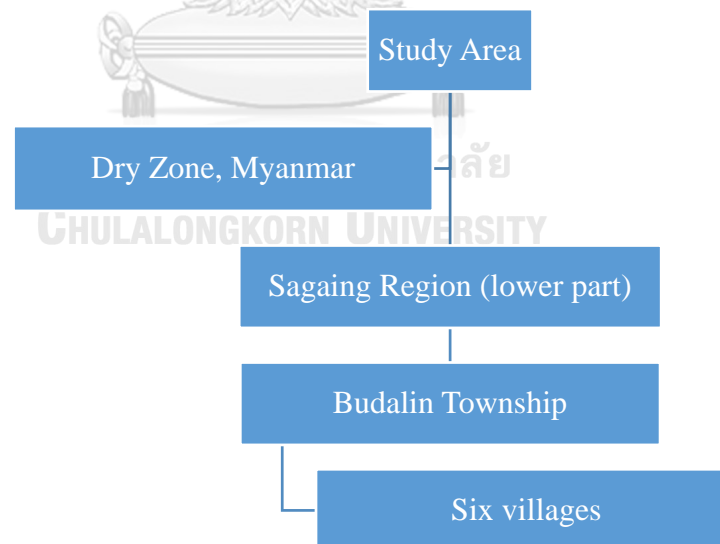


Figure 3.1: Study Area

3.6 Primary data collection

No.	Data collection methods	Data/information obtained	Specification
1	Focus Group Discussion with women members from saving groups	<ul style="list-style-type: none"> - Group forming - General situation of saving and loaning - Knowledge and skills acquired through trainings/workshops - Leadership, decision making and governance - Social relationships, collective actions, contribution to community development - Sustainability and future plans - Challenges and lessons learned 	<ul style="list-style-type: none"> - 6 villages - 14 saving groups - 126 women members - 8 focus group discussions - (each group discussion involves 10-15 members)
2	In-Depth Interviews with individual women members from saving groups	<p>Material Pathway</p> <ul style="list-style-type: none"> - Saving and loaning - Microenterprises - Impacts <p>Cognitive Pathway</p> <ul style="list-style-type: none"> - Knowledge and skills through participation in saving groups - Impacts <p>Perceptual Pathway</p> <ul style="list-style-type: none"> - Self-confidence - Self-esteem - Recognition from others <p>Relational Pathway</p> <ul style="list-style-type: none"> - Leadership role 	<ul style="list-style-type: none"> - 6 villages - 14 saving groups - 21 women members

		<ul style="list-style-type: none"> - Decision making process <p>Main driver/leading pathway to be empowered women</p> <ul style="list-style-type: none"> - Future Plans/visions 	
3	In-Depth Interviews with dropouts members	<ul style="list-style-type: none"> - Problems/constraints within group/group members - Personal problems - Benefits of being the group member - Differences of being a group member and non-group member - Likes and dislikes about the group - Plan to rejoin the group 	<ul style="list-style-type: none"> - 3 villages - 5 saving groups - 8 dropouts
4	Key Informant Interviews with staff and volunteers from Pact INGO	<ul style="list-style-type: none"> - Services offered by Pact - Problems/challenges on trainings/workshops - Problems/challenges on WORTH approach - Challenges for sustainability of saving groups - Challenges of women empowerment - Opinion/suggestions on savings-led microcredit approach 	<ul style="list-style-type: none"> - 3 WORTH trainers - 2 volunteers

Table 3: Primary data collection

3.7 Dry Zone in Myanmar



Figure 3.2: Dry Zone in Myanmar (Source: Myanmar Information Management Unit)

3.8 Profile of the Dry Zone

The Dry Zone is in the central part of Myanmar and covers more than 54,000 km, including 58 townships in majority of Magway Region, the western and central parts of Mandalay Region and lower Sagaing Region) ((MIMU)). Approximately one-quarter of the country's population live in this area. It is a wide, low land area between two hilly regions, the Shan plateau in the East, and the Rakhine Roma (mountain ranges) and Chin Hills in the West (Nyunt, 2010). It is situated in the shadow of the mountain ranges and receives limited rains. Its climate is not consistent, ranging from semi-arid to semi-humid. Irregular and scarce rainfall during the last decade has led to extreme water shortages which threatens the viability of rural livelihoods ((FAO), 2003). Moreover, decreased forest cover and soil erosion has caused increasing risks of localized flash floods during times of heavy rain. The area was affected not only by a series of consecutive years of drought in the past, but also flood in recent years.

Sagaing Region is second widest region in Myanmar, spreading from central Myanmar to the west and northern border area. Its southern part is in the dry zone while the northern part is mostly hilly area. It includes 34 townships, many of which are remote and difficult to access. A number of different ethnic minorities live in the region, but the majority of population in lower part of Sagaing Region is the Bamar people (major ethnic group of Myanmar). Other ethnic groups include Tai Shan, Kachin, Naga, Chin, etc.

Compared to the Lower Myanmar, people who live in upper Myanmar (including Sagaing Region) are more traditional; especially the rural women. They have very limited contact people from outside their region. Their daily life is preoccupied with farming and household chores including fetching water and collecting firewood. The vast majority of the population is Buddhist. Many women only have primary or post-primary education; some are illiterate or semi-literate. Reading is not a usual habit of rural women due to the scarcity of books, the lack of electricity, and their busy daily schedules. Moreover, they do not have exposure or opportunities to receive training that increase their knowledge and skills. Generally, they are content people, but lack a mind for business or vision for the future.

Rural people in Myanmar usually do not have thoughts of improving their economic status; although they may want to own household assets, like television set, motor cycle, etc. However, the majority shares the unique aim to organize a religious related charity event at least once in their lifetime. This event is held to temporarily send their sons to novice life temporarily. These charity events are usually very costly because it takes many days and families are expected to offer meals to all villagers and visitors from other villages. When they have some savings money from years of good climate and crops, families usually spend their money for this local tradition. In addition, they also have to spend money for regular social and traditional events of their relatives and the village in general. Therefore, saving for economic activities is not a usual practice of the villagers.

The government provides agricultural loans to the farmers, but these loans are usually not adequate or not appropriately used. Farmers usually need to borrow money for seedlings, which they get from private moneylenders with very high interest rates. These interest rates are not in money, but in crops. In this set up, the cost of a crop is set based on the lowest price of the year. At the time of harvest, farmers will sell these crops at this low fixed rate to their debt holders. If the harvest were not good, farmers would not be able to pay back their debts and would need to borrow more money to survive the hot season. In this way, many farmers are entrapped in a vicious cycle of debt, and become landless laborers.

The practice of borrowing money started in the British colonial period. The British government brought Indian lenders from the southern part of India to lend money to farmers in order to increase the paddy fields since the price of rice was very high and profitable for the British Rice Companies. Myanmar farmers were persuaded to borrow for farming or organizing religious/traditional charity events. Since many of them were illiterate on legal issues, and did not understand accounting or contract making, a lot of land were taken by the moneylenders.

In recent times, the practice of borrowing has not changed much. There are bad practices of illegal lottery gambling that involve local authorities. The illegal sale of bad quality, locally made alcohol is also very common throughout Myanmar. This has led to many young and middle-aged men to suffer from alcohol addiction, and the lifespan of those men become shorter. Compared to the previous era, the status

and voice of women in rural communities were a little better, due to higher literacy rates, and an increase in the number of educated women, government staff, etc. Although men usually dominate communities, Myanmar culture did not exclude women from economic activities. Evidence showed that providing information, knowledge, training and investment opportunities for women is a really good investment for the development in Myanmar.



3.9 Budalin Township, Monywa District, Sagaing (lower) Region

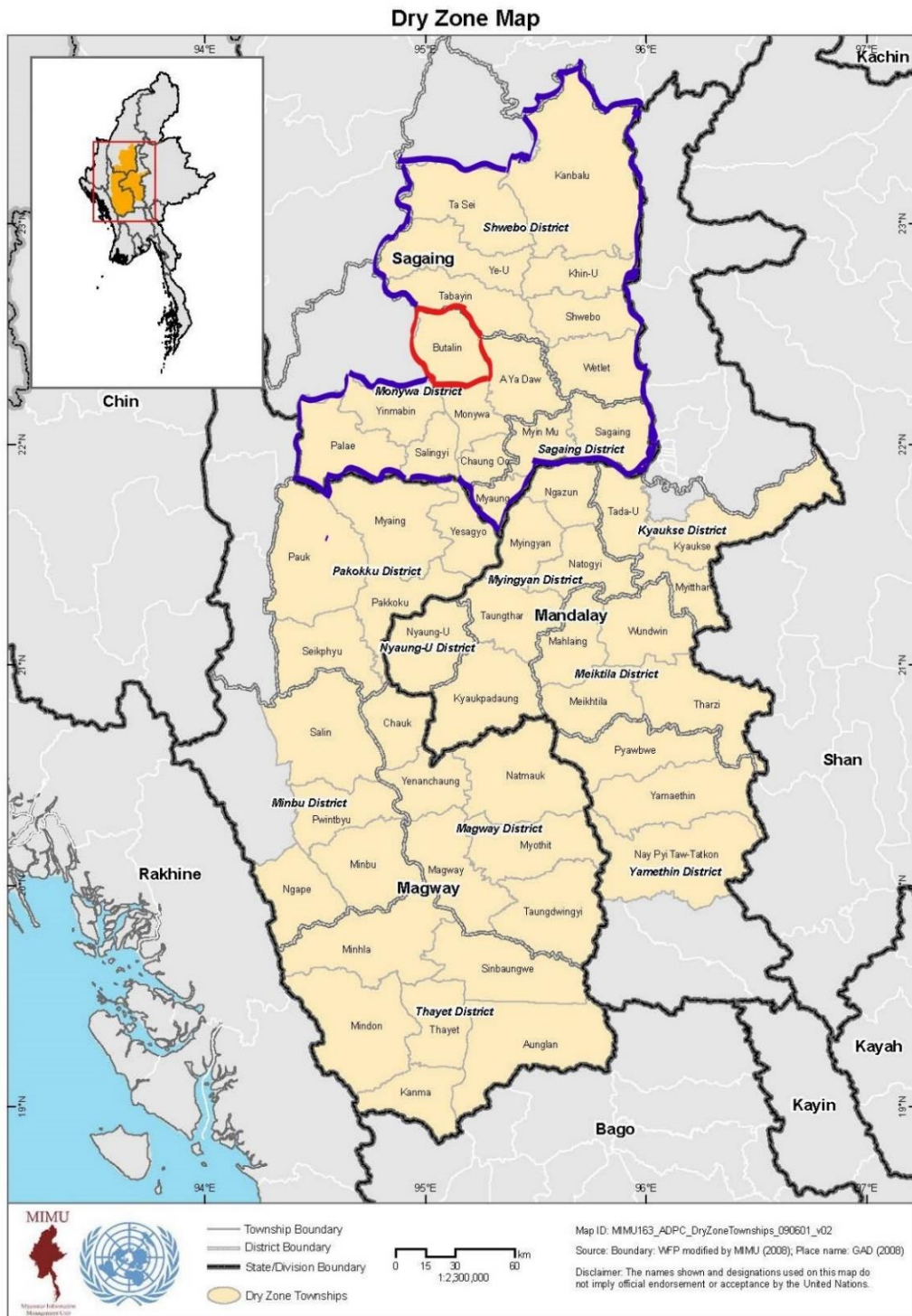


Figure 3.3: Sagaing (lower) Region and Budalin Township in Dry Zone

3.10 Profile of the study area, Budalin Township

Budalin Township is located in Monywa District, Sagaing (lower) Region, inside the Dry Zone of Myanmar. The principal town is Budalin, 36 km from Monywa (major trade center of Sagaing region), 154 km from Mandalay and 750 km from Yangon. The total land area is 413 square kilometers. It has 56 village tracts, 188 villages and 28,616 households. The total population is 123,539 with 55.4% female and 44.6% male. Rural population is 95.8% while urban population is 4.2%. There are 5 high schools, 3 middle schools and 116 primary schools. It has 1 township hospital, 2 station hospitals, 5 rural health centers and 24 sub health centers. In the rural areas, the majority of people are working on agriculture and animal husbandry, while the rest are casual labors. Major crops from the area include sesame, lentils, cotton, pea and beans, sunflower, paddy, corn, maize, etc. The principal mode of transportation between town and villages are village buses, mini vans, trailer jeeps and motorcycles. **Source:** The 2014 Myanmar Population and Housing Census - The Union Report, May 2015.

In 1998, Bronze Age human remains and artifacts were discovered in Budalin Township and there is a museum in Nyaung Kan Village showing some of the artifacts and skeletons. Twin-taung of Budalin is famous for its natural Spirulina, 150 tons of dried Spirulina per year was produced from Twin-taung since 1988, but its yield declined in 2014.

Budalin Township is one of the remote townships of Sagaing Region. Urban population is only 4.2% and majority live in the villages. Women who live in Budalin Township share typical characteristics of women of dry zone (see the profile of dry zone). In addition, women in the area suffer greatly from deeply rooted cultural norms, in-favorable climate of dry zone, water scarcity, and lack of financial resources. These days, internal and cross-border migration is very common, which has led to trafficking and exploitation being widespread due to ignorance and lack of correct migration information and knowledge.

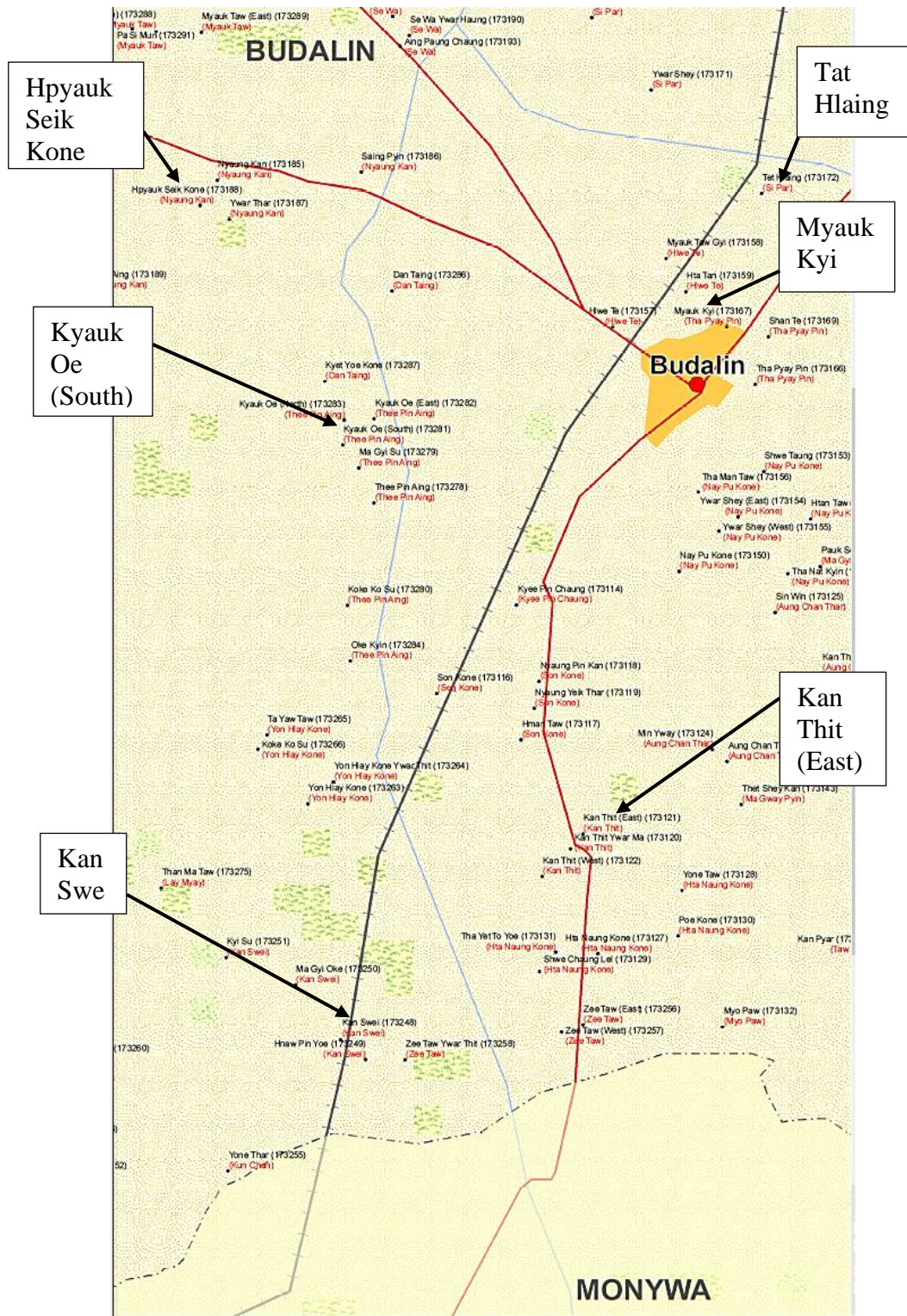


Figure 3.4: Villages in Budalin Township

CHAPTER IV Findings

4.1 Introduction

According to the pathways of empowerment concept in the conceptual framework, access to microcredit (microloans) through savings groups or village banks leads to positive changes in the lives of women. The findings illustrated here are based on the focus group discussions and individual in-depth interviews with women members from fourteen saving groups which were conducted in six villages in Budalin Township, Myanmar. Twenty-one women who are current members and eight dropouts were randomly selected to participate in the in-depth interviews. The following facts are the results of a qualitative data analysis and thus cannot be treated as quantitative data such as impact analysis. (Exchange rate 1 US\$ = 1350 Myanmar Kyats-Ks) (One lakh = 100,000 Myanmar Kyats)

4.2 Village 1: Myauk Kyi Village, Tha Pyay Pin Village Tract, Budalin Township

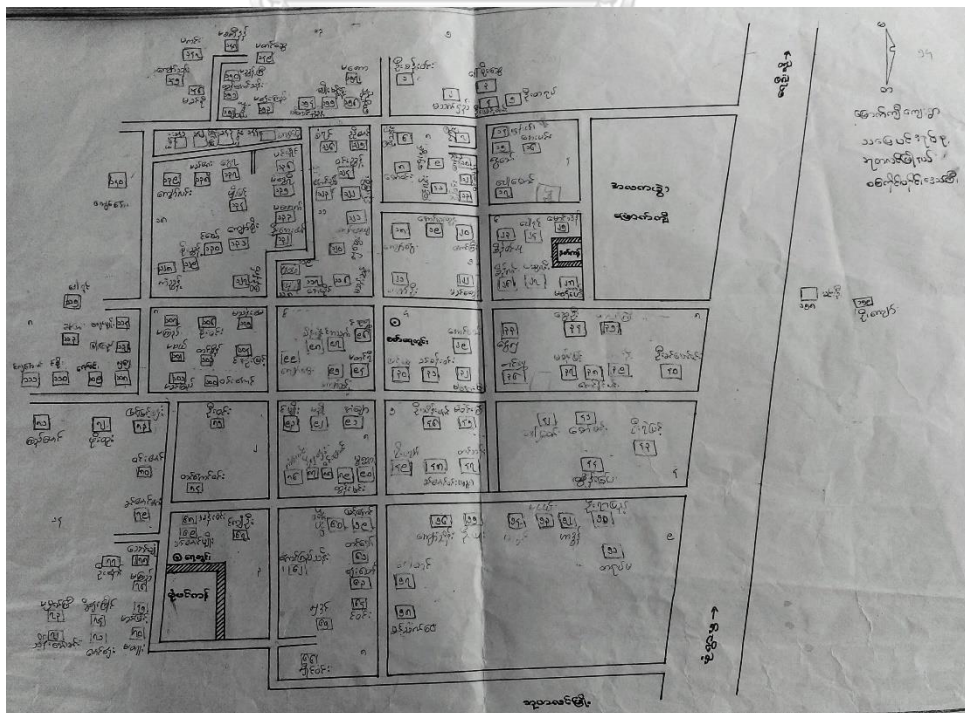


Figure 4.1 Myauk Kyi Village

4.2.1 Background of saving groups

Myauk Kyi village is located in the central part of Budalin Township and has around 160 households. Community orientation workshops were conducted in this village to form saving groups in 2014, the first year of the Shae Thot project period. At that time, village women were not interested in forming savings groups and this village was listed as a dropout village. In 2015, impact sharing workshops were conducted and women from both project villages and failure villages are invited to join. Women got a chance to meet with women leaders of savings groups and heard about success stories. After that, the women in this village realized the benefits and put their best effort to form saving groups. They received induction trainings from Pact Myanmar and formed three groups initially. In 2016, two new groups were replicated and one leader of a former group led the formation of new groups. Currently, there are five savings groups; namely, Shwe Sandar, Ngwe Sandar, Sein Sandar, Mya Sandar, and La Sandar.

The weekly mandatory savings amount is set as 500 Ks for all groups and most of the members contribute high amounts of voluntary saving. It is found that some members contribute one lakh as a voluntary saving. Weekly repayment is done with a 3% interest rate for loans during a 6-month banking cycle. Even no balance is left in the cash box after providing loans to members. Loans are usually taken for agriculture or to fund children's education (tuition fees). Although they formed the savings groups later than other villages, the total group fund of each group reached up to 20 lakhs, and achieved a 100 percent repayment rate.

4.2.2 Business activities of women

Business activities include seasonal agriculture (betel, tomato, chili, and garlic), animal husbandry (pig), selling of agricultural products, traditional snacks, groceries, and dried food items (some women have a small shop at home). It is found that there are many women with sales-focused businesses and a high amount of loans are demanded to extend their business. Since women can earn regular income from consistent selling, they can repay their loans on a weekly schedule and also contribute

a high amount of voluntary savings. They also receive recognition from the community for successful women-led microenterprises.



Figure 4.2: Woman with selling business (agricultural products)

4.2.3 Leadership, decision making and governance

Four management committee members (chairman, treasurer, secretary and monitor) organize weekly banking meetings with all members and make justifications for providing loans based on priorities. During the first week of banking cycle, the total group fund is divided by the number of members who want to get loans. Members can get equal amount of loans. Four leaders carry out the decision-making process. Fine fees are imposed on latecomers, absences on weekly banking meetings and late repayments. In their first banking cycle, there were some dropout of members. However, they realized the benefits later and rejoined the group. Leaders used good communication skills (patience, kindness) to encourage the village women who did not trust to save money.

4.2.4 Social relationships, collective actions and contribution to community activities

Group members have close relationships, and personal issues/problems are discussed among members during weekly banking meetings. At the end of every 6-month banking cycle, they donate money to the village maternal and child health group (also called Village Health Development Fund) from shared dividends (group interest). Sometimes, they donate fried noodles to children who were attending Dhamma School. They also initiate an environment sanitation activity in the village by cleaning the school compound and other places in the community.

4.2.5 Sustainability and challenges

The women believe that unity, trust, commitment, fair and justice among leaders and members are core principles in which to become a successful village with 5 savings groups. Moreover, weekly repayment practices and increased voluntary savings to ensure active lending in saving groups became key features of stronger saving groups. Leaders emphasize the transparency of cash money since they do not have a cash box with three locks to keep the money. Their future plan is to establish a group business like a clothing and accessories business.

4.3 Village 2: Tat Hlaing Village, Si Par Village tract, Budalin Township

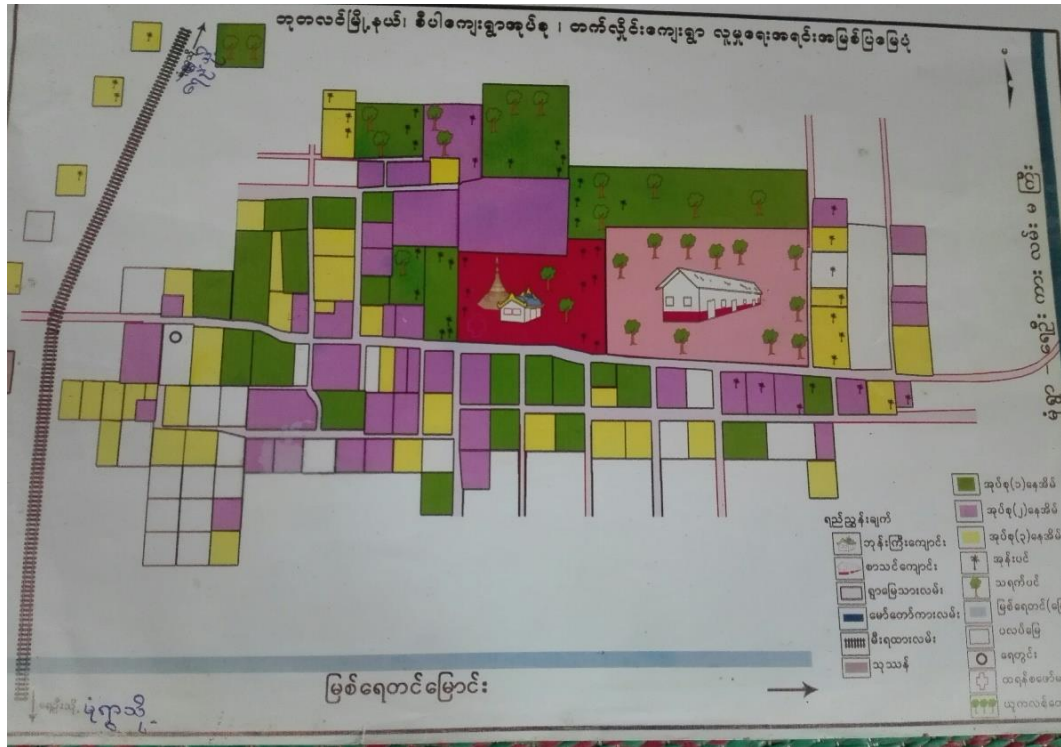


Figure 4.3: Tat Hlaing Village

4.3.1 Background of saving groups

The village of Tat Hlaing is located in the central part of Budalin Township and has around 120 households. Only one saving group called Nay La was formed in 2014, but a new group, Shwe Nadi Hlaing, is replicated in 2016. The savings groups’ weekly mandatory savings amount is 500 Ks and both of their weekly and monthly loans repayment at a 3% interest rate during 6-month banking cycle. The women in this village take loans for business, children’s education, and health-related emergencies. The total group fund of Nay La is around 30 lakhs, while Shwe Nadi Hlaing is at 15 lakhs. Both groups have a 100 percent repayment rate.

4.3.2 Business activities of women

The business activities of women in this village include seasonal agriculture (pea, betel, and banana), animal husbandry (cow and pig), selling business (groceries,

dried food stuff, snacks, and soft drinks) and tailoring. It was found that women conduct sales in many ways (street hawkers, selling with bicycle and small shop at home). After participating in saving groups, women became interested to start business activities since they can get loans with low interest rates easily and were able to repay with weekly or monthly installments. Moreover, some women extended their current businesses as they can invest more than before.



Figure 4.4: Selling business with bicycle

4.3.3 Leadership, decision-making and governance

An empowerment worker (a volunteer from Pact Myanmar) led the formation of the new group since she lives in this village. In the first week of the banking cycle,

four leaders divided the total group fund equally for loans and each member received a share amount. Leaders make the decisions together and fines are posed for late repayments (1000 Ks for one day late repayment). Leaders always give good explanations for any inquiries about the accounts (savings, loaning, group interest and donation). Leaders also have their members' trust since they are family-oriented and proficient in the accounting of saving groups. As a result, other women in the village also want to join the savings groups.

4.3.4 Effects of male involvement in saving groups

One male leader and three male ordinary members were found in both saving groups. The male leader participated in the savings group as an ordinary member instead of his wife since the group's formation in 2014 due to the wife's on frequent travelling (at the time of research his wife had already passed away). His intention is to save money rather than to take loans, and contribute high amount of voluntary savings. Last year, one of the female leaders (Monitor) handed over the leading role to him since he can handle the accounts and participated actively on group matters.

One of the male members is a father of the female leader; he entered the saving group in order to save money after the total group fund increased. Another male member also joined the savings group and his intention is to save money only. He lives with his mother in that village and his wife lives in Yangon (lower part of Myanmar). The third male member attended the induction trainings during the initial period since his wife was busy with chores at home. Since then, he participated in the savings groups instead of his wife in order to save and loan money. His wife let him attend weekly meetings since she is a dependent housewife and does not understand the saving, loaning, and group activities.

It is found out that male involvement in saving groups is a rare case in targeted villages and their intention is to save money only. These male members are proactive for savings in weekly meeting since they are not busy at home compared to women. Men do not participate in the group social activities and do not influence the decision making of female leaders. Both economically and socially empowered

women are seen in this village and empowerment is not affected by male involvement in the saving groups.



Figure 4.5: Weekly banking meeting

4.3.5 Social relationships, collective actions and contribution to community activities

The interviews found that the members from both groups had close relationships with each other and that personal issues and problems were discussed during weekly banking meetings. The group regularly donates around 10,000 Ks from the group interest to the Village Health Development Fund (VHDF) at the end of 6-month closing cycle. They also donate chairs for the village and contributed to village road construction and labor in collecting rubbish in the village as group activity. Their future group plans are to open a health clinic for the village and to buy a car for charity and health emergencies.

4.3.6 Sustainability and challenges

Some members withdrew the voluntary saving during the 6-month banking cycle and they are not satisfied for not receiving the shared dividends as expected at the end of the banking cycle. It can be seen that some members did not understand the rules of savings and shared dividends which is complicated. There were also some dropout members who live far from the village area and forgot to deposit weekly savings. The common reasons for dropping out was because the weekly banking meetings are difficult to attend and they do not fully understand the benefits of savings. The main challenge for both groups is that there are some members who never contribute to the voluntary savings since they do not understand the benefits.



4.4.1 Background of saving groups

Kan Swel village is located in the southernmost part of Budalin Township and has around 100 households. Two savings groups, the Shwe Myint Mo and the Ngwe Myint Mo, were formed just after the community orientation workshop in 2014. The weekly mandatory savings amount of both groups is 500 Ks and the majority of their members contribute high amounts of voluntary savings. Interestingly, some members contribute 5 lakhs as a voluntary saving. Weekly loans repayment has a 3% interest rate during the 6-month banking cycle. Reasons for taking loans are for business, children's education, and health. Both group's repayment rate is at one hundred percent. Although there are only two groups, the number of members in each group is around 40 (more than recommended) and the number of women who want to join is still increasing. It is remarkable that the total group fund of Shwe Myint Mo is around 100 lakhs and another group Ngwe Myint Mo has around 30 lakhs.

4.4.2 Business activities of women

The main business activities of women group members are agriculture (tomato, pea, cucumber, and chili); animal husbandry (sheep, goat, cow, pig and chicken); selling groceries, dried food stuff and snacks, and agricultural products to the nearest town. Women with sales businesses can contribute higher amounts of voluntary savings and they are also reliable for weekly repayments. The challenges mentioned by women with business activities are:

- They have limited time at home for children and household chores;
- They have no time to contribute in community activities;
- Most of their money is used to invest in the business and sometimes they found it difficult to contribute money in social events (donation in some cases with fixed amount);
- They are concerned with home security since they have to go outside of village for business activities.



Figure 4.7: Woman with selling businesses (small shop at home)

4.4.3 Leadership, decision-making, and governance

During the agricultural season, there were many members who requested loans so the leaders divided the group fund equally to give out loans. Leaders practice loan priorities based on issues such as business, children's education, and health. Four leaders make decisions together for providing loans and implement strict rules and regulations including having a personal collateral list with signs (motorcycle, sheep, pig, gold necklace, gold ring etc.) and debtors' agreement for taking loans with signatures from all members. Fines for latecomers or absences on weekly banking meeting are imposed. The four leaders use a cash box with three locks (three keys are with three leaders and cash box is at one leader's house) for transparency. Leaders discussed with any members who wanted to quit and explained the pros and cons. Cooperation activities between the two savings groups were also found such as checking on each group's accounts.

4.4.4 Social relationships, collective actions and contribution to community activities

Close relationships among members were found, and personal issues or problems such as issues between families or children were discussed among members during the weekly banking meetings. Each member can also ask advice from other members during these meetings. They also discuss about community issues and set up action plans in order to address these issues. Examples of these issues or priorities include getting electricity by 2020 and building a religious building in the village. Regular donations were made to the maternal and child health group in the village (20,000 Ks) from shared dividends (group interest) at the end of every 6-month banking cycle. They also donate porridge for school children as well as 50,000 Ks for road construction in the village. Their future group activities include purchasing a mobile booth (made with steel) for ceremonies and opening a health clinic and library in the village.

4.4.5 Sustainability and challenges

According to the members, trust, unity, discipline (following rules and regulations), understanding among leaders, and involving women members with interest to save and do business with loans, were important factors in becoming a successful savings group. They also surmise that weekly repayment practices and increased voluntary savings to ensure active lending in the saving groups can ensure the group's sustainability. The main challenge for sustainability is the handover process of leaders. There are around 40 members in each group both with increasing memberships. Although new savings groups should be formed in the village, no leaders are available to lead the new group.

4.5 Village 4: Kan Thit (East) Village, Kan Thit Village tract, Budalin Township

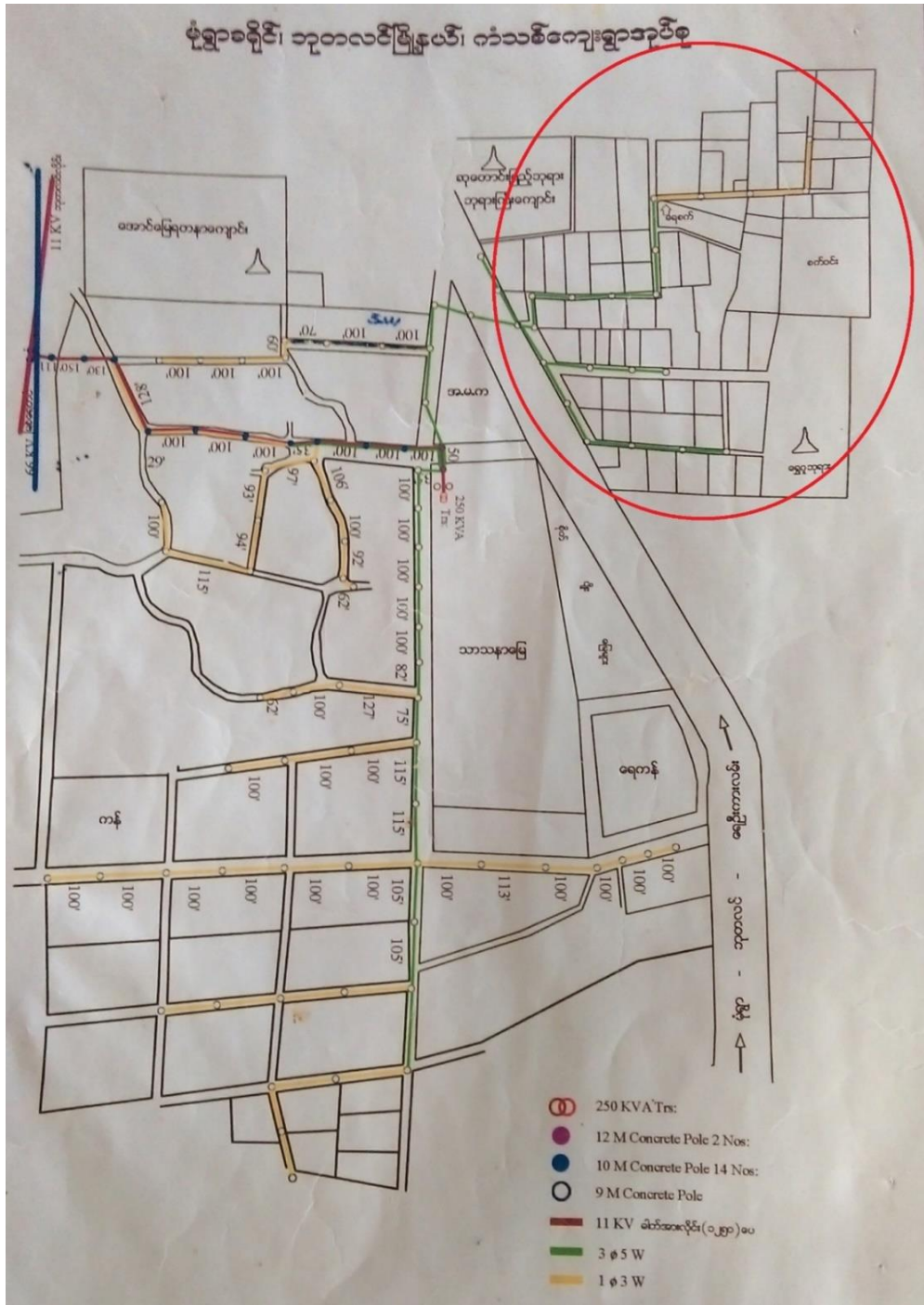


Figure 4.8: Kan Thit (East) Village

4.5.1 Background of saving group

The Kan Thit village is located in the southern part of Budalin Township and has around 60 households. Only one saving group, the Linn Yaung Chi, is formed after the community orientation workshop in 2014. Their weekly mandatory saving amount is 200 Ks and the maximum voluntary saving amount is 1,500 Ks. Monthly loans repayment have a 3% interest rate. The common reasons to loan include for purchasing seeds and fertilizers for agriculture (onion, cotton), for selling snacks, dried food, capital for weaving clothes, funding children's education, (books, boarding school) and health-related emergencies. Repayment is at 100 percent and the total group fund is 8 lakhs.



Figure 4.9: Woman as a street hawker

4.5.2 Leadership, decision-making, and governance

In the first week of the banking cycle, the total group fund was divided between the number of members who want to get loans and so that each member can get same amount of loans. Leaders highly prioritize education and health for giving

out loans. Four leaders make decisions together and there are no fines imposed in the group. Members receive a limited amount of loans despite having many members who want to receive higher amounts of loans to start or extend their business. However, the group cannot provide because of limited group fund (8 lakhs only).

4.5.3 Social relationships, collective actions, and contribution to community activities

Close relationships and understanding among members were found in this group and personal issues or problems involving family issues were discussed among members during weekly banking meetings. The group contributes to the maternal and child health group in the village from their shared dividends (group interest) at the end of every 6-month banking cycle. Sometimes, members help out with labor for village ceremonies. Their future plans include donating a water tank to the village.

4.5.4 Sustainability and challenges

The main challenges determined by this group include having low voluntary savings per member, a limited amount of loans, a limited total group fund, and a monthly repayment practice. However, most members do seasonal agriculture and do not have enough daily income to save so they prefer a monthly loan repayment scheme. Another reason for the difficulty in saving more money is due to the compulsory social contributions in the village events including weddings, funerals, charities, etc. Moreover, the village had a bad harvest of their main crop, onion, because of a flood last year. As a result, the onion seeds are not easily available for this year's plantation. It is also found out there are no active/frequent lending activities, which makes the total group fund static. There are also members who have dropped out from the group because of busy schedules and inability to make enough time for weekly banking meetings.

4.6 Village 5: Kyauk Oe (South) Village, Thii Pin Eine Village Tract, Budalin Township



Figure 4.10: Kyauk Oh (South) Village

4.6.1 Background of saving groups

Kyauk Oh village is located in the central part of Budalin Township and has around 100 households. Three saving groups, Shwe War Win, Aung Myin Thu, and Sein Yadanar, were formed after the community orientation workshop in 2014. Two groups (Aung Myin Thu and Shwe War Win) have a weekly mandatory saving amount of 500 Ks and their maximum voluntary saving amount is 80,000 Ks. Another group (Sein Yadanar) saves 1,000 Ks per week per member and members of that group do not practice voluntary savings. Monthly loan repayments have a 3% interest rate during a 6-month banking cycle in all groups. In one group, a bi-monthly repayment is practiced for some members to suit their needs. The main reason for taking loans is to purchase fertilizer for agricultural businesses. A majority of the members in all savings groups are single and there is no category of loans for children, such as children’s education or health. The repayment rate for all groups is at one hundred percent and the total group fund is between 30-40 lakhs for each group.



Figure 4.11: Current situation of 'Aung Myin Thu' saving group

4.6.2 Business activities of women

Most of the women do traditional agricultural businesses (peas, chili, corn, sunflower, and sesame) but face difficulties in finding casual labor for agriculture

and suffer from bad weather. There is also a tailoring (blouse and underwear) business in the village but no sales businesses. The women identified the following challenges in selling products within the village:

- Villagers can go to the nearest town by motorcycle easily to buy the goods as the village is not in a remote area;
- There are some strangers who come to the village and sell goods;
- There were some women who did sales as trial in the village, but villages did not buy with cash, only with credit. As a result, women found it difficult to invest more money on a sales business for a longer period.

4.6.3 Leadership, decision-making, and governance

In the first year of the savings groups, a lottery system was practiced to take loans since there were no members who were willing to take loans. Some members had to take loans without actually wanting to which resulted in and some members dropping out because they did not like the system. Nowadays, members who want to receive loans are increasing. The four leaders make the decisions together according to identified issues. There are no fines imposed in the group and leaders practice flexible rules and regulations (understanding, tolerance) for members according to their needs. Leaders practice transparency by showing all the cash money in front of all members and explaining the income, expense (donation), and balance to all members when closing the 6-month banking cycle. Some dropouts rejoined the group later after they realized the group's purpose, which then increased the group fund and resulted in the successful situations of the savings groups.

4.6.4 Social relationships, collective actions, and contribution to community activities

Close relationships among members were found and personal issues or problems are discussed among members during weekly banking meetings. Members can also ask advice from other members. Regular donations to maternal and child health group in the village (5,000 Ks) from shared dividends (group interest) at the end of every 6-month banking cycle were made. Sometimes, they also donated

nutritional food to schoolchildren. Two saving groups donated Kyay Si and Lin Kwin (for religious purpose which cost 3.5 lakhs) for the village. There are also group activities like cleaning the monastery and reading Buddha doctrines together. Their future group activities include buying trailer jeeps as a group asset, buying Kun Taung and Pan taung (stuff for ceremony of entering novice life) to hire in village ceremonies, and buying a mobile booth to hire for ceremonies and group businesses.

4.6.5 Sustainability and challenges

Women identified unity, trust, mutual understanding, proper accounting, and good leadership skills (patience and tolerance) as key factors to strengthening savings groups. As for challenges, women have no daily income for weekly repayment since a majority of them only earn from farming because quick revenue-generating activities like sales is very rare in the village. The common reasons for dropping out include the lottery system for taking loans, difficulties to contribute to weekly mandatory savings, lack of interest in saving, lack of understanding on the purpose of a savings group, and lack of time to attend weekly banking meetings (busy at home).



Figure 4.12: Women leaders of saving group

Khine Mar remained. The group's weekly mandatory savings amount is 500 Ks and monthly loan repayment has a 4% interest rate. Reasons for loans include agriculture (banana, peas, wheat and sunflower), animal husbandry (pig), sales business (stuff, snacks, and fruits), service business (laundry, rolling cheroots) and children's education. The repayment rate is at one hundred percent and the total group fund is around 12 lakhs.



Figure 4.14: Woman with an agriculture business

4.7.2 Leadership, decision-making, and governance

Leaders open the cash box with three locks only at weekly banking meetings which is held on every Saturday and there is no loaning in other days (except for health-related emergencies). Four leaders make joint-decisions and there are no fines imposed in the group. They practice transparency and clear communication among members and find the solutions through group efforts (cooperation) when facing difficulties. Members did not have any voluntary savings in the first year of the saving group because they did not understand about the benefits of voluntary savings. After the first banking cycle, however, members realized the benefits of voluntary savings thus amounts have increased since then.

4.7.3 Social relationships, collective actions, and contribution to community activities

During weekly banking meetings, women members discussed about personal and community issues, which have contributed to the development of close relationships among members. The groups donate to the maternal and child health group in the village from shared dividends (group interest) at the end of every 6-month banking cycle. They also donate tables for village ceremonies after closing the first banking cycle. Sometimes, they donate nutritional food for schoolchildren.

4.7.4 Sustainability and challenges

Mutual trust is achieved via clear communication among leaders and members and no financial problem/mistakes in saving and loaning led the sustainability of this village's savings group. There were no dropout members and the number of women who want to join the savings group continues to increase. However, the lending status is not active in the savings group due to the monthly repayment schedule and the lack of strict rules and regulations for repayment. The main challenge for this group is that all members withdrew the savings and shared dividend at the end of every 6-month banking cycle so the total group fund is not increasing.

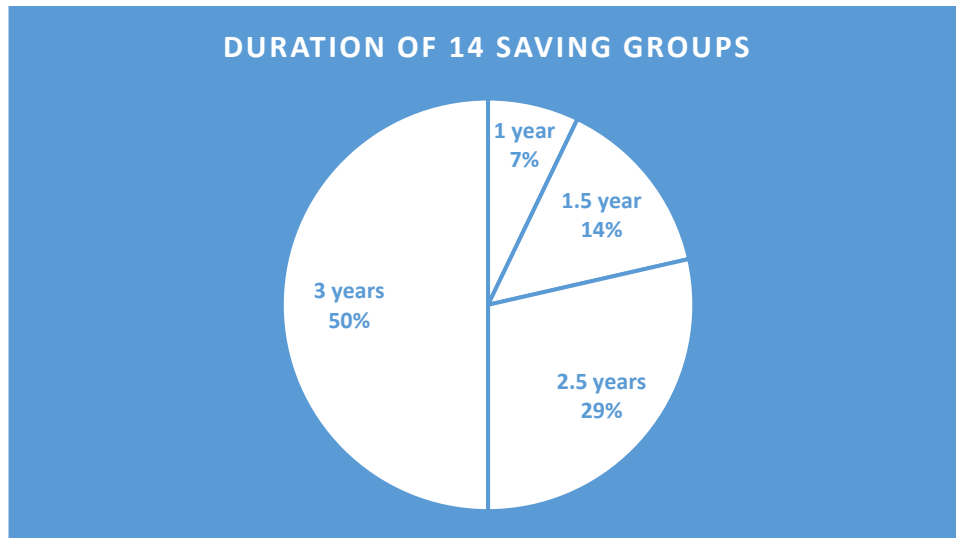


Figure 4.15: Duration of saving groups

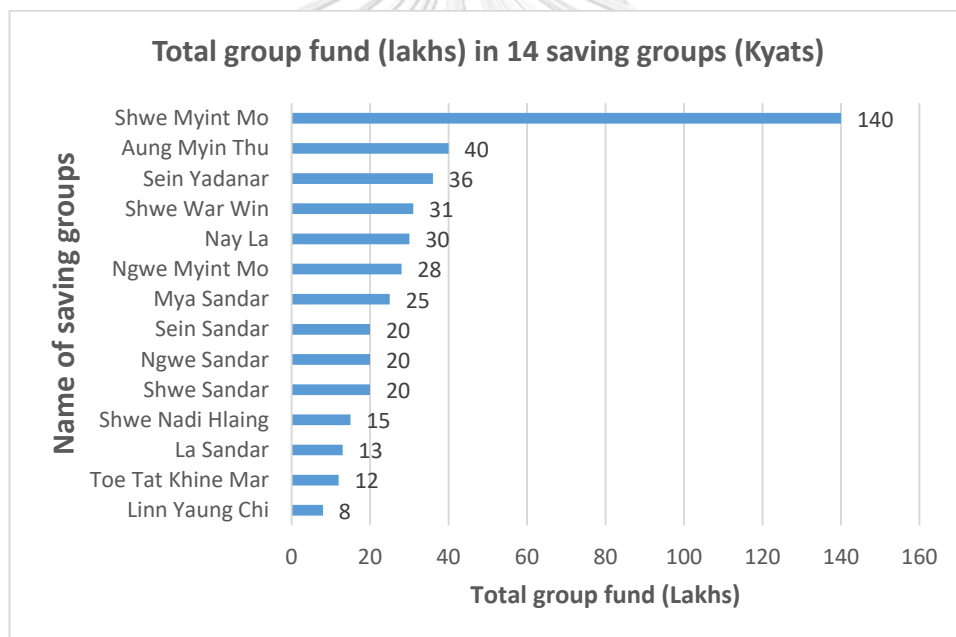


Figure 4.16: Total group fund (lakhs) in saving groups

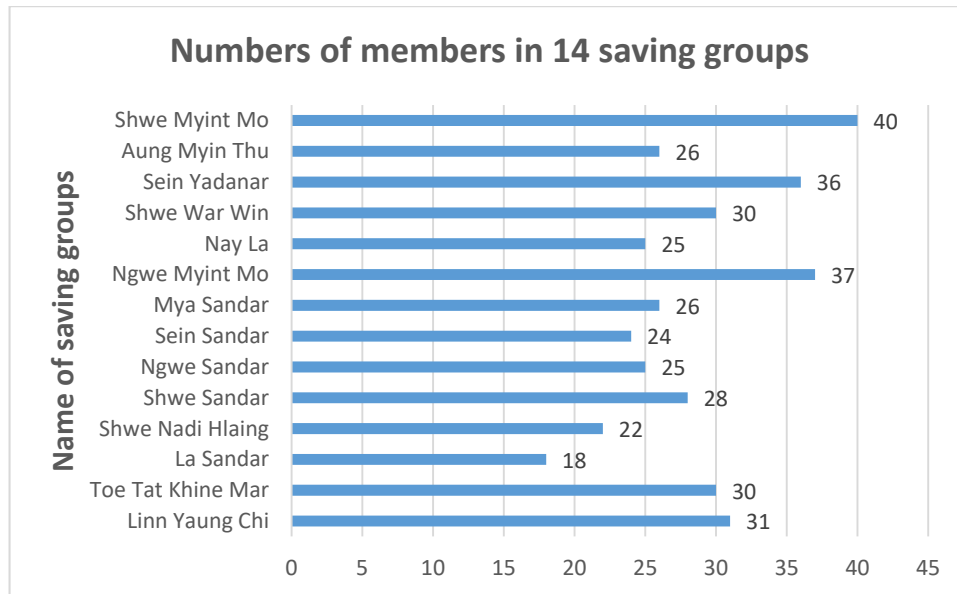


Figure 4.17: Numbers of members in saving groups

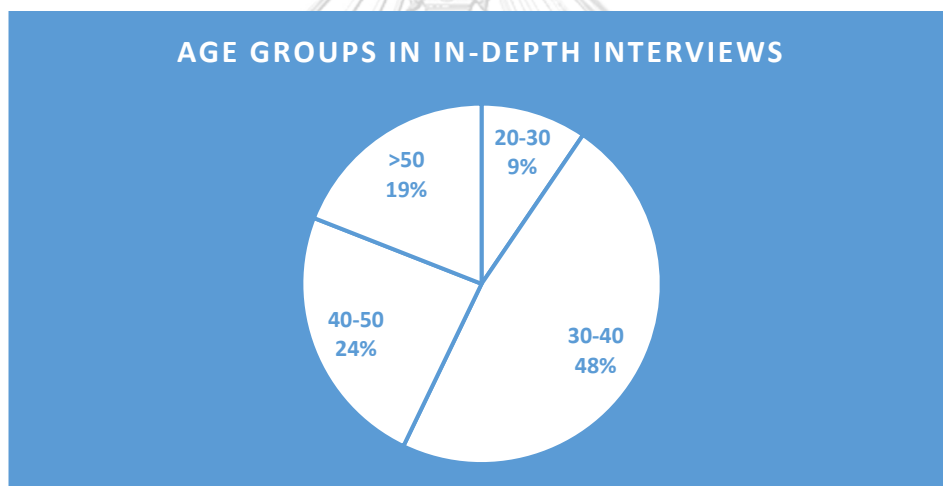


Figure 4.18: Age groups of respondents in In-depth interviews

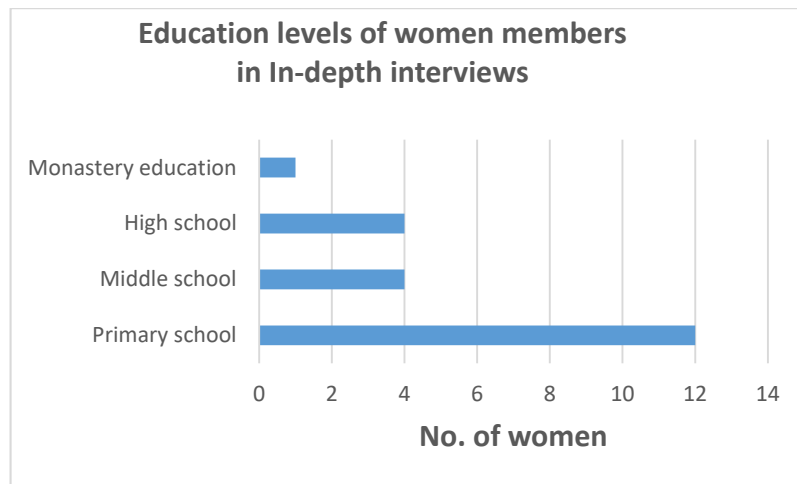


Figure 4.19: Education levels of women members in In-depth interviews

4.8 Material pathway

The first assumption is that access to microcredit (microloans) would affect the changes of women's lives through the material pathway. Changes include access to material resources, starting/expanding business activities through loans, increase in income level, ownership of household assets, and fulfillment of the basic needs of the family. It is obvious that access to credits has a significant effect in women's access to financial resources and this material pathway is a starting point for women to be empowered. In this study, (i) their saving status, (ii) loan frequency, (iii) reasons for taking the loans, (iv) types of microenterprises established with loans and (v) changes after access to microcredit are explored under the material pathway.

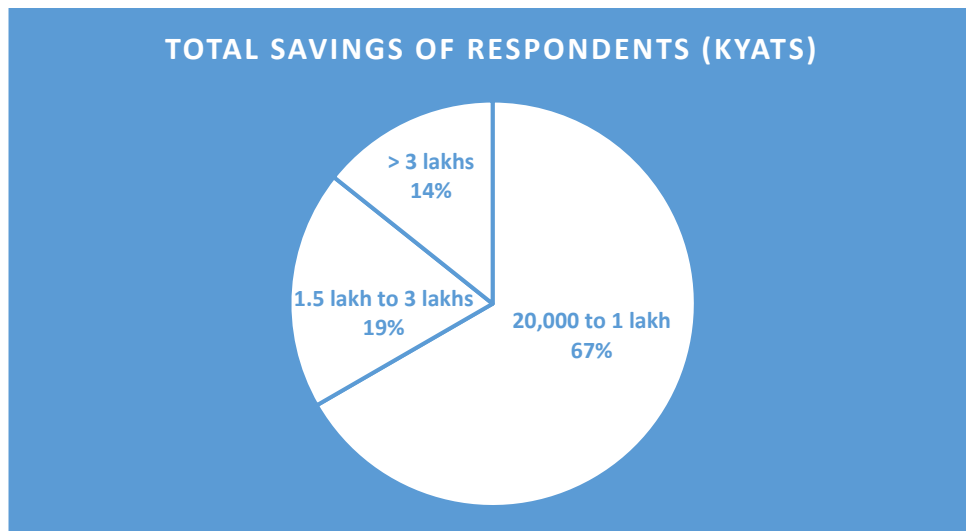


Figure 4.20: Total savings of respondents in In-depth interviews

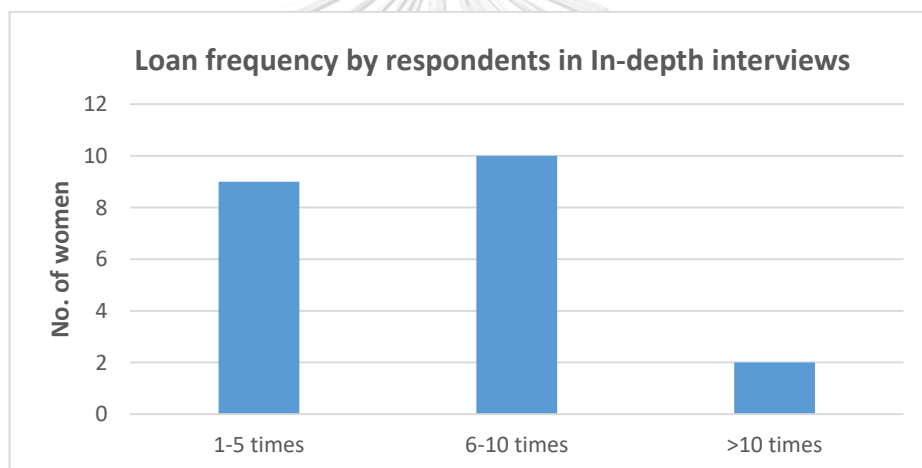


Figure 4.21: Loan frequency by respondents in In-depth interviews

Almost all women in the study say that they have increased their voluntary savings compared to the initial period of the savings group. The minimum amount of savings per individual member is 20,000 Ks and the maximum amount is 500,000 Ks. The reason for the increase in savings is because of their business expansion through loans. The loan amounts vary since they depend on the total group fund of each group.

All of the women in the study take loans and had clear reasons for taking loans. The most common purpose is for their business activities. Almost all women in the study expanded their microenterprises. Business activities include expansion of livestock, purchasing more food supplies for animals, purchasing raw materials,

purchasing new and more profitable products to sell, purchasing refrigerator for storing products of selling, purchasing pesticides, fertilizers, seeds and tools for agriculture, daily labor charges for agriculture, and building a small food shop.

7 out of 21 women also responded that their purpose for taking loans is to fund the education of their sibling, children, or grandchildren. Three women mentioned health as a reason for taking loans.

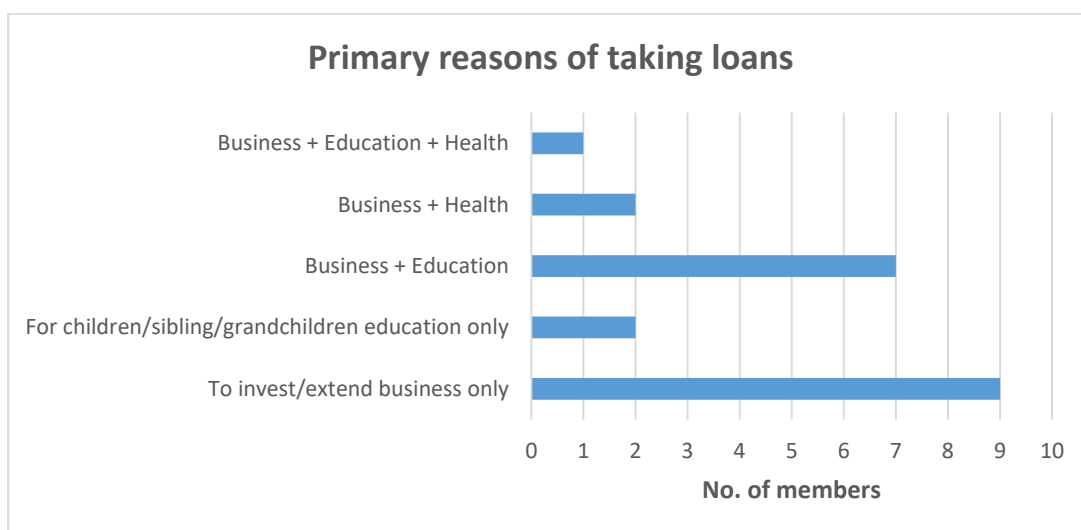


Figure 4.22: Primary reasons of taking loans

No	Type of businesses	No. of women
1	Agriculture + selling the products (pea, sunflower, sesame, tomato, chili, onion, cucumber, banana)	7
2	Animal husbandry (cow, pig)	2
3	Selling the snacks (spring rolls, traditional snack)	2
4	Selling dried food stuff, soft drinks, clothes, medicine	5
5	Selling the groceries (vegetables, beef, fish)	2
6	Tailoring	2
7	Running small food shop	1

Table 4.1: Overview of business activities by women since joining saving groups

“Before saving groups are formed, I sold fresh vegetables at home. I took the loans to expand my business and I went to the nearest town to purchase dried food and sold it in my village. Sometimes, I purchased clothes, household medicine and other things according to the demand of my neighbors and sold to them. One of my dreams is to open a big shop in my village” (39 years old, married, one child, from Kan Swel village)

“In the past, I sold only dried food from home. Since I wanted to gain more profit, I took loans and bought a small refrigerator to sell soft drinks and juice bar. After that, I can buy more rice, oil, and clothes for my family because of the increased daily income from the selling business.” (29 years old, married, three children, from Tat Hlaing village)

In terms of major changes after participation in saving groups and receiving microcredit, 10 out of 21 women responded that their income increased as a result of earning more profit through business expansion. In general, their livelihood status and food security (rice, oil, snack and meat) have improved. Almost half of the interviewees highlighted their ownership of household assets and improved housing (tools for agriculture, TV set, refrigerator, cupboard, rice cooker, mobile phone, bicycle, motorcycle, solar plates, small orchard, gold, house repairs/extensions) and fulfillment of family needs. Four out of 21 respondents mentioned the improved status of their children’s education by affording to send them to private schools and boarding schools. Two out of 21 women reported that she could access better health services these days. Another two members answered that they can settle their debts because of their improved financial status. One woman mentioned about the change in her future plans with her increased amount of savings.

“I had only one pig before. Since I can buy more pig food with loans, I breed three pigs now. Pigs gain weight quite quickly because of good feeding and they can be sold within six months. So I can settle debts and our livelihood status has improved.” (46 years old, married, three children, from Myauk Kyi village)

“First, I sold Myanmar snacks (street hawker) and got 3,500 Ks as daily income. I took loans to expand my business and sold beef and fish at market. Now I earn 7000 Ks per day and bought a TV set at home.” (36 years old, married, one child, from Myauk Kyi village)

4.9 Cognitive pathway

This pathway includes changes in the level of knowledge, skills by women members after participation in saving groups. As the services offered by Pact INGO, a series of induction trainings and workshops are organized during the project period.

- (1) Induction trainings for establishment of saving groups (savings, loaning, sharing dividend);
- (2) Introductory workshop on “How to use Self-Learning Materials” (booklets on ‘Road to Wealth’ and ‘Selling made Simple’ for business activities);
- (3) Mobile workshops (business management skills development, sustainability of groups, market linkage and impact sharing between groups);
- (4) Advanced trainings for management committee members only (financial management, accounting and how to use advanced banking forms);
- (5) Workshops on human rights (trafficking, child labor) and women rights (domestic violence and ownership of household assets).

During the interviews, the most common answers relating to gaining new knowledge and skills are financial literacy (saving, loaning and sharing dividends) and business management skills. Half of the interviewees are management committee members (Chairman, Treasurer, Secretary and Monitor) and have received advanced financial management and accounting training. They emphasized learning advanced calculations using a calculator (8 out of 21 responded) and how to use advanced banking forms (financial statement and balance sheet). One ordinary members answered that she watched what the leaders do with advanced banking forms and learned about accounting by helping them.

Eleven out of 21 interviewees responded that they gained business management skills from reading self-learning booklets. They learned how to start a sales business, the do’s and don’ts in business, how to sell and get more profits, innovative ways of selling (e.g. good packaging), and selling clean food from

‘Selling made simple’ booklets. Six out of 21 emphasized learning how to keep records of their income, expense, donation, and debt from the business skills workshop. Three out of 21 respondents gained financial management skills by attending workshops and reading booklets.

Twenty percent of respondents felt that facts about women rights, women leadership, women ownership of assets, violence against women learned from the workshop are valuable to them. Moreover, 3 out of 21 mentioned that human rights, trafficking, and child labor issues are interest things to know. Four out of 21 women identified teamwork, group management, and working with rules and regulations as new knowledge and skills after participation in saving groups.

“I learned about financial management by reading ‘Selling Made Simple’ booklets and always separate the income, expense and profit in my own business. I gained new knowledge about trafficking (especially about entry and exit points of neighboring countries) from the workshop” (48 years old, single, from Kyauk Oe (South) village)

“As I took the secretary role in the saving group, I had attended advanced financial management training for leaders. I learned about the advanced calculator usage and accounting. Now, I can use calculator very well in my own business also. Moreover, I understood the group management by working with rules and regulations in the saving group” (33 years old, married, from Kan Thit (East) village)

It can be seen that the management committee members (leaders) and ordinary members have different sets of knowledge and skills gained after participation in saving groups. Leaders stressed knowledge on advanced accounting and group management, whereas ordinary members gave importance to learning about financial literacy including how to save money, the benefits of saving, loans and repayment schedules, and sharing dividends. Women mentioned that they did not get a chance to write their names on the paper in the past, but now they are managing accounts using advanced banking forms. This shows that women gained

new knowledge and skills not only through trainings and workshops but also through long-term participation in the savings group itself.

Since almost all interviewees had their own businesses, they were happy to learn about business skills and apply these skills in their own businesses. Most of them are willing to attend more workshops on new business skills. Both leaders and ordinary members mentioned that they are pleased to attend supplementary, non-financial workshops (women rights and human rights).

4.10 Perceptual Pathway

This pathway explores the changes related to women's perceptions for themselves, which includes (i) self-confidence, (ii) self-esteem, (iii) how others perceived them and (iv) how they imagine their future differently. According to the empowerment concept, the ability to envision goals is a key step in the process of empowerment, so their future plans and ambitions are assessed. Moreover, respect and recognition of their family and community are observed in a wider social context. We can see that there is an overlap with other pathways (material, cognitive and relational) when looking at the perceptual pathway from external viewpoints.

First, 12 out of 21 women said that their self-confidence has increased. The reasons for this are related to different pathways, and vary among women. For example, 5 out of 12 women say that being able to lead/participate in saving groups helped them gain confidence (relational pathway); while 4 out of 12 point to increased knowledge and skills (cognitive pathway). Two out of 12 answered that their increased confidence is due to both material success and participation in saving groups. Only one mentioned mobility as a reason. 11 out of 21 say that they became braver and are now able to share their opinions and suggestions in the group and the community—in the past, they were afraid of people and their voice and hands were shaking when the trainer told them to read the handouts during trainings.

Linked pathways	Reasons of increased self-confidence
Material pathway	Financial security, material possession, able to run business successfully
Cognitive pathway	Literacy, knowledgeable (accounting, financial literacy)
Relational pathway	Socialized, able to lead/ participate in saving groups, mobility

Table 4.2: Reasons of increased self-confidence

“I am feeling happy and satisfied because I became proficient in using advanced banking forms in my group. My self-confidence has increased since my knowledge improved and I have realized my dreams with increased savings. Moreover, I got recognition from group members as I can give good advice to them and can manage the group fund successfully.” (32 years old, married, from Kyauk Oe (South) village)

Second, 10 out of 21 women talked about increased self-esteem. These respondents mentioned self-esteem in their own words such as being proud of themselves, self-satisfaction, and realization of self-values. 7 out of 21 said that they feel encouraged and secure of having increased savings and getting loans easily through participation in saving groups. The reasons are also varied and overlapped with other pathways.

Linked pathways	Factors of self-esteem		
	Proud of myself	Self-satisfaction	Realization of self-values
Material pathway	Able to run business successfully	Increased income, material possession, fulfillment of family needs	Able to save money (increased savings)
Cognitive pathway	Leadership, literacy, more intelligent, proficient in accounting	Increased knowledge, proficient in accounting	Improved selling skills in own business
Relational pathway	Improved social skills, teamwork with rules and regulations, able to participate in community activities		

Table 4.3: Factors of self-esteem

“I was illiterate before and now became more intelligent and knowledgeable. So, I am proud of my improved situation. Moreover, I am feeling encouraged and satisfied with participating in the saving group as I can get loans easily and I can expand my animal husbandry business.” (55 years old, married, 5 children, from Tat Hlaing village)

Third, 12 out of 20 answered that they received respect and recognition from family members and community. 8 out of 12 of the women are recognized because of their improved role as leaders in the saving groups. Two out of 12 women answered that the reason for increased respect was their improved livelihood. Another 2 women mentioned their active participation in community groups as a reason. One woman responded that she received respect from group members because she is proficient in accounting and can manage the group’s finances well. Moreover, she received recognition from her husband for her increased savings and the community recognized her as a volunteer leader of the saving group in the village.

Linked pathways	Reasons of receiving respect and recognition from others
Material pathway	Improved livelihood situation, increased savings
Cognitive pathway	Knowledgeable (accounting), leadership skills
Relational pathway	Participation in community groups, group management,

Table 4.4: Reasons of receiving respect and recognition from others

“I am able to talk, explain and discuss the important issues in our group. Villagers recognized me as successful leader and impressed our group situation as the total group fund is now around 100 lakhs. I am proud of my leader role not only in the saving group but also in other community groups.” (26 years old, married, from Kan Swel village)

Women in savings groups are found to have future goals for their family/children, business, saving groups and community. For most of them (10 out of 21), the most important goal is to put their children/grandchildren through school to receive an advanced education, and to hold the religious ceremony for their son/grandson's entering novice life. Other goals include buying various household assets and improving housing (livestock, TV, refrigerator, motorcycle, and build a new house/house repair). Seven out of 21 women have new business goals/ to extend the current one. Both leaders and members (9 out of 21) have long-term plans for the sustainability of their saving groups such as increasing the group fund, improving group unity, handing the practice over to younger generation, and doing group business. Finally, 10 out of 21 highlighted their visions for their villages (electricity, roads, library, religious building, water tank, health clinic and transportation-buy a trailer jeep). The majority of women reported that their goals of increased income, success in business, improved livelihood status are strongly related to their saving groups and savings-led microcredit can help realize most of their dreams.

4.11 Relational Pathway

This pathway investigates changes relating to social interaction such as decision-making, mobility, participation in social networks, and organizational strength. We can see that changes in other pathways affect changes on the relational level. According to the gender relations in Myanmar, male dominated culture is seen in most areas and in this pathway, intra-household relations are important indicators for women's empowerment. For example, women with increased income may lead to increased contributions to their family, causing changes in decision-making processes at home.

Five out of 21 women stated that they began to take major decision-making roles concerning business and home affairs. In some cases, husband and wife make decisions for respective issues and their husband/family members accept their opinions and decisions. The majority of women answered that decision-making is shared between men and for all issues at home, while some of them take a leading role (also for single women who live with parents/siblings). Three women mentioned their mobility since they can travel alone to near towns and also to Yangon (situated in upper Myanmar) to purchase various stuff for their selling business.

“I took the decision-making role for business and children affairs at home. I was selling dried food items at home and extended to sell soft drinks by using loans. My husband is a government staff and he accepted my business ideas, opinions and decisions. I can encourage non-member women to join our saving group by explaining the benefits when they come to my home as customers.” (29 years old, married, 3 children, from Tat Hlaing village)

In addition to intra-household relationships, the relational pathway also captures changes related to the participation in social networks or group memberships as a broader sense. Eleven out of 21 women said they became more social and highlighted their improved communication skills after participating in savings groups. They also emphasized their wider social networks, which is a strong indication that savings groups lead to strong social bonds between women members.

Seven out of 21 women reported that they became leaders not only in the saving groups but also in other community groups like in maternal and child health groups and agricultural groups. One leader shared her experience as follows:

“I was one of the four leaders in the first saving group and gain trust and reliance not only from members but also from non-members. Last year, there were many non-member women who requested me to form and lead a new saving group. At first, there were many challenges to form new group and my husband did not allow me since he was afraid of conflicts with others. However, I put my best effort to replicate the new group and got the trust from my husband and members.” (35 years old, married, 3 children, from Myauk Kyi village)

On organizational strength, 10 out of 21 women stated that they are capable of supporting their groups in order to increase membership, improve group unity, and help problem solving. Ordinary members reported that they could encourage other women to save more and mobilize the members to attend weekly banking meetings. Both leaders and ordinary members identified their cash donations to support village ceremonies and the Village Health Development Fund (VHDF), food donations to school children, and other group activities such as cleaning the public places by collecting rubbish and road construction as successful examples collective actions.

“I always mobilize and gather people at attend weekly banking meetings. Moreover, as I explained the benefits of participation in saving groups to members who want to quit, they realized and changed their decisions. I became socialized in those ways.” (35 years, married, two children, from Hpyauk Seik Kone village)

4.12 Leading pathway to women empowerment

The most important or leading pathway perceived by twenty-one respondents from six villages is as follows:

Leading Pathways	Material pathway	Cognitive Pathway	Perceptual Pathway	Relational pathway	Total
Leaders	1	9		1	11
Ordinary members	4	3	2	1	10
Total	5	12	2	2	21

Table 4.5: Leading pathway by respondents

As shown in the above graph, 12 out of 21 illustrate that the cognitive pathway as the leading pathway to empowerment. This pathway includes increased financial literacy, leadership, and group and business management skills. Among the 12 women, 9 are currently leaders and 3 are ordinary members. Women identified saving, loaning and accounting, forming saving groups with rules and regulations, and expanding the business activities as some of their key takeaways from the workshops. Regarding the skills, women mentioned financial management, business management skills, leadership skills and thinking skills. Some believe that gaining necessary knowledge and skills is the main reason for gaining more confidence, not only to do business activities but also to take leadership roles in saving groups.

“First, gaining new knowledge to form saving groups and to do selling business through trainings and self-learning materials. Then, self-confidence is increased and that is why I can lead our group and also can run my own business.” (48 years old, single, from Kyauk Oe (South) village)

The second most important pathway is material. Six out of 21 (5 ordinary members and 1 leader) answered that increased income and success in business activities via loans are important to fulfill the family needs. They mentioned that they got recognition from others because of their improved livelihood situation. They believe that financial status play an important role in daily lives.

“I think financial security is the most important for me. As the income increase, I can do whatever I want and also fulfill the needs of my children especially for education. I believe I got the status in the community because of my improved situation.” (49 years old, married, 3 children, from Tat Hlaing village)

Two out of 21 (one leader and one ordinary member) pointed to the relational pathway as the main driver for empowerment. Through meeting with people, they gained social skills that help them become better leaders and members in saving groups. They also received recognition from other people for successful participation in community activities and their wider social networks. Two ordinary members reported the perceptual pathway especially self-confidence as the leading pathway to be empowered.

“For Pact, I arranged to form saving groups by gathering people and mobilize to save more and more. Moreover, when officers from UNHABITAT came to our village for water pump, I advocated and showed how villagers collect water. Finally, our village was listed under water project. I received respect and recognition as I contributed for our village development as much as I can.” (63 years old, married, 2 children, from Kan Thit (East) village)

4.13 Dropout members

Main Reasons for dropout	No. of women
Had to take loans without desire and needs (with lottery system)	1
Weekly banking meetings take too long, have to wait other members to join (timewasting, impatient)	
Cannot pay enough time for saving group (busy at home, four children at home)	2
Frequent travelling and no time to attend meetings and save money	3
No enough daily income for weekly mandatory saving 500 Ks (income is used for children food/ have to take care of mother and cannot work)	2

Table 4.6: Main reasons of members drop out

Among eight dropout members from five saving groups, the most common reason for leaving the group is that they do not have enough time to participate in saving groups, especially in the weekly banking meetings. Two out of the 8 women who dropped out reported that they have difficulties saving regularly because of their livelihood. One woman answered that there was a rule for all members to take the loans by lottery system in the initial period of the saving group because there were

no members who want to take loans. Some members who do not want to take out loans assumed that the system was based on unlucky draws. She did not like that rule so she quit. Nowadays, there are more members who want to take loans, so the lottery system has been phased out.

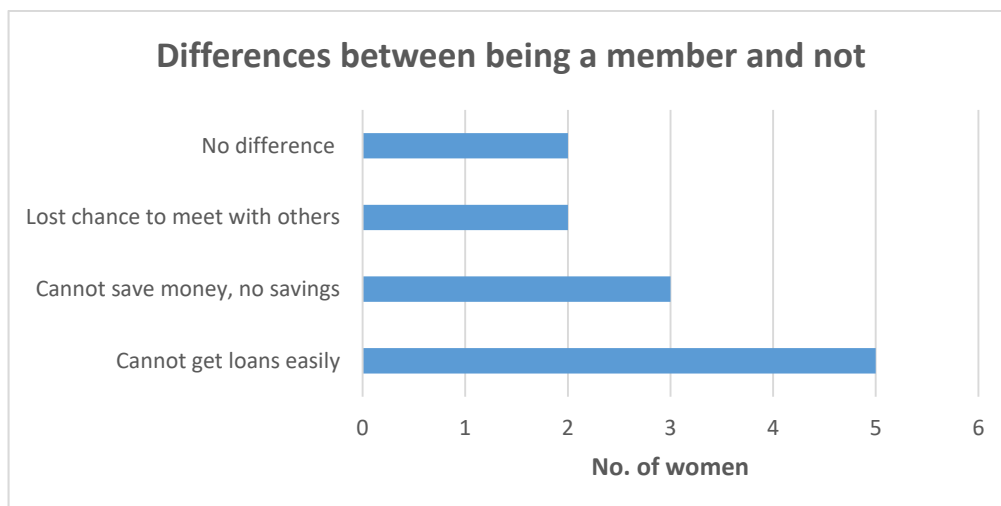


Figure 4.23: Differences between being a member and not

It can be seen that the biggest loss for dropouts is that they cannot get loans easily after leaving the saving groups. Women also pointed to the chance of saving (also voluntary saving if they want to) and receiving shared dividends from their savings as benefits. Some also pointed out that the social benefits of being in a savings group is one of the differences between members and non-members since they were able to meet with women members during weekly meetings, get help from them and solve personal problems with the support from each other.

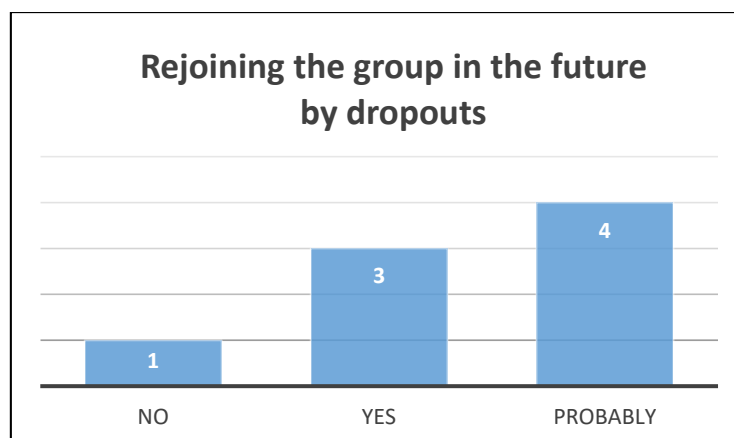


Figure 4.24: Rejoining the group in the future by dropouts

Four out of 8 dropout members answered that they will probably rejoin the saving groups under some conditions such as when their children grow up, when they do not need to travel frequently, and stability in the village.

4.14 Challenges in savings-led microcredit approach and women empowerment

(i) Most of the staff mentioned the time constraints in conducting a series of trainings during the farming season when women are busy with farming. They also mentioned that in the previous years, when mobile phones were not readily available, difficulties were faced in communicating with remote villages to request dates for trainings and activities. Moreover, both trainers and participants found that it was difficult to use advanced calculation methods during the advanced accounting training for leaders since most of the women are semi-literate. Sometimes, night-time trainings are conducted in some villages and participants were not active because they were tired with busy schedule in the day time. To solve these problems, trainers used the appreciative inquiry approach and good facilitation skills such as cheering and humors.

(ii) Regarding WORTH approach, although women are comfortable with weekly savings, they also found the weekly repayment schedule to be difficult. This was especially the case for those who do seasonal farming and do not have a stable source of income. Most of the savings groups changed to a monthly repayment practice to better suit their members' needs. Another challenge is using advanced banking forms in running village banks. Many leaders requested to use fewer forms since they found it difficult to use all eleven forms completely. As a result, many groups simplified the bookkeeping system and reduced the forms.

(iii) The WORTH model encouraged the groups to lend only for business purposes to ensure that borrowers can pay back the loans on time easily. In reality, however, women took loans for a variety of other reasons such as health, education, and so on. In some cases, women used the loans for social events like religious

ceremony for sons entering novice life or improving their housing. Some invested the loans in land, which may be a sound economic decision, but without an immediate economic return to pay for weekly/monthly installments. Sometimes, women took loans easily without any special needs and may lead them to a debt-cycle. In fact, leaders cannot control those who take out loans for non-productive purpose, and those non-revenues generating uses of loans can delay the repayment.

(iv) Although it is recommended in the WORTH model to share dividends after closing the 6-month banking cycle, some saving groups cannot close within 6 months since leaders are not proficient in calculating dividends to close the banking cycles. Sometimes, leaders make mistakes in calculations and had to fill with their own money. Thus, the leaders' proficiency in accounting is essential for the sustainability of saving groups and leaders lost trust and reliance from members in some cases.

(v) When we look back to the feelings of leaders, they are just volunteers elected by members, but have to put much efforts for their groups. It is recommended in WORTH to rotate the leaders' role within 2 years, however, this is not always the case as it is difficult to hand over to ordinary members. In some villages, leaders are not comfortable in managing group affairs and keeping accounts since the number of members increased. However, ordinary members also have no desire to take the leader's role since they know that it is time-consuming, challenging, and involves a lot of responsibility. Younger members are busy with their education and have no interest to learn accounting, while elder members are not able to learn advanced accounting. Although it is recommended to form new groups with increasing number of members, in some cases leaders are not available to replicate the groups.

(vi) Challenges upon economic empowerment of women include deeply rooted social norms, hesitation to start a new business, or difficulty in changing forms of livelihood. Some women also have no desire to lead and only want to be dependents/followers. Some women prefer doing farming activities rather than managing a business. For example, women from remote villages found it difficult to go to towns to purchase goods; alternatively, women from villages nearby other

towns cannot make profit through selling goods because villagers can simply buy the goods in the nearby town. Moreover, some women are afraid of buying with credit from villagers who sell goods. Therefore, investing money to initiate selling business appears risky for them.

(vii) It took years to reach the social and psychological empowerment of women in targeted villages since they assumed that the savings groups were just for credit purposes only. They realized the women empowerment issues later in the project period. Although it is obvious that microcredit has a potential for economic, social and psychological dimensions of empowerment, transforming those changes into political empowerment remains a challenge.



CHAPTER V - Main Discussion

5.1 Suggestions of women on savings-led microcredit approach

In general, women members are satisfied with participating in the saving groups and getting loans easily with low interest rates (3% to 4%) that are repayable on a weekly/monthly schedule. Weekly repayment practice is especially found in stronger saving groups with higher total group funds and active lending. In the past, they had to take loans with high interest rates (10-15% with one time repayment) from rich people (moneylenders) in the village and sometimes the availability of those loans was uncertain, even with collateral. They felt too inferior to request loans and were unhappy to pay high interest rates from their income. Sometimes, they sold their agricultural products at very low prices to settle the debts. Now, women are able to take out loans easily and frequently (around 5 to 10 times) from their saving groups for business and other reasons. They are confident to take more and more loans because they are able to repay in installments. They are also happy to pay interest for these loans because these interests are shared as a dividend for all members after the banking cycle. Women can earn more than 10% of the returns on their savings through shared dividends after the 6-month banking cycle.

Weekly banking meetings are essential for women as they are not simply a credit group. They discuss a broad range of issues including business ideas, social issues, and domestic affairs (health and education) during meetings. Normally, it takes two to four hours depending on the number of members and high attendance rate is the key for success of saving groups. Women contribute weekly mandatory saving and voluntary savings as much as they can to increase the total group fund and active lending of their groups. Almost 100% repayment rates are achieved and only a few loans in arrears (late repayments) in some groups. In this case, leaders charged a fine or extended the deadline by adding more interest. The reason for the high repayment rate is good reputation and refinancing. It is valuable for rural women to have easy access to credit with low interest rates and defaulters will not be refinanced. Moreover, the loans are part of individual savings and peer monitoring, which is seen as a social capital can be an important factor for successful village banks. The majority of women

repay the loans simply because it is the right (moral) thing to do; with some becoming more likely to repay if others in the community are observing their behaviors.

At first, women members joined the saving groups with the intention of only taking loans. However, their mindsets changed to include intellectual development, economic and social empowerment, changes in their roles in family and also in their communities. The savings groups have moved beyond providing financial resource as their original intent and have turned into a 'social safety net' for rural women. The key ideas for successful saving groups are family-minded and understanding among members, unity, trust, teamwork, no financial mistakes, proper accounting and working with rules and regulations. A sense of ownership is found in saving groups as women start to believe that the groups transformed their lives in many ways. This motivates them to put much effort to sustain their groups.

5.2 Material pathway

In the study, most of the women invest greatly in their business through loans. This shows that microcredit provide rural women with necessary financial means. Microcredit allows women to become economically independent. It also changes them from being a bare earner to becoming a regular earner, and have more than one business. It is found that dependent woman without any business activity is very rare and they are familiar at least with traditional agriculture before forming saving groups. In general, the majority of women invested their loans to expand their current agricultural activities (broadened their plantations) and livestock; for example, women who had pigs obtained loans to buy cattle. One of the outcomes of microcredit to the women was giving them more opportunities to try out new businesses. In particular, some women started new home-based microenterprises such as tailoring and weaving; businesses that were rare in the villages before. Hence, the findings support the notion that microcredit being used for the maintenance and expansion of existing businesses, as well as in the diversification and creation of new businesses which can lead to women's economic empowerment.

For the women in this study, access to microcredit indicates a significant positive impact on livelihood stabilization and increased income for the majority of members (more than 50%) and those income changes can ensure the women's material

security. In particular, larger loan size is demanded by women with ambitious business plans to invest more in their new business. Moreover, women's increased income enables them to increase cash savings for use in household wellbeing, children's education, and health-related emergencies. An increase in income can also transform to expenditure changes by women and various expenditure patterns for immediate needs, strategic needs and consumer goods are seen. In this case, women began to increase their expenditures on immediate needs like health and food and strategic needs like business investment and children's education are visible. Respondents also highlighted consumer goods and household assets to contribute to their family's needs. It can be seen that not all the household assets mentioned by respondents are luxury goods, for example, some women bought a refrigerator for use in selling cold soft drinks, a bicycle for their children to go to school and tuitions which are far away from villages. Half of the respondents invested their loans on their children's education and those alteration of investment leads to increased access to higher education by their children. Although microcredit seems to have only short-term stabilizing effects for women, long-term stabilizing effects are seen in those cases with expenditure on strategic needs and household assets.

In sum, microcredit has led to positive changes in the material pathway like increased access to financial resources, new business opportunities, improved earning capacities, poverty-reduction, and eventually leads to economic empowerment of women and also fostering further empowerment processes. It is important to note that the material pathway is closely linked to other pathways; for example, business activities depend on business skills (cognitive), self-confidence (perceptual) and mobility (relational).

5.3 Cognitive pathway

Under the cognitive pathway, women members gained new knowledge on business management and financial literacy from induction trainings, workshops, and self-learning booklets. Management committee members (chairman, secretary, treasurer and monitor) gained knowledge on accounting and bookkeeping as well as in the use of advanced banking forms. In spite of most women leaders only having

primary level education, they learned how to manage the saving groups with transparency, accountability, and participation and are now managing the savings groups successfully. As the rural women learned these skills, they became encouraged, empowered, and appreciative of learning those skills. Given these changes, it can be deduced that participation in microcredit programs through trainings lead to increased knowledge and leadership skills, which in turn leads to women's social empowerment. In particular, it is noticeable that after attending impact sharing mobile workshop by successful groups, women from Myauk Kyi village formed saving groups despite previously being a dropout village. They formed 5 saving groups and eventually became the most successful project village.

Women with ordinary member status began to start and expand their businesses through loans after the induction trainings and gaining useful business management skills, for example, calculating the expense and profit before starting business and record keeping for income and expense through additional workshops. Women who are doing selling business became better at handling their businesses because they learned innovative ways to get more profits from booklets. They also added different goods to sell and changed their methods of selling; for example, using bicycles by street hawkers and using motorcycles to sell the goods in other villages. Moreover, women developed their business ideas after the market linkage workshop that brought them to big markets in nearest towns. They went to those big markets and sold their agricultural products directly (no brokers in between). It can be seen that women in the study received the necessary knowledge of financial literacy and business management skills in order to be successful in women-led microenterprises.

Women also learned about women rights and land rights that made them aware of current land and agricultural issues. After learning these problems, they went to the government offices where they have never been to register their lands. The important aspects of trainings and workshops are not only the availability and quality but also willingness to learn, utilizing the knowledge and trying out the skills by women. Eventually, changes along cognitive pathway lead to changes in other pathways such as increased self-confidence and self-esteem due to improved knowledge and skills (perceptual) and widened social networks after participation in trainings and workshops

(relational) as some workshops are conducted for women members from various villages combined.

5.4 Perceptual pathway

According to the perceptions of women in this study, it is interesting to assess the indicators such as self-confidence and self-esteem from the descriptions of respondents as the reasons are interlinked with other pathways. We can deduce that their participation in the microcredit program has led to increased self-confidence but material success is not the primary reason. A majority of women highlighted that the reasons for this renewed confidence are intellectual development, and leadership and participation in saving groups.

The observable indicator is the ability to speak out the issues in related topics and that capacity initiated during attending trainings and workshops. In the past, the majority of women in the study have only been to primary education (some are illiterate) and had no experience attending trainings, especially those using two-way communication that include asking women's experiences and suggestions. At first, they were afraid to speak up, read, write, and do math during trainings. Later, they became comfortable with group discussion, presentation, and addressing the related issues in their communities. According to trainers and volunteers, women also improved their speaking skills (right timing, choice of words, and ways of speaking) among women are found and even they can shoot right questions during later workshops. Moreover, women also began to discuss about their village's political and economic situation and took leading roles in community activities. Consequently, some women became both economically and socially empowered due to increased self-confidence after participation in saving groups.

The second factor is self-esteem and the indicators are "proud of themselves", self-satisfaction and realization of self-values. Most of the respondents felt that an increase in their self-esteem was an effect of a combination of two pathways, cognitive and material. They realized their values and proud of themselves both by increased knowledge (cognitive) and running their own businesses successfully (material). The main reasons are based on cognitive pathway such as leadership skills, proficiency in

accounting. The second reason for increased self-esteem was increased income and fulfillment of family needs. Some women drew a great deal of pride from their business skills and increased savings especially transferring their loan into greater income with those skills. We can thus argue that increased confidence and self-esteem do not only stem from having access to microcredit. They are also rooted in capacity building trainings and sustained participation in saving groups as leaders and members. This shows that changes in perception of women are related to relationships beyond the private sphere.

How women were perceived by others was another reason for increased self-esteem/confidence. The relationship between financial status and respect are visible but majority of women in this study say that they were recognized by others (family members and community) for their leadership role in saving groups. Some women received recognition from neighbors after establishing a new business, increasing their income, and improving their livelihood. Additionally, the husbands of women in this study also recognized their wife's role as a leader in community groups and as a main contributor in the family income. Therefore, participation in social groups can also lead to increased respect and recognition, allowing women to support their psychological empowerment.

To conclude, capacity building trainings and participation in socioeconomic groups provide useful avenues for women to increase their self-confidence and self-esteem. Although microcredit alone can provide opportunities to increase household contributions and increased income, it is not the sole factor for changes along perceptual pathway. It is also questionable whether the increase in respect and recognition has a positive impact on the social interactions and a potential to influence other dimensions of empowerment such as political.

5.5 Relational pathway

Under this pathway, household decision-making, women's mobility and social networks are highlighted. This study found that increased income does not necessarily increase decision-making power in the family. Influenced by the traditional and cultural norms in Myanmar, the majority of women in this study practice shared decision-

making processes with their parents, husbands, and other elders at home. Usually, husband and wife hold the decision for respective issues, for example, women are for children and intra-household issues and men are for business. Women took loans for business reasons and discussed the new business ideas with their husbands, uncles, and sometimes asked for support to start and expand their business. Although they can perform well in family businesses and saving groups, they gave priority to their elders and spouses for important decisions following social norms. Only 25% of women in this study make independent decisions on business issues and take all their responsibilities at home. In these particular cases, the husband usually earns very little or is unemployed; his own situation makes it difficult for him to against the decisions of his wife.

This study has also found that some women travel to the distant places to purchase or sell their goods as a result of learning business skills and having access to microcredit. These women expanded their sales businesses via loans and gained increased mobility. Apparently, an increase in women's mobility is also related to women's economically empowerment. According to the traditions in Myanmar, travelling alone by women from rural villages to cities is not an easy task. Women highlighted self-confidence as a major factor in their ability to travel alone to sell products in other places. Thus, an increase in selling business activities triggers an increase in mobility and allows women to visit various places and widen their social networks. Based on this development, microcredit programs also promote mobility to some extent, and create opportunities for public exposure for socially empowering changes.

Another result of microcredit programs is improved social interactions and women in the study showed a sense of belongingness to each other and also shared concerns. Social cohesion, which can be considered as an aspect of women empowerment since it enhances the social skills and social actions among women. Women participated in various community activities especially donations with group interest for community development purposes. By doing so, they gained recognition from the community, which leads to social empowerment. We can confirm that saving groups can function as a breeding ground for people with common interests, and stimulate the development of collective social actions that lead to further

empowerment. Since women in rural Myanmar are generally not active as men, these changes of women members became bases for social empowerment. Although women's social empowerment is not a priority goal of microcredit compared to economic empowerment, success stories of socially empowered women are seen in most of the project villages.

5.6 Future plans of women

A majority of women's perception related to microcredit includes feeling encouraged and secure of increased savings and easy access to loans via saving groups. Realizing financial security can solve many problems for women. With financial security, women imagine their world differently by setting goals and action plans. In the past, women in the study were struggling with difficult livelihood situations like having debts and had no chance to dream of their visions. However, after gaining financial security through saving groups, they now have ambitious plans related to their children, their family, and business. Most of the women have similar plans like supporting their children's education, expanding their business and improving housing. Moreover, it can be seen that women have long-term plans beyond the material sphere and family issues. The common goal among women in savings group includes improving the sustainability of the savings groups, and majority of women (50%) dream of their village development with full infrastructure. It can be seen that realizing plans is more difficult than simply imaging them. Women now feel more positive about planning for the future since the availability of microcredit can bring bigger goals within reach. Although it is easier to recognize the short-term plans and achievements, it is arguable to see the progress of long-term goals. Nevertheless, microcredit has led to changes in women's visions and can play a critical role in changing women's perspectives regarding their ability to achieve their goals (i.e. women's psychological empowerment).

5.7 The role of leaders in saving groups

In this study, 11 out of 21 women are management committee members, or leaders, and play a significant role in the formation, organization and sustainability of

village banks. Most of them initially recruited women to form savings groups and were then elected as leaders by voting system. In order to run the saving groups, they attended the basic and advanced accounting trainings for leaders. During these trainings, the elected leaders were closely guided and coached by the trainers. The responsibilities of the leaders are generally to gather members for trainings and weekly meetings, collect savings, provide loans, collect repayment money, distribute dividends, and take responsibility of bookkeeping using various banking forms.

We can identify the initiating factors for the empowering process by looking at these women leaders such as they got respect and recognition from others for their position. Most of the leaders were aged between 25 and 35 years old, with only two women with the age over 40. Apparently, most of them were not previously well-known and respected members of their communities prior to the trainings and workshops. Most of them have only primary or elementary level education and only three women were able to go to high school. Some of the reasons why they were elected as leaders were because that they were perceived to be energetic, quick learners, and had the time for community activities. Later, they earned their members' trust and respect with their proven organizational and accounting skills.

In many cases, the women leaders are proud of themselves for learning accounting and improving their social skills. Some of them became leaders of other community groups in the village, as well. We can see that women leaders are more advanced in both social and psychological empowerment along the various pathways and are vehicles to support empowerment process. Membership in saving groups and leadership development are closely linked. We can conclude that capacity building trainings for rural women with low education level can lead to greater chances for women to become leaders in the community. Nevertheless, the commitment to do as volunteer for community development by those women leaders are also remarkable.

5.8 Leading pathway to women's empowerment

The empowerment concept via four different pathways in this study allows a more structured approach to analyzing the change processes found in women. However, it is still complicated to cluster the women into different degrees of empowerment as

changes occur in a complex and interdependent way. Therefore, it is not possible to analyze whether woman A is more or less empowered than women B. Moreover, we cannot confirm women from stronger villages/groups are more empowered than women from weak villages/groups as it depends on individuals. In this study, we can identify only the different leading pathways to empowerment by women. Although we first assume that material pathway will be the main driver for women empowerment, it is noteworthy that cognitive pathway so called knowledge and skills are main drivers (11 out of 21). In general, savings-led microcredit approach starts with capacity building trainings for women so called awareness raising and moves to other changes such as increased income via loans in business activities. We can say women in this study value the intellectual power rather than financial success.

However, we can see that 9 out of 11 women who reported cognitive pathway are leaders of saving groups. We can argue for bias that women leaders received additional trainings and got exposure to learn other skills by managing the saving group compared to ordinary members. Moreover, the second leading pathway is material (5 out of 21 women responded) and 4 out of 5 women are ordinary members. They mentioned only for business skills through booklets and workshops under the cognitive and to be financially secure is more important for them. It is questionable if more ordinary members are interviewed and whether there are different results for main driver or not. Nevertheless, we can conclude that literacy-led empowerment approach is realistic for women in the study and changes along cognitive and material pathways are essential for women to be empowered on economic, social and psychological dimensions.

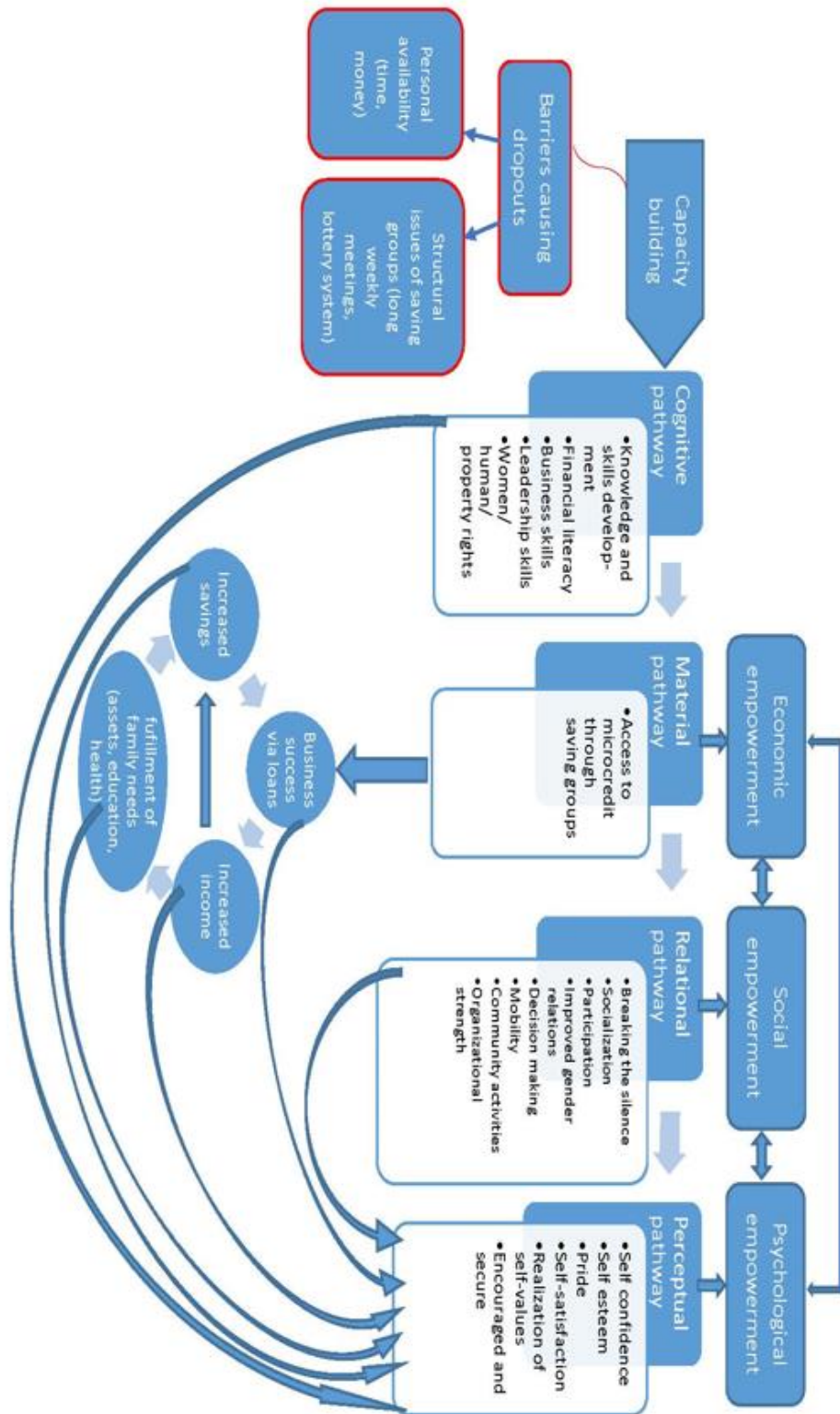


Figure 5: Summary of research with causal links

5.9 Summary of research

(i) How can savings-led microcredit approach promote women-led microenterprises in terms of women's economic empowerment?

Regarding the first research question of this study, the findings show that women under the savings-led microcredit program received necessary knowledge and skills relating to financial literacy and business management through various trainings and workshops (**cognitive pathway**). Moreover, women realized to do selling business by reading self-learning booklets namely 'Selling made Simple'. Therefore, those literacy-led capacity building approaches led the rural women's awareness raising, to promote business ideas and practice the financial and business skills gained from trainings and workshops. Next, easy access to microcredit with low interest rate and weekly/monthly repayment schedule by women to start/extend the business activities are the main factor to promote women-led microenterprises (**material pathway**). We can see that WORTH model encouraged the women to take loans for business purposes rather than other non-productive purposes. If a woman wants to take a loan, she must have a realized plan of how to use the loan and how to pay back the loan by installments on time. In this way, women started to do business especially selling businesses as quick revenue-generating activities. For women who already have business activities, they tried to diversify their existing ones or add another business and became women with two or more business activities.

It is found that some women can start/extend the business because of better social networks by participation in saving groups (**relational pathway**). Besides, women saved regularly in their saving groups and their savings increased noticeably. They felt encouraged and secure of increased savings and easy access to microcredit. Consequently, women became self-confident to start/extend their business and believe that they can overcome the potential risks to do women-led businesses (**perceptual pathway**).

(ii) How can different pathways of empowerment (material, cognitive, perceptual and relational) lead to women's multidimensional empowerment?

Regarding the second research question, women's multidimensional empowerment process started with capacity building activities in the targeted villages implemented by Pact INGO. Under the cognitive pathway, women gained necessary knowledge and skills relating to financial, business and women rights through various trainings, workshops and self-learning materials. At the same time, saving groups are formed by the initiative of women in order to access the microcredit easily. Women took loans for various reasons, particularly to start /extend business. Increased income and increased savings via business expansion with loans are outputs and significant changes are found under material pathway such as children education, health and fulfilling family needs. We can see that women's economic empowerment is achieved through both the cognitive (leading) and material pathway.

Then, participation in saving groups enhanced women's socialization skills, collective community actions, decision-making and gender relations which are under the relational pathway. There is a relationship with the material pathway as increased income via business led to improved gender relations and decision-making process. Those relational changes (outputs) are caused by some factors under the cognitive pathway such as leadership skills through management of saving groups. It is obvious that changes along relational pathway led to women's social empowerment. Next, changes along perceptual pathway are the outcomes of other pathways, cognitive (leading), material and relational. The causal links for women's perceptions (self-esteem, respect and recognition) are dependent on the factors under the three pathways. It is seen that women's psychological empowerment is attained through changes along perceptual pathway.

Next, we can see the interconnectedness of economic, social and psychological empowerment under the influence of microcredit on women's empowerment. The findings suggest that the saving-led approach has an initial significant impact on economic empowerment, extensive impact on social empowerment and substantial impact on psychological empowerment. It seems that the stages of women's empowerment occur in a linear process, for example, economic empowerment first

occurs due to microcredit as a starting point. However, in some cases, initial social changes take place after participation in saving groups and those affect women's self-confidence and finally lead to increased women-led microenterprises. Therefore, the impact of microcredit onto multidimensional empowerment is complex and we cannot say economic empowerment is at a basic level.

Accordingly, it is important to analyze the context in which women's empowerment takes place and the challenges for women to be empowered. We can observe that seasonal fluctuation influences economic empowerment as majority is doing agriculture. The sociocultural background in Myanmar plays a role in household decision-making and gender relations (social empowerment) and it is still challenging. On the other hand, there are some barriers that led to dropouts such as personal availability (time and money) and structural issues of saving groups (long duration of weekly banking meeting and lottery system or random selection method to take loans). Eventually, the three dimensions of empowerment (economic, social and psychological) are impact level achievement in this process.

CHAPTER VI - Recommendations and Conclusion

6.1 Recommendations

(i) High attendance rate for weekly banking meetings is a good indicator for sustainability of successful saving groups. By attending full time for meetings, members can understand the situation of saving group and the role and workload of leaders and thus those practices should be promoted by the MFIs.

(ii) Increased total group fund and active lending in stronger groups are results of practicing weekly repayment schedule. It is seen that non-productive use of loans delayed those practices and many groups changed to monthly repayment. This does not generate as much interest as weekly and member can be overwhelmed by large payments. As women who have daily/stable income are more feasible with weekly installments and members should be encouraged to use the loans on business purposes such as to expand or initiate new profitable business.

(iii) The bookkeeping system of WORTH via advanced banking forms provides strong checks and balances of accounts in running village banks. However, most of the leaders were not comfortable and reduced the forms to simplify and accelerate the weekly banking process. It is also challenging for women leaders to share many hours of their free time and thus time-saving measures for using those banking forms should be introduced.

(iv) Management committee members in saving groups should practice the rotation of leader role with ordinary members to share the workload and also to ensure the transparency and accountability of groups. By doing so, it can lead to capacity building of ordinary members and longevity of saving groups. Therefore, it is recommended for the project staff to find out the ways to encourage the frequent rotation and handover processes.

(v) Not only individual business but also group businesses by members of saving groups are found in some project villages that are not included in the study. For example, purchasing clothes with group fund and selling in the village or selling traditional snacks/stuff in social occasions and religious ceremonies by saving groups in the village. It is found that women gained not only profits by collective income-generating activities but also unity/harmony and group consensus among members. Moreover, some women who are not confident in selling business learned the selling skills via group selling business and got the new business idea. Therefore, group businesses are highly recommended both for sustainability of saving groups and individual women empowerment.

(vi) To assess the contents and feasibilities of trainings and workshops, the project staff should draw upon feedback from the women clients. The MFI should adapt the existing trainings or set up new ones according to clients' needs, for example, innovative business skills for financial challenges and leadership skills for social empowerment. It can be seen that women prefer self-learning colorful booklets namely 'Selling Made Simple' for business skills and those kinds of booklets should be published more.

(vii) Exchange workshops among saving groups should be conducted frequently to support peer to peer learning initiatives. The host organization should take a facilitation role to include the new ideas and practical experiences of women and discuss the best ways to promote women's multidimensional empowerment. Furthermore, knowledge management and information sharing between other microcredit institutions especially for strategic development should be established.

(viii) Women play a vital role in building resilient community and therefore capacity building for women to manage the community activities should be enhanced. To promote the change processes in community-level women empowerment, village development committees in rural villages should be formed with women members to ensure the active participation in local governance issues.

(ix) Like other savings-led microcredit programs, WORTH model has not been noticed by the development actors even it has contributed to economic and social empowerment of hundreds of thousands of women around the world. Therefore, more researches and publications on successful and cost-effective savings-led approach are highly recommended in order to reach out and educate others.

6.2 Recommendation for further study

According to the time limitation for field research, the researcher chose only one township (6 villages) in the Dry Zone. Therefore, a further study among various townships from 3 regions of Dry Zone should be done to see the different changes of women from other townships and regions. Moreover, this study is conducted among women participants under the Shae Thot project and another study can be conducted to compare between project villages and non-project villages to see the impacts of microcredit programs. This study covers for women's economic, social and psychological empowerment and thus the potential to political empowerment via microcredit will be interesting to study.

6.3 Conclusion

According to the change processes through four different pathways, we can see that both access to credits and gaining knowledge and skills, which are interdependent, are important factors for women economic empowerment. Women in the study used the business opportunities through loans for increased self-employment, household income and economic security. Moreover, they can transfer the knowledge and skills related to financial and business in their own businesses to earn more profits. It shows that microcredit not only causes women to be productive, but also has empowered them and it became mechanism of intervention not only for poverty reduction but also for women's economic empowerment. Women are primary caretakers in a family, so that helping the women to get enough daily income can improve socioeconomic status of the entire household. As microcredit has strong potential for women to be economically empowered, it is expected as one entry point to include in women's empowerment agenda. It is obvious that most of the women in the study achieved significant economic

goals. However, economic empowerment is not only material change and it depends on changes in other dimensions of empowerment.

Savings-led microcredit approach is based on group approach and it creates community-based structure, builds mutual support and trust among women members. Because of flexibility and grass root level organizing ability, group based microcredit approach mobilizes and organizes the women with low income. Women developed not only affection and networking but also coordination among them. It proved robust and resilient for rural women who have shown their ability and commitment not only to access credits but also for women social empowerment. It is clear that women can create a new image of themselves through intellectual development, village banking, women-led microenterprises and social cohesion.

At last, they have increased their self-confidence and self-esteem through participation in saving groups and also received respect and recognition from family members and community people. Those indicate the changes in the behaviors, beliefs and mindsets of women, which can lead to psychological empowerment. Women became community leaders because of those distinctive features of savings-led approach and finally to move from being receivers to benefactors in the communities. In this way, women empowerment is a key element in community development as it puts people in the center and facilitated a broader development process.

This study shows not only the efficiency and effectiveness of village banks but also the important role in transforming women's lives by highlighting the core components of WORTH, that is, literacy, banking and business. All the microfinance programs promote access to microcredit for increased economic activities and poverty reduction. However, WORTH is about more than that as it focuses on multidimensional empowerment of women through literacy-led empowerment model. This is the main difference between WORTH and traditional credit-led model and also other savings-led microcredit programs. Remarkably, women in the study placed high value on financial literacy component together with access to microcredit. Moreover, they gained practical leadership skills, engaging in public sphere via community development activities and speak out about their rights especially women rights and property rights. Accordingly, village banks helped women to develop their abilities in

order to change their lives, improved income and overall wellbeing in their communities.

We can see that women's multidimensional empowerment is not in immediate result as it is impact level and there are many challenges and obstacles to overcome. Sustainability is a common concept in development issues and ultimate goal that is rarely achieved. However, with the fundamental concept 'Dependency is not empowering', large proportions of village banks in Dry Zone under the Pact project area have succeeded and replicated without external support. From a programmatic lens, this study suggests that asset-based approach can lead to women empowerment especially in economic, social and psychological spheres but transforming those changes to political sphere is still challenging. In a broad sense, the study reflects the need to move away from a top-down approach to bottom-up to achieve the sustainable change.



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APPENDIX



จุฬาลงกรณ์มหาวิทยาลัย
CHULALONGKORN UNIVERSITY

Appendix A. Guide questions for Focus Group Discussions with Saving Groups

1	Name of village	
2	Name of saving group	
3	No. of participants (attendance list attached)	
4	Name of facilitator	
5	Date	
No	Question	Probe
1	Group forming	
	How did you form the group?	How did you select the members? What criteria did you use? Blood-related/ Long-term friends/ Neighbors/ Same jobs How did you select the management committee?
	How many banking cycles has the group been running? (Starting year and Month)	
	How many members are there in the group now?	How many members were there in the group in the initial period? If the number of group members increased, why? If the number of group members decreased, why?
	How do you communicate each other for the group purpose?	Formal? Informal? Frequency? How often are group meetings held? How long does a meeting usually take? How many members usually attend a formal meeting?
	What kind of issues do the group members bring to the group during meetings?	What issues were the most important? Economic/ Social/ Community/ Others
2	Saving and loaning	
	Please explain about the current situation of savings by group members	Can group members save more than the first banking cycle? Any difficulties in savings for any group members?
	How many group members have taken the loans?	How do they usually use their loans? Education/ Health/ Business/ Emergency How did you solve if a member is late for repayment?
	What kind of microenterprises they usually do with their loans?	How many of them can run the microenterprises successfully?

		Profitable/ Sustainable/ Can return loans What are the challenges for running the women-led microenterprises?
	Do your group have any group business?	If yes, what type of business? How do you run the business? Successful/challenging Advantages of group business Impact of group business on group members
	Do you think that the economic status of women in the group has changed because of the business activities via loans?	If yes, in what ways? Increasing family income Improving household assets Provide adequate food for family Access to health services Access to education services Others
	Perception on savings-led approach	Comparison between traditional loans by money lenders and savings-led approach Advantages and disadvantages of different loans
3	Knowledge and skills	
	Did women gain new knowledge and skills after participation in saving groups?	If yes, what kind of knowledge and skills? How did you learn them? How did you practice these knowledge/skills?
	Did you attend non-financial trainings?	If yes, what kind of trainings did you attend? How those trainings useful for you?
4	Leadership, decision making and governance	
	What kind of specific actions are taken by the management committee members for participation/ motivation of the group members?	Opinion by group members
	What kind of specific actions are taken by the management committee members for the transparency and accountability?	Opinion by group members
	What is the decision-making process for the important issues?	
5	Social relationships/ collective actions/ contribution to community development	

	Is there any changes in social relationship after forming groups and meeting regularly?	If yes, what changes? Do the women members discuss about their personal/family issues during weekly banking meetings? If yes, what issues were the most important? How did the group members discuss/address the issues?
	Did the group use the total group fund for social/charitable purposes?	If yes, how has it been used? If no, why?
	Has the women contributed in community development as a group?	If so, what are the activities? If no, why?
	Is there any group networking activities among groups (group from other villages)?	If yes, what activities? group networking workshops auditing by peer groups Benefits of those activities
6	Sustainability and Replication	
	How do you think about the sustainability of the group?	Did the group discuss for it? If yes, in what ways?
	Is there any changes in MC members?	If yes, for what reasons? Sustainable approach? How the new MC members were trained? Was there proper hand-over between new and old MC members?
	Has the group helped start any other groups?	If so, how many? How did you form the other groups? Via banking forms? Via self-learning materials (RTW, SMS)? If no, why?
	What are the future plans of the group?	New social/community activities Group business Replicating new groups Others
	What are the group's achievements/ success stories?	Why do you think that your group is strong/successful compared to other groups?
	Challenges and lessons learned?	

No.	Name	Member status	Duration of membership	Age	Marital status	Education level	Type of business	Ph No.



Appendix B. Questionnaire for In-depth interviews with individual members

1	Name of village	
2	Name of saving group	
3	Name of member	
4	Name of interviewer	
5	Date	
No	Question	Probe
1	Material pathway	
	How did you join the group?	Starting date/month/year How did you know about the group? What is your member status in the group? Management committee member/ member
	Please explain about the current situation of your savings	Can you save more than when you joined the group? If so, what factors make you able to save more? Any difficulties in savings?
	Please explain about the loans you have taken?	Loan size? Frequency? How do you usually use the loans? Education/ Health/ Business/ Emergency Any difficulties to return loans? Is the repayment schedule difficult to follow?
	Did you start/extend the microenterprises with the loans?	Type of microenterprises? How did you get the business idea? What are the challenges for running the women-led microenterprises?
	Do you feel that your economic situation has changed as a result of microenterprises?	How did it change? Income (before and after) Others
	Do you think that you can fulfil the family needs because of business activities?	Reducing family burden (debts) Food security Children's education Family health Improving family assets Others
2	Cognitive pathway	
	Did you receive new knowledge and skills after participation in the saving group?	If yes, what kind of knowledge and skills did you receive? How did you learn those knowledge and skills?

		<p>Trainings? Self-Learning Materials? Peer to Peer? Knowledge sharing during meeting? How did you use these knowledge/skills? Can you use your skills in other contexts? Using financial record book for own business? Record keeping for family income/expenditure?</p>
	Did you attend any non-financial trainings?	<p>If yes, which kind of trainings did you attend? How those trainings useful for you? What kinds of new knowledge/skills do you want to gain?</p>
	Do you think the knowledge/skills you received after joining the group can lead to empowerment?	Which specific knowledge/skills made you more empowered?
3	Perceptual pathway	
	Do you think you are more empowered since you started joining the group?	<p>If yes, in what ways? Savings, loans to do microenterprises, more income, contribution to family needs, knowledge/ skills, unity of group, community activities, charity, donations, others If so, do you feel proud about that?</p>
	Do you think you become more confident in involving in the community affairs after joining the group?	<p>Are you able to talk in a group/ in your community (public sphere)? Are you able to address the relevant issues in the community? Are you able to voice your opinion in your group/ in your community? What issues did you discuss? What was the outcome?</p>
	Do you think you have more self-esteem after joining the group?	<p>If yes, what are the reasons? Knowledge and skills you have learned Leadership experience in the group Increase income/ material success Can run microenterprises successfully Increased respect/recognition from others Others</p>

	Did you receive any recognition/respect from your family or people in the community?	If yes, what are the reasons? increase income economic success leadership skills others
4	Relational pathway	
	Please share your experience as a MC member in the group. (for MC members only)	As a MC member, how did you initiate the group activities? Challenges of motivating/organizing the group
	Do you think that your leadership experiences in the group contributed to your leadership in the family/community?	If yes, please share your story about your leader role and changes in the family/community.
	Has the decision-making process changed for the important issues in your family?	If so, how did it change? For which issues? Feedback from the family (positive/negative) Impact of the decisions you made
5	Future plans/visions	
	What were your dreams for yourself and your family when you first joined the group?	Did participation in the group realize those dreams? Have your dreams changed after receiving loans and doing microenterprises?
	What are your dreams for yourself, your family, your group and your community today?	What are your best ideas to make them happen?
	Do you have any plans for the future?	Short term plans and long-term plans What kind of difficulties do you have to realize those plans? What will help you to realize those plans?
6	Pathways to empowerment	
	Among four different pathways, which one is the main driver/ leading pathway/ most important for you to become an empowered woman?	How different pathways are linked in your empowerment process and in what order?

Appendix C. Questionnaire In-depth interviews with Drop-outs

1	Name of village	
2	Name of saving group	
3	Name of member	
4	Name of interviewer	
5	Date	

1	Starting date and leaving date in the group?
2	Do you have any problems with the group's saving/loaning rules/procedures? The mandatory savings rate The interest rate on loans The loan amount The loan length Repayment schedule
3	Do you have any problems with the group members? The treatment by other group members The group is not cohesive Personal conflicts with other members of the group Unhappy about group leadership Unable or unwilling to attend the trainings/ weekly banking meetings The ground rules The pressure in the group
4	Do you have any business reasons (difficulties in repayment because of business)?
5	Do you have personal reasons? Got married Moved to a new place Health reasons (e.g. pregnant) (illness/death/celebration/marriage) in the family Lack of time or ability to continue the business Spouse/family members issues Others personal reasons
6	Other reasons? (specify)
7	Do you think you got benefits from being a member of saving group? If yes, which ways? Increased savings Got loans easily Got personal support/advice Got business ideas and contacts

	New friendship Received trainings (knowledge and skills) Others If no, why?
8	What are the differences of being a group member and non-group member (dropouts)? Financial opportunities (no savings, no loans) Social changes (treatment from family/ the community)
9	What did you do with your savings when you left the group? Withdrew the savings when I left Withdrew the savings after closing the banking cycle
10	Was the final loan returned by the borrower?
11	How did you do for your outstanding loans when you left the group?
12	The things liked about the saving group.
13	The things you did not like about the saving group.
14	In your opinion, what kind of actions should be done by the group for improvement?
15	Do you think that you might rejoin the saving group in the future? Yes Probably No Others

Appendix D. Questionnaire for key informant interviews with staff from Pact in Myanmar

1	Name of staff	
2	Position	
3	Department/ Field office	
4	Name of interviewer	
5	Date	
No	Question	Probe
1	How did you join Pact in Myanmar INGO?	Starting date/month/year What does your organization do? What is your roles and responsibilities?
2	How many villages are there under WORTH program?	Is there any requirements for villages to participate in the WORTH program? How did you initiate the project activities in the targeted villages? Current numbers of saving groups running successfully in Budalin township?
3	Please explain about the services in targeted villages offered by Pact?	What kind of trainings/workshops? Financial/ non-financial Do you think the women members are satisfied with the services offered by Pact? Is there any problems/challenges in offering services especially conducting trainings/ workshops? If yes, elaborate and how did you solve them?
4	Is there any problems/challenges in terms of WORTH approach in targeted villages?	Have the women members ever complained about WORTH approach? Did the women members ask for changes in WORTH approach?
5	How do you do for the sustainability of saving groups?	How do you supervise and monitor the saving groups? What are the challenges for the saving groups for sustainability?
6	What does empowerment mean to you?	How can you assess features of empowerment in women members? Do you think the efforts of Pact are successful in women empowerment in targeted villages? If yes, in what ways?

7	What are the challenges/ common problems to promote women empowerment?	In your opinion, what can/ should Pact do to promote women empowerment in the future?
8	Do you think that savings- led microcredit approach is the useful instrument for achieving women empowerment in Myanmar?	Any suggestions?



Photo gallery



Trainings on financial literacy



Workshops for self-learning booklets



Weekly banking meetings

VITA

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