

Strengthening Women through Group Participation, Trust and Networks: A Study on Women's Self-help Groups in Bangladesh

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ABSTRACT

The article aims to analyze how and to what extent women are strengthened by participating in self-help groups and the resultant establishment of networks and trust. Findings of the article revealed that as long as women are involved in self help groups, a good level of trust and networking is developed among them. Moreover, self-help groups work as a platform for women to discuss and debate various socio-cultural issues. The article is based on both primary and secondary data and concludes with some interesting findings that suggest that women, who have become empowered, benefit from their bridging social networks that began from these self-help networks and subsequently.

Keywords: Women's empowerment, networks, self-help group, trust, co-operation, social capital

INTRODUCTION

The emergence and growth of the NGO sector is a significant phenomenon from the standpoint of development in Bangladesh. This sector has earned its own identity due to different innovative programmes in various sectors like poverty alleviation, gender equity, women's empowerment,

policy advocacy, education, health, family planning, environmental protection, voting rights, disaster management, etc. NGOs in Bangladesh are also well known in the world for innovating microcredit programmes and Bangladesh is regarded as the 'birthplace of microfinance'. Though microfinance has been adopted as a development model not only in Bangladesh but also all over the world, it is not free from debate and controversy (Begum, 2003).

The paper aims to analyse the impacts of microfinance on creating and cultivating women's social capital

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through group interaction, participation, trust and networks. The paper extends to address the issues by evaluating the impacts of two microfinance programmes in rural Bangladesh. While most studies focus on economic benefits derived from microfinance interventions, the present paper sheds light into how norms created through microfinance self-help groups underpin the trust level among borrowers and how groups promote social capital by forming horizontal and vertical networks throughout the community. The findings suggest that though the objective of microfinance is primarily to offer credit money to the poor, especially women, it gradually takes up the responsibility of creating social capital to achieve its non-negotiable goal of empowering rural women for development.

The study suggests that NGOs prefer to concentrate more on social approach by which solidarities can be created among women. Self-help groups work as a platform where women come on a regular basis to share their ideas and views which help them to develop their knowledge regarding various socio-cultural issues. They also get psychological support from the group. Building social capital is important to enhance co-operation, solidarity and good flow of information among women, which could further help to facilitate empowerment. The analysis has been drawn upon by recent theoretical debates and arguments supported by empirical case studies from Bangladesh.

Does microfinance create and cultivate women's social capital through group interaction, participation, trust and networks? Does women's social capital facilitate their capacity to develop their economic, socio cultural, political and psychological circumstances at both household and community levels, either individually or collectively? Does social capital further enhance women's capacity to sanction against social norms and power structures through individual or collective action? The study was broadened to address these questions by evaluating the impacts of microfinance programmes in rural Bangladesh. This paper mainly deals with the impacts of the microfinance programmes on women's social capital by the creation of networks, trust and solidarity among them. Before reporting the findings, the microfinance programme and its process will be discussed based on field experience.

METHODOLOGY

In order to accomplish the objectives of the study, the case oriented qualitative research strategy was selected. As Creswell (cited in Panday, 2004, p. 7) points out, six assumptions of qualitative research based on Merriam's (1988) assumptions, qualitative researchers are concerned primarily with: (i) process, (ii) interested in how people make sense of their lives and experiences; (iii) researcher is the primary instrument for data collection and analysis; (iv) it involves fieldwork; (v) is descriptive in that the researchers are interested in

process, meaning and understanding gained through words or pictures; and (vi) qualitative research is inductive.

As previously discussed, the present study is based on both primary and secondary data. To collect the primary data, the author conducted a six-month field study. Interview, observation and case story were used as data collection techniques. Meanwhile, secondary sources of the research include the different books written by scholars, research reports, journals, theses, relevant publications, reports of NGOs, daily newspapers and relevant websites.

For the purpose of the present study, two NGOs (namely, Bangladesh Rural Advancement Committee or BRAC and Association for Community Development or ACD) were chosen. BRAC has been in existence since the independence of Bangladesh in 1971 to alleviate poverty and women's empowerment. It is considered to be one of the biggest and most diversified NGOs not only in Bangladesh but also all over the world. Thus, BRAC was chosen due to its widespread functional coverage, especially in rural areas, focusing on poor women. In the crowd of voluntary organisations of Rajshahi district in Bangladesh, ACD was selected because as a local NGO, ACD has attempted to integrate poor people, especially women, into the prospective mainstream of sustainable development through different programmes. Therefore, ACD was selected due to its diversified activities at local areas.

The two villages (namely, Chokkapashiya and Dewyanpara) in Usufpur and Borogachi Union Parishad¹ were selected on the basis of some indicators like location, availability of the programmes in the villages, duration of programmes, number of beneficiary women and transport facilities from Rajshahi district². Participants were chosen in five stages, as explained in the subsequent subsection.

Microfinance clients were through purposive, network sampling for detailed interviews. Purposive sample sizes are often on the basis of theoretical saturation (i.e., the point in data collection when new data no longer bring additional insights into the research questions). It is important to note here that changes in a range of socio-economic indicators over the last four to five years are assumed to be the results of microfinance. A total of 40 women beneficiaries were chosen by taking 24 and 16 from ACD and BRAC, respectively. Through interviews, data collected on the processes by microfinance may make a difference to the lives of borrowers. Data were also collected on women's role in income generating activities, their perception of their own well-being, as well as their ownership and control over assets to identify whether social capital could influence on the success or failure of the participants.

¹ The lowest tier of the four tiers of our Local Government system

² One of Bangladesh's sixty four districts

Some authors argue that a very large sample may involve huge cost, manpower, material and time, whereas a very small sample may cause invalid results. Thus, around thirty samples seem to be a bare minimum where statistical data analysis can be done. On the other hand, many researchers regard one hundred cases as a standard to achieve reliable results (Fisher et al., 1991, cited in Islam, 2008, p. 115). The present study does not require a very large sample size since case-oriented qualitative research approach is applied for this study. A sample is selected on the basis of the purpose of the study, and not on the basis of representative population. As Yin (1994) argues, the evaluation of case studies should be based on the theoretical construct, not on the size of the sample, as done in conventional quantitative strategies. My interest was to have a complete in-depth understanding of the case.

CONCEPTS AND LITERATURE REVIEW

Key Concepts

Group Participation. Microfinance is a group-based approach and hence by nature normally operates by creating multiple groups. Each group is required to meet every week for repayment of instalments. In group meetings, the women also participate in training programmes. These sometimes involve NGO officials visiting the group leader's home to train members on various economic and sociocultural issues. Sometimes, active members are

required to travel considerable distances to attend training sessions. The training includes proper utilisation of the loan, exploring possible income generating activities, gardening, poultry rearing and book keeping techniques. Some training sessions also focus on sociocultural issues such as awareness raising in relation to dowry, early marriage, domestic violence, child/girl trafficking, drug addiction, legal rights and entitlements. Duration of these training sessions can last between one to five days depending on the nature of the training. After attending training sessions, the participants are required to circulate the information to the other group members.

Through group meetings, the women are given the opportunities to have regular contact with fellow members, allowing them to discuss their personal problems, domestic troubles, financial matters, etc. They also can seek advice from their group friends and discuss various community affairs with them. Some proactive members are also trained to perform cultural programmes that portray sociocultural issues. They are required to perform songs and enact family dramas in various places such as educational institutions, open spaces in rural communities and sometimes in programmes arranged by the local Government. These provide the opportunities for participants to take a break from home-oriented life and take part in a range of social activities.

Trust. One of the important indicators of social capital is trust. Khan (2007) argued that the creation and preservation of trust

within microfinance groups is crucial for the growth of social capital. Trust creates social cohesion and gives meaning to and sustains a network of people. Primarily, it is necessary for village women to be introduced in groups in order to get involved in a microfinance programme. In this study, trust refers to group involvement which creates, cultivates and sustains faith through regular attendance in the meetings and thus maintains continuous interactions among group members.

Networks. Another important indicator of social capital is network. This study is based on Bourdieu's theory of practice, where he discusses social capital from a social network perspective. Similarly Woolcock (2001) and Lin (2001) viewed social capital from both the relationship and network perspectives. Consequently, Lin (2001) identified three important elements of social capital: i) the number of persons within one social network who are prepared to offer help when called upon; ii) the strength of the relationships indicating readiness to help; and iii) the resources possessed by persons in the network (p. 21). These three elements determine whether individuals decide to associate or not, and with whom. The author prefers to explore the concept of social capital from the network point of view, particularly at the bonding and bridging levels. The paper contributes to the social capital debate by applying gender to the concept.

Microfinance and Social Capital: A critical analysis

When social capital is discussed in the microcredit literature, there is a tendency to investigate how social capital can be used for the success or failure of microfinance operations. As Rankin (2002) argues, microcredit socialises the cost of lending to poor women by providing them with access to credit on the basis of 'social collateral' obtained through membership in borrowers' groups. Likewise, Bastelaer (2000) argued that many credit programmes based on physical collateral failed due to poor repayment rates. However, credit programmes that are based on social collateral mainly achieve success because social capital works as a weapon for the successful operation of microcredit programmes.

More interesting, for the purpose of this research, are the study findings of Anderson and Locker (2002), who argued that it was obvious that microcredit programmes make use of the existing social capital through their group lending techniques. It is essential, however, to explore whether people also create new stocks of social capital through meetings and other services. They found that regular communication with group members through group meetings greatly increased the chances of successful collective action in the community. Similarly, Ostrom (1994) stated that regular group meetings and regular interactions could facilitate communication, knowledge about fellow

group members and develop trust with one another, which further fosters collective actions (p. 532).

Since 1990, both microcredit and social capital have attracted academic attention. All the discourses, however, basically focus on how existing social capital can be used for the successful operation of microfinance (Haque, 2010, p. 8). There is a gap in the literature on how new stocks of social capital can be created to empower women through microfinance. Thus, in this respect, the present study adds to the literature on social capital in the context of microfinance.

FINDINGS AND DISCUSSION

Microfinance Self Help Groups: Structure and process

National NGO (BRAC) and local NGO (ACD) funded by self-financing and Polli Karma Shohayok Foundation (PKSF), respectively. Microfinance is a group-based approach that by nature normally operates by creating multiple groups. These groups are nurtured by the implementation of training offered by NGOs based on socio-economic issues. Each group has its own leader, cashier and secretary who are elected by the collective decision made by group members. Leaders are usually chosen on the basis of their education, social standing and dedication to their activities. The study demonstrated that more than half of the total respondents could only sign their names, with a smaller number of women having completed their education up to primary level, from which group leaders were usually chosen.

Groups are required to meet weekly or monthly, preferably at the group leaders' houses or sometimes in an open field in the locality, depending on the NGOs' pattern of working. The meetings usually last for one or two hours, depending on the size of the group and the frequency of meetings. The group leader is trained in such a way that she has the ability to run a group in the absence of any NGO official. The study found that many of the group leaders are very proactive in undertaking the obligations of their position. The role of the cashier is to collect money from the rest of the group members and then send it to the NGO official, except for the monthly collections when the NGO official him/herself undertakes this duty due to the large amount of instalments that needs to be handled. The secretary's duty is to monitor the group and approve authorised loans to any borrowers. Moreover, she also has to ensure the presence of every member at group meetings.

During group meetings, the women review each other's loan requests and the NGOs decide whether or not to sanction the loan following approval being authorised by the group leader, cashier and secretary. Women are encouraged to repay instalments, including depositing some savings based on their capability. NGOs give 5% interest on savings, which usually cannot be taken out during the loan cycle. However, this is not always the case and local NGO's are sometimes flexible and do allow women to borrow money from their savings during their loan cycle. The

field survey revealed that the microfinance scheme also includes an insurance policy for which women are required to deposit 5 taka³ monthly as a premium. This policy covers writing off the loan in the event of the death of the borrower, although in reality, if any member dies, the NGOs would make adjustment to her loan and any savings that she had made.

Does Women's self-help Group Promote Trust among Women?

The study revealed that most of the village women came to know about the microfinance programme from their friends who are already the existing members of the microfinance groups.

Table 1
Knowledge about the microfinance programme

Women informed about the microfinance programme by friends who are the existing members of microfinance	28 (70%)
Women informed by parents and relatives	6 (15%)
Women informed by concerned NGO officials	4 (10%)
Women informed by village leaders	2 (5%)
Total	40 (100%)

Source. Field Survey

The above data revealed that 28 (70%) respondents had been introduced to the microfinance programmes by friends who were existing members and 6 (15%) had been introduced to the programme by their parents and relatives, followed by 4 (10%) and 2 (5%) women who had been introduced to the programme by NGO officials and village leaders, respectively. Thus, the creation of new social capital is supported by informal bonding social capital which is trust and solidarity among some of the village women. The study suggests that the higher frequency of meetings and regular attendance function as good incentives for the sustenance of social capital.

Meanwhile, eight (20%) respondents disclosed that they did not know much about the microfinance programme before joining it. They were inspired to join as their friends were members of the microfinance groups.

"I joined in the group as my friend asked me to join. Actually my motivation to join the group was to maintain network with my friend rather than to access the credit. Still I am continuing just for her. I did not take loan from NGOs. I am just continuing my monthly savings with them" (MC-26)

Hence, in some cases, the microfinance group functions as a way of keeping contact with friends and relatives and

³ 1 USD = 70 Taka (Approximately)

therefore, the value of the social capital that is engendered is sometimes worth far more than the loan. In order to explore the impacts of microfinance in fostering trust, it is essential to find out the level of trust that exists between the lender and borrowers and also between the borrowers themselves. The reason behind the high repayment rates can be a good indicator for exploring the trust level between the lenders and borrowers.

Sometimes, trust depends on group size. Data revealed that ACD allowed smaller group sizes than BRAC. A lower level of trust was found in the BRAC group membership when compared with ACD due to the comparatively larger group size. The study highlights that 28 (70%) respondents from ACD provided a positive impression about the likelihood of items being returned in the event of anything being lost at the time of a group meeting.

“One day at the time of meeting I forgot to take my wallet. I was tensed as I had 500 taka in that wallet. One of my group members came to return my wallet in my home as she found it when the meeting was over. I got my wallet back with 500 taka” (MC-03)

The presence of trust also minimises the cost of monitoring transactions. Prior to NGOs, there were no any institutions that would lend money without collateral, especially to disadvantaged women. Most of the respondents revealed that their lack of income, land ownership and literacy

prevented their access to any formal institutions. Banks and other financial institutions only lent money to small and medium farmers and they required collateral. The respondents also did not understand the complicated administrative procedures involved in accessing loans. Moreover, they did not have confidence in their ability to repay a loan. Prior to microfinance, they had to depend on moneylenders to meet their credit needs and paid high interest rates that caused them disadvantages and suffering. The NGOs offer of loans without collateral to enable the development of mutual trust among each other, as the only quality on which the microfinance programme is established.

Trust also promotes closer linkage between individuals within the group and fosters performance of the group by enhancing pledge and loyalty. In rural areas of Bangladesh, the trust of disadvantaged women is confined within friends and family, but the NGO microfinance programme trains them how to develop and nurture trust with outsiders. Even when they do not have a biological relationship, group members prefer to trust one another and work as a unit to achieve a common goal through co-operation and support. In rural areas, transaction of goods and services is common. However, this is confined mainly within families and relatives. Microfinance programmes assist them to think beyond their kinship group. Now, they prefer to exchange goods and services with others via membership of the programme and this helps to develop a horizontal network.

Does microfinance foster women's network?

The operating procedure of microfinance assists expansion of a borrowers' network in various ways. The field investigation revealed that 60% of the women respondents' economic and non-economic transactions were facilitated by their involvement in microfinance groups and their newly developed horizontal network went beyond their familial network. In order to determine the impacts of microfinance in fostering networks, it is essential to discover the women's network with NGO officials, their microfinance group and non-group members both horizontally and vertically. The following section represents how microfinance

promotes women's networks at various levels from the very micro level to the macro level.

Opinion about their affiliation with NGO officials (Field Staff)

In order to ascertain an understanding of the borrowers' relationship with NGO officials, some specific questions were asked during the interviews. These included: 1. How would they comment on the contributions of NGOs and their officials in their lives? 2. What were the NGOs and their officials' behavioural patterns towards their clients? 3. How did NGO officials deal with default loans? The following table shows how women feel about their network with NGO officials:

Table 2
Relationships between NGO Officials and Borrowers

Relationships with NGO officials and borrowers	Agree (%)	Not Sure (%)	Disagree (%)	Total
Positive contributions of NGOs on borrowers' lives	30 (75%)	04(10%)	06 (15%)	40(100%)
Good behavioural pattern of NGO officials towards borrowers	25 (62.5%)	05 (12.5%)	10 (25%)	40(100%)
Soft attitude towards default loan dealing	10 (25%)	03(7.5%)	27 (67.5%)	40(100%)

Source. Field Investigation

Data revealed that more than half of the total respondents expressed an optimistic attitude and good relationship with NGO officials. This affiliation enabled them to recognise many important socio-economic aspects of their lives. Hence, 30 (75%) respondents reported a positive contribution

of NGO officials in terms of their attitude, not only in loan dealings but also by experiencing life improvement in various ways. On the other hand, only 6 (15%) microfinance clients provided an opposite viewpoint regarding their relationship with NGO officials. One of the respondents said,

“NGO official (Vai) is giving us loan but sometimes he showed very rude attitude to us when any of us is unable to repay. They are taking huge interest from us and compels us to save 100 taka each time which is sometimes beyond our ability” (MC-01)

This viewpoint gives the impression that a vertical network between lenders and borrowers follows a traditional patron-client relationship structure where patrons are more powerful than clients. The unequal distribution of power makes the clients submissive. They fear the discretionary power of the patron to refuse future loans and this compels them to repay on time. However, most of the respondents have positive views of their relationship with the lenders.

The primary data revealed that majority of the borrowers were able to develop a good network with their lenders. From their perspective, a positive network with NGO officials enabled them to attain better and improve economic conditions for their lives. Nevertheless, from the NGO perspective,

liable network with borrowers assisted them to operate their program smoothly and sometimes enabled them to redesign their programme according to their client's needs. Therefore, the success of a programme mostly depends on the relationship, trust and network developed amongst borrowers, field workers themselves, as well as between lenders and borrowers.

Opinion about their affiliation with fellow members

In order to ascertain an understanding of the borrowers' relationship with fellow group members, a series of questions were asked during the interviews. These included: 1. What comment would they make about their fellow members' contribution to their lives; 2. Do they share their private matters with anyone in the group? 3. In addition to group meetings, do they help one another in times of emergency? 4. Do they have good communication to help solve any personal or community problems? The following table shows how women feel about their affiliations with fellow members of the group.

Table 3
Relationship with fellow members

Relation with fellow members of the group	Yes (%)	NO (%)	Not sure (%)	Total
Fellow members' contributions to their lives	35 (87.5%)	3 (7.5%)	2 (5%)	40 (100%)
Sharing private matters with fellow members	26 (65%)	10 (25%)	4 (10%)	40 (100%)
Helping one another in times of emergency	30 (75%)	8 (20%)	2 (5%)	40 (100%)
Helping one another to solve any personal or community problems	31 (77.5%)	5 (12.5%)	4 (10%)	40 (100%)

Source. Filed Investigation

From the data, it can be seen that 35 good contributions from fellow group (87.5%) respondents stated they received members in their lives, as opposed to

only 3 (7.5%) who stated that their group members had no contribution to their lives. From the field investigation, it was found that the women were able to attain greater access to information and resources if they had good relationship with one another.

"I did not know about BRAC's non-formal primary education scheme and was really worried for my daughter's education. I thought I would not get her admitted to primary schools because of financial and distance issue. But when I came to know from one of my fellow members about the procedure of BRAC's primary school I was relaxed and got my daughter enrolled there."(MC-14)

Being members of a microfinance group enables village women to borrow money and household items from one another and utilise the network to meet social obligations in the village. One of the respondents reported that she bought a cow using microcredit and sometimes she used the network to borrow money to purchase food for her cow.

I usually use the network to buy cow food. Sometimes I am unable to earn extra money from selling cow dung and goats. My husband is a day laborer but he could not work for few months due to his sickness. I could neither earn nor got from husband. So I had to go to my group member's house to turn to and she was very much willing to provide the money. Not only she most of the group members used to help one another with money if they have the ability."(MC-9)

Most of the members were found to use their membership of the microfinance programme to expand their networks. Participation in groups provides the prospect to cross family and kinship boundaries. The following statements represent how women expand their community wide network by using their group ties.

"We like to expand our networks by membership of microfinance. Access to regular supply of credit allows me to take the advantage of existing networks consist of me and my husband's family. This assists to invest in new network building outside the family unit. I combined credit and kinship group to make a new network and with this network I am leasing and purchasing land as well as conducting tailoring business. I started to run a tailoring business in local market through my kinship network."(MC-16)

"I purchased a mobile phone with the loan. The phone helps me to strengthen my social network (bridging). I operate my towel business by the phone. Many of my customers are also my group members. I also take orders from village people and makes dresses with my hand machine. Then I call the customers for delivery. Moreover village people usually come to make phone calls and thus I make a profit from this small business" (MC-10)

However, from the field survey, it can be seen that the borrower's stability to create and utilise the new network or expand their community wide network depends on their regularity in meeting attendance

and the length of time the women have been involved in NGOs. Before providing evidence to support this assertion, it is necessary to ascertain the borrower's views regarding the frequency of meetings.

Opinion about their regularity in attending meetings

A series of questions sought the respondents' views in relation to the frequency of meetings. These are: 1. Do they attend meetings regularly? 2. Why do they like to attend meetings? 3. How often do they feel meetings should be held? The following table shows the respondents' attitude towards the frequency of meetings.

Table 4
Respondents' view on the regularity of their meetings

Respondents' viewpoint about their regularity in attending meetings	No. of respondents	Percentage
Regular	25	62.5%
Irregular	14	35%
No comment	01	2.5%
Total	40	100.00

Source. Field Investigation

The field investigation revealed that 25 (62.5%) women attended meetings regularly, followed by 14 (35%) who irregularly attended them. The field survey also revealed that a positive correlation existed between the regularity of meeting attendance and intensity and expansion of networking among members. The women who attended meetings regularly were closer with one another and could expand

their community wide network more effectively than those who were not regular attendees. Findings suggest that women who are involved in independent income generating activities at a community level (petty business, tailoring, poultry farm, grocery shop keeping, dairy farm) are more likely to attend meetings regularly.

"I liked to attend meetings regularly. In the beginning it was just out of my interest but later I found I was able to make very good relationship with group members. Now I am having the benefit of being regular in group meetings. I am operating a dairy firm and most of my customers are my group members."(MC-20)

"I love to attend meetings regularly. At first I came regularly to break my monotony and it gave me good chance of making friends. Now I realize the benefit of being regular in the meetings. I have a poultry farm and I am successfully operating my business because of my group members as most of them are my customers." (MC-20)

"I have bought the sewing machine with loan which helps me to strengthen my social network. I have recruited some of my group members in my business. Sometimes they collect orders from distant places for my business. So my business not only expands my networks but also my group members network throughout the community. My business network has been expanded quickly as I am an old and regular member of the group that allows me to keep good interaction with group members." (MC-13)

Most of the women from weekly repayment groups said that they visited other group members' homes quite frequently and they know each other's name. Moreover, the tendency to visit was quite high among those who attended the meetings regularly. They love to share their private concerns with their group members.

DISCUSSION: APPLICATION OF THEORY TO PRAXIS

The theory of networks of social capital demonstrates a frame of understanding poor women's position in power structure and how women can use the networks to transform power relations to bring changes which they desire (Jetti, 2006). The field investigation revealed that most respondents had no associational connections apart from their relatives and next door neighbours prior to their involvement in the microfinance groups. The groups created and sustained through microfinance provide a networking facility for women. Group meetings and group interaction facilitate women's social capital and further promotes their empowerment. The women who were more socioeconomically empowered as they were able to expand community wide social networks through utilising their kinship and microfinance group networks. They not only have control over the loan, income and expenditure, they also have access to the market and are involved in local trade associations. Some examples can be drawn from the statements quoted from the respondents:

"I have a grocery shop in the local market operated by credit money. Before joining in a microfinance group I neither had money nor had experience and knowledge. When I joined in groups I got an idea from one of my fellow members. I then started my business and now my group members are my main customers. My group members also encourage other village people to buy products from me."

"I am doing hand stitching in cloths and sell them in the local market. I started this business with loan collected from NGO. I have also appointed some of my group members. They get order from me and some of them help to market the products. My group members not only work in my business but also they advertise for me so I can get more orders from inside and outside of the village."

"We have established a dairy farm beside our home with the loan. My husband and I take care of our dairy farm. When we first started our business my group people were my only customers. Very soon other community people became interested after seeing my group member's interest. Now we are operating a profitable business."

"By the loan I bought goats, ducks, hens and four cows. By selling cows I bought some string for my weaving machine. Now I make seven and eight towels per day. I sell those at wholesale rate. There are some specific buyers of my cows also. I communicate over phones to the clients. As a result there has been created a new network. I have leased an orchard of mangos for three years and here I am connected with a new network. I go to market to buy thread for weaving. So, there I also make a new association. I also work as a nurse at her village after having training from NGO. I learnt towel weaving from one of the group member. Now I recruit some of my group members in my small business. Some of the buyers of my cows are also my group members and I provide health service mostly to my group members."

Many of the female respondents, who were able to improve their economic condition at both household and community level, utilised their microfinance group network in most of the cases.

Besides, the pre-existing social ties cannot empower women at a community level. These women only enjoy household level empowerment to a little extent. These women mostly have limited or almost no control over loan utilisation, income and expenditure of the family because they failed to utilise their group ties in most of the cases. These women are either comparatively new members of the groups or are irregular attendees of group meetings. Moreover, lack of education, family support, burden of families, limited time spent in centre meetings can be other factors which bottleneck their good networking either within microfinance groups or in the community.

Nevertheless, bridging networks give the opportunities necessary for entrepreneurial activities throughout the community. However, the root of community wide network lies in the microfinance groups which allow rural women to develop positive levels of trust, information flow and mutual understanding among group members. The findings of the study conform Jetti's (2006) argument regarding bridging networks since she argues that poor women initially depend on their families for accessing the credit but as their business expands, they acquire skills and resources to participate in extensive networks which assist them

to enter the mainstream economic life. Correspondingly, this research findings suggest that the women, who have high level of empowerment, are able to utilise the positive outcomes of belonging to microfinance groups. Their continuous economic attachment with the groups motivates them to have a sense of belonging to the group and this further generates trust and co-operation among them. In those households, power is partially or fully exercised by women. Furthermore, these women are in better position in their mobility and decision making. They also showed very strict position in domestic violence. As argued by Batliwala (1994), power accrues to those who have access to material, intellectual and ideological resources. Therefore, women who are able to accrue such power will be in a better position, not only to challenge the inequitable power relations but also gain greater self-respect, self-confidence and a general sense of well-being.

These data also fit Bourdieu's (1986) theory very well, whereby he said power follows the ability to mobilise capital. Continuous supply of loan and opportunity of savings inspire women's regular participation in groups. This continuous economic interaction facilitates trust, reciprocity and cooperation among them. This research has demonstrated that microfinance not only provides credit support but it also facilitates women's continuous interactions through group participation and networking, which further promotes their socioeconomic empowerment.

CONCLUSION

In summary, while most studies focus on the economic benefits derived from microfinance interventions, the present paper has shed light into how social norms that are created through microfinance programmes underpin the trust level among borrowers and how microfinance programmes promote social capital by forming horizontal and vertical networks throughout the community. Although the original objective of the microfinance program was primarily to offer microcredit to disadvantaged community members, especially women, it has gradually taken up the responsibility of creating social capital to achieve its non-negotiable goals of alleviating poverty and empowering rural women.

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