

ISAS Working Paper

No. 119 – 6 January 2011

469A Bukit Timah Road
#07-01, Tower Block, Singapore 259770
Tel: 6516 6179 / 6516 4239
Fax: 6776 7505 / 6314 5447
Email: isassec@nus.edu.sg
Website: www.isas.nus.edu.sg



Women Empowerment in Bangladesh: The Rise of the Other Half

M. Shahidul Islam
and
Suvi Dogra¹

Executive Summary

Increasing freedom around the world, especially women's freedom, is one of the hallmarks of the current wave of globalisation. Some analysts project that this could further intensify and favourably transform societies across the world. The economic and socio-political conditions of women in South Asia are not unique. Within the regions, Sri Lanka emerged as a pioneer of sorts in terms of the process of women empowerment. However, Bangladesh too has made significant strides in recent years. It has outshone some of its South Asian neighbours, including India, as far as women empowerment is concerned. The country's achievements in this regard are unparalleled in the Muslim world, bar Indonesia.

Using statistical data, this paper compares Bangladesh *vis-à-vis* South Asia, China and Vietnam to see where it stands in the regional context as far as gender balance, more precisely women empowerment, is concerned. It then identifies the factors that contributed to women empowerment—the primary thrust of this study—in Bangladesh. It also explores how the

¹ The authors are research associates at the Institute of South Asian Studies (ISAS), an autonomous research institute at the National University of Singapore. M. Shahidul Islam can be reached at isasmsi@nus.edu.sg and Suvi Dogra at isassuvi@nus.edu.sg. The views reflected in the paper are those of the authors and not of the institute. The authors are grateful to Dr Iftekhar Ahmed Chowdhury, Senior Research Fellow, ISAS, for his valuable comments.

country's steady progress in gender-related development indicators could be a critical factor in guiding Bangladesh towards a higher growth trajectory.

While the highly skewed preference for boys over girls continues to amplify the number of 'missing women' [the term owes its origin to the economist, A.K. Sen], in Asia, notably in India and China, this preference has sharply declined in Bangladesh in the past three decades, thereby improving the sex ratio in favour of girls.

Based on the available economic literature and anecdotal evidence, we show that women's access to education played a key role in Bangladesh's successful population transition. A tripartite effort by the government, Non-Government Organisations (NGOs) and donor agencies has been the key catalyst in educating the female population of Bangladesh. These efforts have also been extended to making healthcare more accessible for the women in the country.

When it comes to access to employment and earnings, women find better opportunities in Bangladesh than many of their South Asian peers. This is largely due to, among other factors, the meteoric rise of microfinance industry in the country that generally offers easy access to credit for the poorest of the poor. Moreover, the labour-intensive apparel industry absorbs a large number of young women. As a result, the labour force participation rate of women in Bangladesh is very high compared to most South Asian economies.

Apart from economic factors, Bangladesh's social and political institutions (such as courts, law and order, civil society, etc.) play a supportive role in protecting women's rights.

While Bangladesh's stride towards a gender-balanced society has paid some tangible benefits to the nation, the country has only been able to utilise a part of its female human capital. Moreover, Bangladesh's success in women's empowerment is happening at a time when the nation's demographic window is about to open, with a growing share of females in the working age population.

There exists a nexus between gender equality and economic growth. What is interesting to note, is that the actual growth rates of South Asia and other lagging regions were at least one percentage point lower than their potential growth owing to the gender imbalance. Studies also suggest that the growth impact of education for girls may be greater than the impact for boys. A pioneering study on Bangladesh supports this view. Consequently, Bangladesh's stride towards a gender-balanced society could be one of the benefactors in the country's pursuit of higher economic growth.

Bangladesh's success in balancing its gender gap offers some policy lessons for other South Asian, as well as a number of African, countries. The nexus between female education and successful population transition might have particular importance for Pakistan and Afghanistan. Bangladesh's successful revolution in the area of microfinance, which provides alternative employment and income opportunities to the female population, is another area that has increasing global appeal.

Nevertheless, the benefits of women's empowerment cannot be measured by merely economic numbers. Greater involvement of NGOs and women's wider role in society are believed to be marginalised by the extremists' thoughts in Bangladesh; this is an issue that needs to be studied further for the wider benefit of South Asia and beyond the region.

I. Introduction

In his latest book titled *Sonic Boom: Globalization at Mach Speed*², Gregg Easterbrook identified a few mega trends that could expedite the globalisation process in years to come. One of them is increasing freedom around the world, especially women's freedom. Advances in literacy rates and the greater assimilation of women throughout the world into the workforce could double the world's supply of ideas, the author observed.

Most developed nations, with the exception of Japan, have narrowed their gender gap³. The scenario is also changing rapidly in a number of developing countries, India being the biggest outlier⁴. In South Asia, Sri Lanka has achieved the most progress⁵ thanks to, among other factors, its relatively early entry in the 'catch-up' game. In recent years Bangladesh has made significant strides after Sri Lanka⁶ as far as women empowerment⁷ is concerned. This is not because the country has been alternately ruled by the two *Begums* since 1990 except for brief periods when interim governments facilitated power transitions. In the current parliament, the Prime Minister, the opposition leader, the foreign minister, the home minister and the agriculture minister are all women. Nevertheless, the changes concerning women empowerment in Bangladesh are much more fundamental than a number of powerful women leaders holding key ministerial portfolios. From enrolment in schools to participation in the workforce to decision making in family matters, the gender gap in Bangladesh is fast closing. It is also one of the few Muslim nations that recognises women's wider role in the economy and in society.

The important contribution made by its female population both in cities and the countryside has made Bangladesh's economic growth more balanced, which is reflected in income distribution and gender-related development indices. We discuss this issue with some statistics in the subsequent sections. As the country is showing some vital signs to grow faster than its current pace, greater female participation in the workforce and other societal externalities arising from women's empowerment are expected to be huge contributing factors in this context.

² Gregg Easterbrook, *Sonic Boom: Globalization at Mach Speed* (New York: Random House, 2010).

³ Indeed, most East Asian economies do not fare well in the global gender gap ranking. For details, see the Global Gender Gap Index (2009), World Economic Forum. Also see Gender Related Development Index, Human Development Report (2009), United Nations: New York.

⁴ *Ibid.*

⁵ *Ibid.*

⁶ Nepal has also made significant progress despite its low per capita income.

⁷ While the definition of 'gender balance' could be different from 'women empowerment', in this paper, the two terms are used interchangeably to indicate the state of the economic, social and political development of the female population *vis-à-vis* their male counterparts.

That said, the purpose of this paper is twofold. First, it identifies the critical factors behind women empowerment in Bangladesh. Second, it examines how the country's success in balancing its gender gap could play a significant role in helping the economy move towards a higher growth trajectory. The rest of the paper is organised as follows. In Section II the paper presents some data concerning the gender gap and women empowerment in Bangladesh. In particular, a comparative picture with its South Asian neighbours and other developing countries could help us understand where Bangladesh stands from a regional perspective. Factors that have contributed to women empowerment in the country, the major thrust of this paper, are discussed in Section III. In Section IV, following a review of the existing economic literature, we discuss how the country's stride towards a gender-balanced society could boost its economic growth in the coming years. The final section concludes the paper.

II. The State of Women Empowerment: Bangladesh in a Regional Perspective

The global gender gap index, devised by the World Economic Forum, gives a snapshot of the state of women's empowerment across the world. Most developed countries, notably the Scandinavian nations, rule the ranking. As reflected in Table 1, the gender gap in Asia remains wide with the exception of the Philippines and Sri Lanka. While China and Vietnam are catching up fast, Bangladesh has made significant strides if one compares the nation with its South Asian neighbours. It also outshone all Muslim countries, bar Indonesia.

Table 1: Gender Gap Rankings, 2009

Country	Overall Rank	Overall Score*
Iceland	1	0.8276
Philippines	9	0.7579
Sri Lanka	16	0.7402
China	60	0.6907
Vietnam	71	0.6802
Singapore	84	0.6664
Indonesia	92	0.6580
Bangladesh	93	0.6526
Maldives	99	0.6482
Malaysia	100	0.6467
Japan	101	0.6445
Nepal	110	0.6213
Jordan	113	0.6182
India	114	0.6151
Korea, Republic	115	0.6146
Egypt	126	0.5862
Iran	128	0.5839
Turkey	129	0.5828
Saudi Arabia	130	0.5651
Pakistan	132	0.5458

Source: 'The Global Gender Gap Index 2009', The Global Gender Gap Report 2009, World Economic Forum, Geneva, Switzerland.

Note: *scale of 0 to 1, 0=inequality, 1=equality. This ranking is based on five criteria: economic participation, economic opportunity, political empowerment, educational attainment and health and well-being.

It is important to note that the per capita income in Bangladesh remains very low. With approximately US\$750 per capita income⁸, as of Fiscal Year 2009-10 (US\$1,500 in Purchasing Power Parity terms, 2009), Bangladesh is still a least developed country. If one looks at income-related indices it ranks very low. Despite the low per capita income, the nation's human development record is highly impressive. This is more so when one looks at its gender-related development indicators. Column 2 and Column 3, of Table 2, show that Bangladesh ranks 8th among the sample countries (out of nine) on GDP (Gross Domestic Product) per capita. But the last column shows that it ranks first if one compares the country's income level with its human development records *vis-à-vis* other countries. Its income distribution is the most egalitarian among all South Asian countries as well as China and Vietnam, which is reflected in the Gini coefficient value reported in Column 5 of the table.

⁸ Bangladesh Bureau of Statistics (BBS), quoted in the *Daily Star* (28 May 2010) and The World Fact Book, Central Intelligence Agency, available at <https://www.cia.gov>. Accessed on 27 September 2010.

Table 2: Bangladesh's GDP and HDI Records vis-à-vis Selected Developing Countries

	GDP per capita (PPP US\$), 2007	GDP Index, 2007	HDI Index, 2007	Gini Index, 2000-2007	GDP per capita (PPP US\$) rank minus HDI rank*, 2007
China	5383	0.665 (1)	0.772 (1)	41.5 (7)	10 (5)
Bhutan	4837	0.647 (2)	0.619 (5)	46.8 (8)	-24
Sri Lanka	4,243	0.626 (3)	0.759 (2)	41.1 (6)	14 (2)
Indonesia	3712	0.603 (4)	0.734 (3)	39.4 (5)	10 (4)
India	2753	0.553 (5)	0.612 (6)	36.8 (3)	-9 (6)
Vietnam	2600	0.544 (6)	0.725 (4)	37.8 (4)	13 (3)
Pakistan	2496	0.537 (7)	0.572 (7)	31.2 (2)	-9 (6)
Bangladesh	1241	0.420 (8)	0.543 (9)	31 (1)	21 (1)
Nepal	1049	0.392 (9)	0.553 (8)	47.3 (9)	21 (1)

Source: Human Development Report 2009, United Nations: New York.

Note: Figures in parentheses show ranking. The ranking is based on the countries listed in the table.

*A positive figure indicates that the HDI rank is higher than the GDP per capita (PPP US\$) rank.

Table 3 shows the gender disparity in selected South Asian countries and China. Among the sample countries, Bangladesh placed third after China and Sri Lanka if one looks at the gender-related development index (GDI) that captures inequalities in achievement between women and men. As reflected in Table 3, Bangladesh has done particularly well in educating its female population.

Table 3: GDI Compared to HDI: Bangladesh *vis-à-vis* Selected Countries

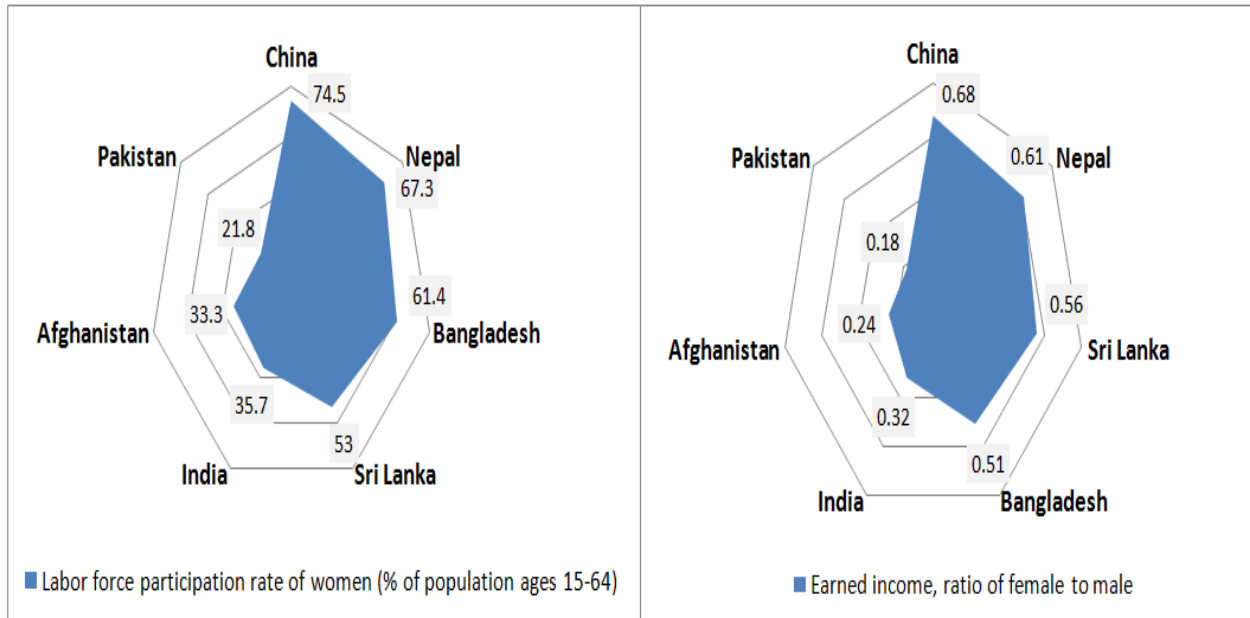
	GDI as % of HDI	Life expectancy at birth (years), Female as % male	Adult literacy rate (% ages 15 and older), Female as % male	Combined primary, secondary and tertiary gross enrolment ratio, Female as % male
China	99.8	104.8	93.3	99.4
Sri Lanka	99.6	110.9	96.1	103.6
Bangladesh	98.7	103.1	81.9	101.4
Nepal	98.4	101.9	62	91.6
India	97.1	104.7	70.9	89.3
Pakistan	93	101	58.6	78.3
Afghanistan	88	99.8	29.2	55.6

Source: Human Development Report 2009, United Nations: New York.

Figure 1 reflects two important measures of women's empowerment in terms of income and employment. The left panel shows that the labour force participation rate of women in Bangladesh is lower than in China and Nepal but higher than the rest of South Asia. The right panel shows that an average Bangladeshi woman earns half of what a man makes in the country, which is higher than in India, Pakistan and Afghanistan but lower than in China, Sri Lanka and Nepal.

To sum up, Bangladesh has outshone some of its key neighbours, including India and Pakistan, in closing the gender gap and it has also been bridging the gap with China, Vietnam and Sri Lanka. In the next section, we identify and discuss the factors behind the steady empowerment of women in Bangladesh.

Figure 1: Labour force Participation Rate of Women and Income Ratios (Female to Male) in Bangladesh, China and Select South Asian Economies



Source: Based on Human Development Report 2009, United Nations: New York and World Development Indicators online, World Bank: Washington.

III. Factors behind Women’s Empowerment in Bangladesh

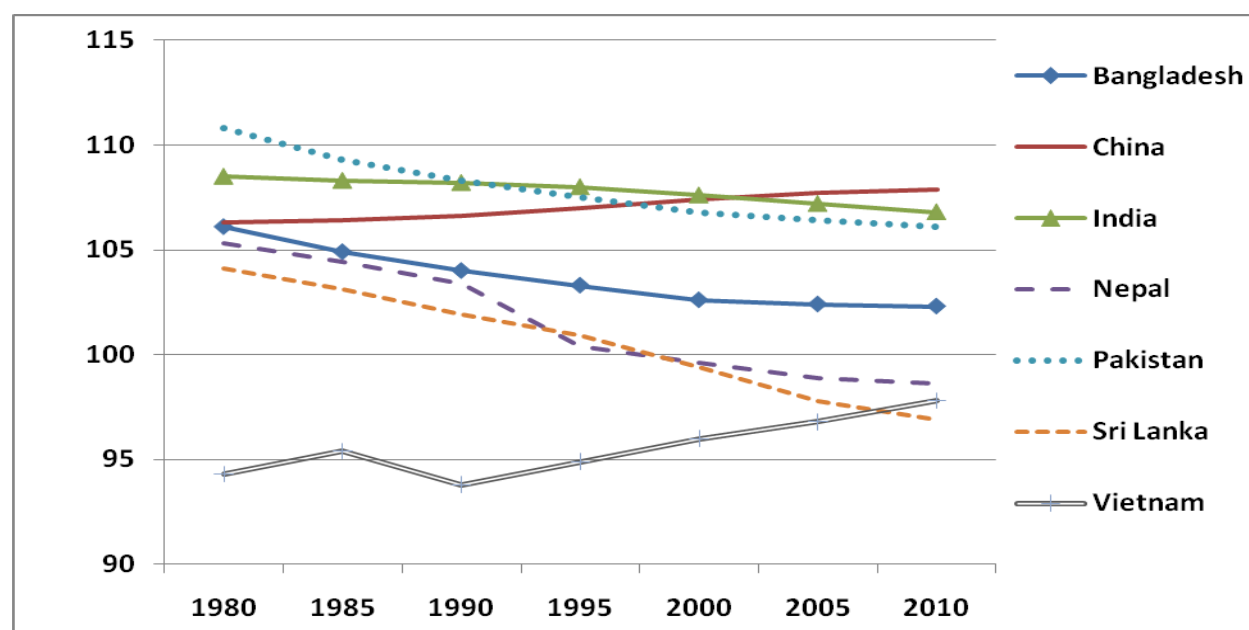
Before we identify the critical factors that are prompting women empowerment in Bangladesh, it is imperative to define women empowerment. The United Nations views women empowerment as having ‘five components: women's sense of self-worth; their right to have and to determine choices; their right to have access to opportunities and resources; their right to have the power to control their own lives, both within and outside the home; and their ability to influence the direction of social change to create a more just social and economic order, nationally and internationally’.⁹ One notices an increasing recognition of the centrality of women empowerment in the overall development process since the 1990s.¹⁰ In this paper, we look at the economic and social empowerment of women in Bangladesh.

⁹ See ‘Guidelines on Women Empowerment’, Department of Economic and Social Affairs, UN Population Division. Available at www.un.org/popin/unfpa/taskforce/guide/iatfwemp.gdl.html. Accessed on 28 August 2010.

¹⁰ The empowerment of women was essential to the declarations and platforms for action of the 1990 World Conference on Education for All, the 1992 United Nations Conference on Environment and Development, the 1993 Human Rights Conference, the 1994 International Conference on Population and Development, the 1995 World Summit for Social Development, and the Regional Preparatory Conferences for the 1995 Fourth World Conference on Women. For details, see ‘Guidelines on Women Empowerment’, Department of Economic and Social Affairs, UN Population Division. Available at www.un.org/popin/unfpa/taskforce/guide/iatfwemp.gdl.html. Accessed on 28 August 2010.

Why has Bangladesh done relatively better than many South Asian countries when it comes to women empowerment, although it has experienced a relatively lower to moderate level of economic growth than its peers? Before we conduct a micro-level enquiry on this, it is worth looking at the sex ratios in Bangladesh, China, Vietnam and key South Asian countries. As can be seen in Figure 2, there has been a strong preference for male over female babies in India, Pakistan and Bangladesh. While Bangladesh has been closing the gap rapidly, India and Pakistan's success in this regard has been less than satisfactory. China's progress is even worse than India's; there is a strong cultural preference among Indian and Chinese parents, for sons over daughters. China's one-child policy is believed to have contributed to the skewed preference for boys.

Figure 2: Trends in Male to Female Sex Ratios in Key South Asian Countries, China and Vietnam: 1980-2010.



Source: Based on Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2008 Revision. <http://esa.un.org/unpp>.

The global average sex ratio is 101.7 (males per 100 females). This means that there are 101.7 boys for 100 girls.¹¹ However, the ratio can vary widely. For instance, in Europe and North America there are 105 women for 100 men. In India, the regional variation in gender ratio is extremely skewed – in Punjab there are 80 girls for every 100 boys, whereas in Sikkim the ratio

¹¹ Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, 'World Population Prospects: The 2008 Revision', <http://esa.un.org/unpp>.

is fairly balanced.¹² In Bangladesh, for every 100 females there are 102.3 males. For India, Pakistan and China the corresponding figures are 106.8, 106.1 and 107.9, respectively.¹³

It is hardly surprising that the number of ‘missing girls’ – a term coined by the economist A. K. Sen – is staggering both in India and China. Sen first estimated the number of ‘missing women’ by calculating the number of extra women who would have existed in a particular country if they had received similar care as men. According to Sen, in countries where men and women receive similar care, the female to male ratio is about 1.05.¹⁴

A back-of-the-envelope calculation (see Table 4) shows that there are at least 39 million fewer women in India’s total population, owing to the lower preference for female than male children (0.94). The figure for China is even worse, with at least 40 million fewer females added to the population due to parents’ skewed gender bias for boys. If one uses the Sen Criteria, the corresponding numbers can be as high as 67 million for India and 80 million for China. While Bangladesh has made the most progress in the sample by improving its sex ratio in favour of girls, at least 0.8 million females did not survive due to parents’ slightly skewed gender bias. In the case of Pakistan the most optimistic number is 4.1 million. The number of missing women in Pakistan and Bangladesh can be as high as 9.7 and 6 million, respectively.

Table 4: Missing Women in Selected South Asian Countries and China

	Based on world’s average sex ratio 101.7 (males per 100 females) or 99 (females per 100 males)		Based on A K Sen Criteria, sex ratio 95 (males per 100 females) or 105 (females per 100 males)		Actual sex ratios, (females per 100 males)	
	1980, in millions	2010, in millions	1980, in millions	2010, in millions	1980	2010
Bangladesh	1.8	0.8	4.7	6	94.2	97.8
India	20	39	38	67	92.5	93.6
Pakistan	3.1	4.1	5.7	9.7	90.3	94.3
China	20	40	51	80	94.1	92.7

Source: Author’s calculations based on World Population Prospects: The 2008 Revision, The United Nations: New York and Sen, A. K. (1990).

¹² ‘Indicus Analytics: The missing daughters’, *Business Standard* (2 December 2010), <http://business-standard.com/india/news/indicus-analyticsmissing-daughters/416777/>. Accessed on 3 December 2010.

¹³ Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, ‘World Population Prospects: The 2008 Revision’, <http://esa.un.org/unpp>. Accessed on 6 January 2011.

¹⁴ Sen Amartya, ‘More Than 100 Million Women Are Missing’, Feature, *The New York Review of Books*, Vol.37, no.20 (20 December 1990).

Nicholas D. Kristof and Sheryl WuDunn in their Pulitzer Prize winning book titled *Half the Sky: Turning Oppression into Opportunity for Women Worldwide* called this gender bias in sex selection as gendercide. According to the authors, the daily slaughter of girls in the developing world, steals more lives in any given decade ‘than all the genocides of the 20th century.’ Detailing the extensive account of gendercide in the developing countries, they claim that more girls have been killed in the last fifty years than men were killed in all the wars of the twentieth century.¹⁵

Apart from a less skewed gender bias, other notable factor that helped Bangladesh balance the sex ratio is the nation’s success in reducing the female infant mortality rate for which the country received a United Nations award in 2010.¹⁶ It also showed similar success in minimising under-5 child mortality rates. Table 5 shows infant mortality rates by sex in selected South Asian countries and China. Sri Lanka, Bangladesh and Nepal outperformed the two largest and fastest growing Asian economies, viz., China and India, by reducing the female infant mortality rate. The scenario in Pakistan is the worst among the selected countries. Going forward, the United Nation’s projection for 2010-2015 (medium variant) shows that Bangladesh will continue to see a faster decline in the female infant mortality rate (35 female deaths per 1,000 live births against 39.4 male deaths per 1,000 live births). The corresponding figures for India would be 50.2 (48.9). The projection is almost identical when one looks at the under-5 mortality rates by sex.¹⁷

¹⁵ Nicholas D. Kristof and Sheryl WuDunn, *Half the Sky: Turning Oppression into Opportunity for Women Worldwide* (New York: Vintage Books, Random House, 1990).

¹⁶ Bangladesh received a United Nations award for its remarkable achievements in attaining the Millennium Development Goals (MDGs) particularly in reducing child mortality. Source: ‘Child Deaths Halved: UN Award for Bangladesh’, *The Daily Star*, Dhaka (21 September 2010).

¹⁷ Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, ‘World Population Prospects: The 2008 Revision’, <http://esa.un.org/unpp>.

Table 5: Infant Mortality Rates and Under-5 mortality (by sex) in Selected South Asian Economies and China, 2005-2010

	Infant Mortality Rate by Sex			Under-five Mortality by Sex		
	Both sexes combined (infant deaths per 1,000 live births)	Male (infant deaths per 1,000 live male births)	Female (infant deaths per 1,000 live female births)	Both sexes combined (deaths under age 5 per 1,000 live births)	Male (deaths under age 5 per 1,000 live male births)	Female (deaths under age 5 per 1,000 live female births)
Sri Lanka	15.9	17.1	14.6	20	21	18
Bangladesh	44.7	46.4	42.8	57	58	56
Nepal	42.2	42.2	42.1	54	52	55
India	54.6	54	55.2	81	77	86
Pakistan	63.9	61.3	66.6	89	85	94
China	22.9	18.4	28.2	29	25	35
World	47.3	48.4	46.1	71	71	71

Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, 'World Population Prospects: The 2008 Revision'

While the strong preference for female over male children (or gender neutrality) and lower female infant mortality rates (or indifferent preference) might explain the improving conditions of the female population, they are not the panacea. These should be seen, at best, as some necessary conditions and a big step forward towards a gender-balanced society. China is a good example in this regard, if one isolates its 'one-child policy effect' on its gender preferences. Despite the highly skewed gender bias, the combined education enrolment in China (female over male) reached 99.4 per cent (Table 3). Nevertheless, in the case of Bangladesh the significant improvement in the sex ratio – female over male – shows families' strong commitment to a gender-balanced society.

Another demographic factor that played a critical role in minimising the gender gap in Bangladesh is the country's successful population transition owing to a steady decline in both birth rates and death rates. Total fertility rates (TFR) in Bangladesh have declined from 6.85 children per woman in 1970-75 to 2.36 in 2005-2010. The TFR is projected to approach a

replacement level (2.1) in the period of 2015-2020.¹⁸ A successful population transition means a rise in the working age population and a steady decline in dependency ratios that leave more surplus income to support health and education expenses. A back-of-the envelope calculation shows that Pakistan would have had at least 40 million fewer people than Bangladesh had it followed the latter's population growth trends (more precisely, the population policy).

Bangladesh's favourable demographic transition, the rapid decline in mortality rates, notably the female mortality rate, improvements in the health and nutrition of the female population and their associated benefits are in line with what many researchers have demonstrated. Hill and King (1993) and Schultz (1997) found that increasing women's literacy level mainly results in high individual private market returns, reduced child mortality and fertility, better health and education of children, and increases in the income potential of poorer individuals. Bangladesh's success in educating its female population perhaps supports these findings. This issue is discussed in some detail in the later part of the paper and in the subsequent section.

A tripartite effort helped Bangladesh make one of the most successful population transitions in developing countries as well as in the Muslim world. Initially, the donor agencies financed and the government implemented a highly successful family planning programme, which is perhaps one of the most successful among Muslim nations. Owing to the conflict between religion and contraceptive use, birth control programmes still face tremendous opposition, particularly from *Mullahs* (or other religious leaders and priests), around the world. This has led many Muslim countries into 'demographic traps' – a situation where the population grows rapidly due to a high birth rate and a low death rate. A high child dependency ratio leaves very little surplus income to be spent on health and education. It is hardly surprising that most of the 20 countries that lead the list of 'failing states' – predominantly Muslim countries – are caught in a 'demographic trap'.¹⁹

Non-government organisations (NGOs) also played a large part in creating social awareness that eventually helped control Bangladesh's chronic population problem. There has also been a lasting intervention by NGOs in the country's health sector. BRAC, which is one of the largest NGOs in the world, has an essential healthcare programme that operates in the country's 64 districts with 80,000 volunteers.²⁰ It also provides healthcare programmes in malaria, mental health, HIV/AIDS and tuberculosis. The contribution made by the International Centre for Diarrhoeal Disease Research, Bangladesh (ICDDR,B), a health research institution dedicated to

¹⁸ *Ibid.*

¹⁹ For details, see The 2010 Failed State Index, *Foreign Policy*, Available at www.foreignpolicy.com/articles/2010/06/21/2010_failed_states_index_interactive_map_and_rankings. Accessed on 25 August 2010.

²⁰ BRAC, www.brac.net. Accessed on 11 August 2010.

saving lives through research and treatment, and its Matlab Hospitals in this regard has been phenomenal.²¹

In the education sector, with the help of donor assistance, the government played an important role by offering free primary education to both boys and girls. Subsequently, secondary and higher secondary education were made free for female students. The government also initiated several financial incentive schemes for female students that dramatically increased enrolment.

NGOs have also been playing a supporting role in Bangladesh's non-formal education sector by providing basic schooling to a target group (age between 8 and 45) who cannot be at formal schools due to high opportunity costs, among other reasons. The non-formal education projects are generally undertaken by the government and implemented by the NGOs who target out-of-school children, school drop outs, adolescents and young adults as well as urban slum dwelling working children and adolescents engaged in hazardous professions.²² BRAC, for instance, offers various pre- through post-primary schools with modern curricula.²³ BRAC alone runs 38,250 non-formal primary and pre-primary schools in all 64 districts of Bangladesh. Over 4 million students graduated from BRAC schools and generally 70 percent of its students are girls.²⁴ BRAC is now going global, with a growing presence in Afghanistan and Pakistan. There are numerous NGOs, such as Proshika, Gono Shahajjo Shangstha (GSS) and Dhaka Ahsania Mission (DAM) that offer similar programmes. Moreover, a large number of primary schools in the country are run by communities.

The rise of NGOs, steady urbanisation and the presence of a vibrant civil society have minimised the influence of *madrashas* that generally offer religion-based education. The ideological battle between NGOs and other progressive segments of society *vis-à-vis Mullahs* is still ongoing, with the former gradually marginalising extremist thinking in the country. Tensions between secular and religious-based education have partly eased following the effects of modernisation, which include the enrolment of female students, the appointment of female teachers and higher demand for graduates from non-religious-based educational institutions.

The rising urban population in recent years has also increased the influence of modern education over religion-based institutions. With steady economic growth, the country, particularly in the

²¹ For details of the activities of ICDDR,B, see its website (www.icddr.org/). Accessed on 11 August 2010.

²² For details see Non-Formal Education Policy Bangladesh, 2007, United Nations Economic and Social Council. Available at <http://webapps01.un.org/nvp/frontend!policy.action?id=190&tab=analysis>, Accessed on 28 November 2010.

²³ BRAC runs two types of non-formal schools: the BRAC Primary School (BPS) and the BRAC Adolescent Primary School (BAPS).

²⁴ BRAC, www.brac.net. Accessed on 11 August 2010.

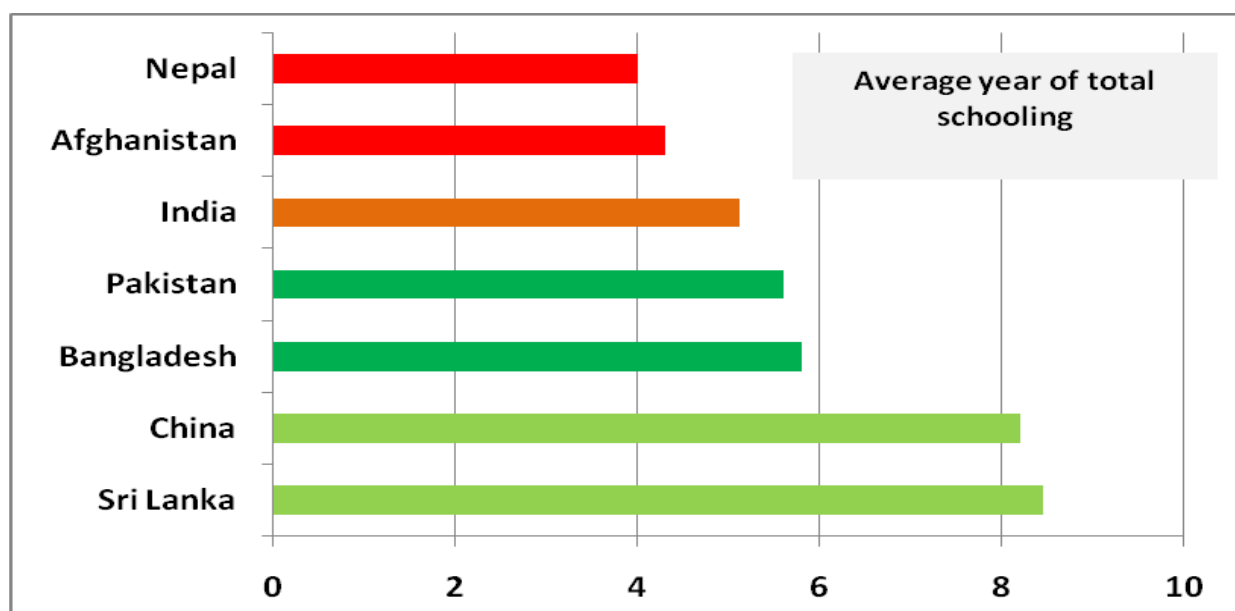
cities, is witnessing a rapid rise in the number of private schools that offer secular and modern education. For instance, nearly 87 per cent of the female students enrol in non-religious primary schools.²⁵ Except for *madrashas*, in recent years there has been a marked improvement in the gender balance in primary schools, with females constituting 36 per cent of the teaching staff.

Nevertheless, the role of *madrashas* concerning the expansion of female education is important for several reasons. First, these religious schools are generally operated in rural and isolated areas that, in most cases, have neither formal nor informal education facilities. So, *madrashas* are critical in reaching out to the extremely poor female population that otherwise may not get any kind of education. Today, females constitute nearly half of the total student population in these religious schools.

All these factors have helped Bangladesh achieve marked success in its education sector. As reflected in Figure 3, Bangladesh has progressed more than most of its South Asian neighbours, bar Sri Lanka, in terms of average years of total schooling. When it comes to education attainment of females to males, the country outshone all of its South Asian neighbours and China, particularly in primary and secondary enrolments. However, it is way behind in tertiary enrolment (Figure 4).

²⁵ The World Bank, 'Education for All in Bangladesh: Where Does Bangladesh Stand in Achieving the EFA Goals by 2015?', *Human Development Unit, South Asia Region*, <http://siteresources.worldbank.org/INTBANGLADESH/Resources/education24.pdf>. Accessed on 22 August 2010.

Figure 3: Average Years of Total Schooling in Bangladesh and Selected Countries



Source: Robert J. Barro and Jong-Wha Lee (2010), ‘International Data on Educational Attainment: Updates and Implications’, *CID Working Paper No. 42*, Centre for International Development, Harvard University: Massachusetts.

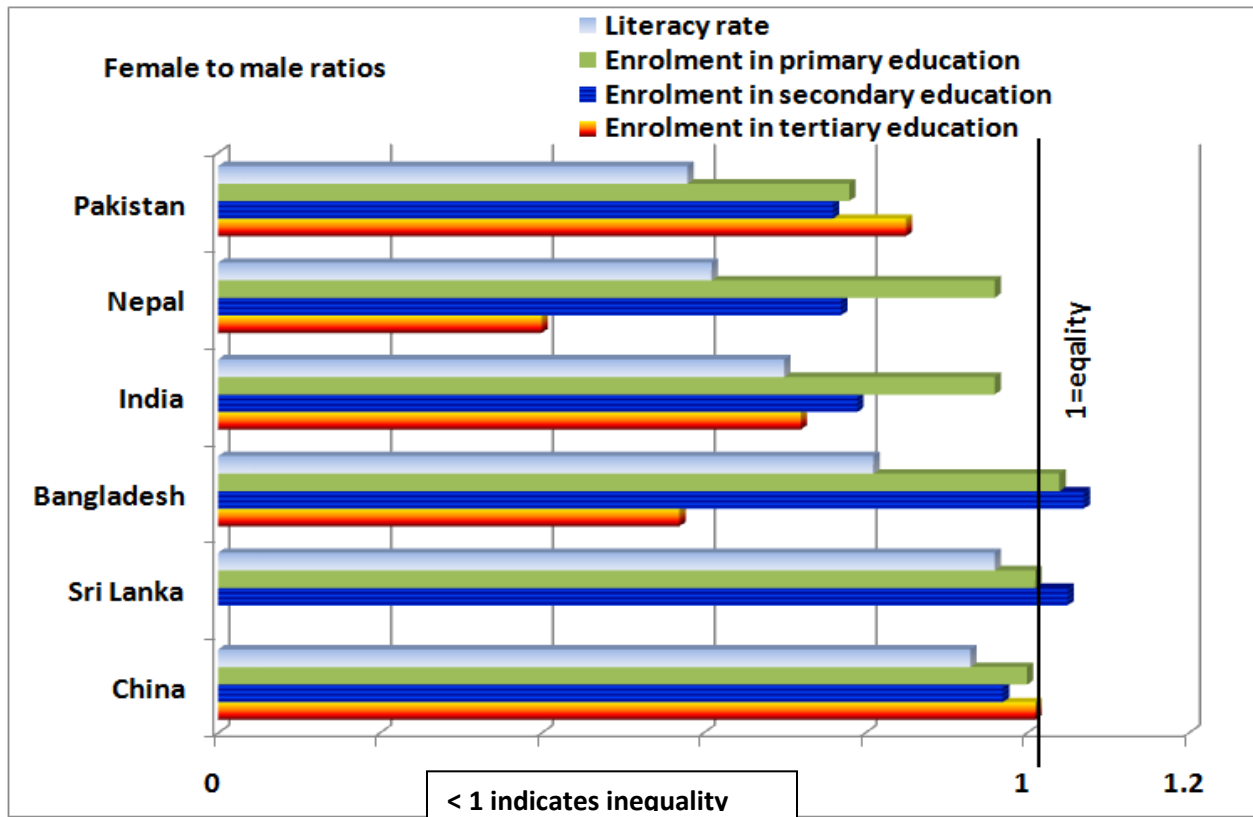
Bangladesh’s success in primary enrolment and its impact on demographic transition – notably, the decline in TFR – are in line with cross-country findings. In a seminal paper, Barro (2001) observed ‘[that] education of women at the primary level stimulates economic growth indirectly by inducing a lower fertility rate.’ However, he also found that ‘growth is insignificantly related to years of school attainment of females at the secondary and higher levels. This result suggests that highly educated women are not well utilised in the labour markets of many countries.’²⁶

Empirical evidence also highlights that an increase in female education can improve human development outcomes such as child survival, health and schooling; the impacts on these outcomes are larger for a given increase in women’s education than for an equal increase in men’s education.²⁷

²⁶ Barro, Robert J., ‘Education and Economic Growth’, in J.F. Helliwell (ed.), *The Contribution of Human and Social Capital to Sustained Economic Growth and Well-Being*, Organisation for Economic Cooperation and Development (2001), www.oecd.org/dataoecd/5/49/1825455.pdf . Accessed on 12 August 2010.

²⁷ Sinha, Nistha, Raju, Dhushyanth, and Morrison, Andrew Robert. ‘Gender Equality, Poverty and Economic Growth’, *World Bank Policy Research Working Paper No. 4349* (2007), <http://ssrn.com/abstract=1014233>. Accessed on 10 August 2010.

Figure 4: Education Attainment of Females to Males in Selected South Asian Countries and China, 2008.



Source: Based on Global Gender Gap Report 2009, The World Economic Forum: Geneva.

Female enrolment in Bangladesh has been phenomenal, particularly following the introduction of a cash transfer scheme, namely, the female secondary stipend programme (FSS), in 1994. However, greater emphasis on female enrolment has also resulted in an unintended outcome – what some analysts have termed the ‘reverse gender gap’. Some analysts have captured the development with statistical evidence. Asadullah and Chaudhury (2009), for instance, found ‘[that] more than closing gender gap, the stipend scheme may have led to a reversal of the gap and this gap is pronounced among poor households where the FSS programme has had the most impact.’²⁸

That said, while Bangladesh has made marked strides in female enrolment in primary and secondary education, it needs to put enormous effort into improving its female enrolment in tertiary education. The total literacy rate for females is still lower than for their male counterparts, due to the former’s low enrolment in tertiary education.

²⁸ Mohammad Niaz Asadullah and Nazmul Chaudhury, ‘Reverse Gender Gap in Schooling in Bangladesh: Insights from Urban and Rural Households’, *The Journal of Development Studies*, Vol.45, no.8 (2009), pp.1360-80.

While the battle was half-won with the high enrolment of female students and a gradual marginalisation of extremist thinking²⁹, following a successful population transition, the creation of economic opportunities was the next challenge for Bangladesh. Although a large part of the Bangladesh economy is informal, it is difficult to present a comparative analysis *vis-à-vis* other countries regarding women's real contribution in the economy. A similar problem prevails in many parts of South Asia. However, highlighting two sectors – microfinance and the apparel industry – we discuss the role of women in Bangladesh's formal economy.

The meteoric rise of microfinance and the rapid expansion of the apparel industry helped Bangladesh's female population enormously in terms of their employment and other economic opportunities. While the apparel industry offers direct employment in cities 3 to 3.5 million people³⁰, mainly women, microfinance helps create self-employment for millions of women, particularly in the countryside. As can be seen in Table 6, the penetration of microfinance is very high in Bangladesh. The figures in the table do not provide a complete picture but they give some indications about the state of microfinance penetration in South Asia. Table A.1 in the appendix shows the strong presence of Bangladeshi microfinance firms in the Top-10 Microfinance Information Index Global Composite Ranking.

Microfinance institutes generally offer small loans (US\$ 50-200) to the economically active poor population – often without collateral – to undertake or strengthen income-generating activities. However, the size of the loan to the enterprises could be as high as a few thousand dollars. The disbursement of loans is only one aspect of microfinance. Microfinance and microcredit institutes are an important part of enterprise development programmes³¹, where the loan is generally invested and employment is generated.

The role of microfinance in the process of women empowerment is well documented. Numerous studies have found a direct association between the two variables. Focusing on the impact of participation in microfinance by gender on labour supply, schooling, household expenditure and assets in Bangladeshi villages, Pit and Shahidur (1998)³² found that women microcredit recipients (as opposed to men) are more successful in increasing women's non-land assets and children's education. Aghion and Morduch (2005) conclude that the role of group lending and peer borrowers deters domestic violence and provides a way for women to save by keeping

²⁹ Nevertheless, the marginalisation of extremist thinking does not indicate that there is a decline in the number of religious schools or rate of enrolment. It rather means that there has been a declining role of religious thought in Bangladeshi politics and society.

³⁰ 'Bangladesh, With Low Pay, Moves In on China', *New York Times* (16 July 2010).

³¹ They include, among others, poultry and livestock, dairy, fisheries, agriculture and handicrafts.

³² Mark Pitt and Shahidur R. Khandker, 'The Impact of Group-Based Credit Programs on Poor Households in Bangladesh: Does the Gender of Participants Matter?' *Journal of Political Economy*, Vol.106, no.5 (1998).

money away from their husbands. Moreover, one of the key reasons behind the success of microcredit in Bangladesh is that women are found to be better than men in repaying loans. See the fact sheet of Grameen Bank in the appendix (Table A.2) that clearly shows that women borrowers outnumbered (as well as marginalised) male borrowers over the years.

Table 6: Microfinance Penetration in South Asia

	Number of active borrowers, 2008, in million	% of women borrower	% of working age population under microfinance coverage	Gross loan portfolio US\$, 2008
Afghanistan (14)	0.3	69	2.1	113.2 million
Bangladesh (22)	21.6	92	22.0	2.1 billion
India (75)	16.2	95	1.1	2.1 billion
Pakistan (20)	1.1	71	1.1	162.9 million
Sri Lanka (12)	1	59	4.0	288.8 million
Nepal (27)	0.6	98	3.4	101.8 million

Note: This table is based on the number of microfinance institutions (MF) reporting to the Microfinance Information Exchange. Figures in parentheses show the number of reporting MFI in the respective countries. For time-series data, see www.mixmarket.org/. Accessed on 29 August 2010.

The apparel industry is another sector where a large number of women work. The industry employs over three million people and women constitute the largest part of the workforce.³³ The industry, which is highly labour-intensive, does not demand a highly educated labour force. This development, perhaps, separates Bangladesh from most South Asian economies that have been less successful in penetrating low-end manufacturing that could employ a large number of women with a primary or secondary school education but with minimal technical skills. Bangladesh offers one of the lowest manufacturing wages, particularly in the textile sector, in the world.³⁴ Apart from labour-intensive manufacturing, women are becoming increasingly competitive in the modern service sector. The rapid expansion of Bangladesh's apparel industry and the high penetration of microfinance are two key reasons behind the higher participation rate of the female workforce in the country.

³³ 'Bangladesh, With Low Pay, Moves In on China', *New York Times* (16 July 2010).

³⁴ M. Shahidul Islam, 'Window of Opportunity for South Asia', *Roubini Global Economics*, www.roubini.com/emergingmarkets-monitor/259222/window_of_opportunity_for_south_asia. Accessed on 12 August 2010.

Women's participation in the workplace is expected to rise further with the rising share of the working age female population in the Bangladeshi workforce. This issue is discussed in the next section.

In summary, parents' less skewed preference for boys over girls, a successful population transition, the state's strong hand in health and education, NGO's role in informal education, health and microfinance adding upon the rise of the apparel industry, steady urbanisation, and a gradual marginalisation of extremist thinking, have all helped Bangladesh to close its gender gap and empowered its female population. This could benefit the nation economically in an even greater way, which is the issue we take on in the next section.

IV. Women Empowerment and Economic Development: Cross-country Experience and Prospects for Bangladesh

In this section, we explore how gender could be a positive factor for Bangladesh's medium- to long-term growth. It is hard to conduct a quantitative exercise owing to the complex linkages between gender and growth. However, we attempt to offer a scenario for Bangladesh based on the available literature as well as the country's current socio-economic conditions. The existing literature, especially at the macro level, indicates that there exists a nexus between gender equality (or lack thereof) and economic growth. This has been studied by economists and gender experts alike. A range of theories point towards a long-term correlation between GDP level and gender equality (Forsythe et al., 2000; Stotsky, 2006)³⁵, especially in regards to more equal human capital investments. A counter-argument also exists wherein it is proposed that there is not an unequivocal positive correlation but that it varies with the level of development in the concerned country.³⁶

Figure 5, taken from the World Development Report 2001³⁷, shows the growth effect of closing the gender gap in schooling in three lagging regions including South Asia. The actual growth

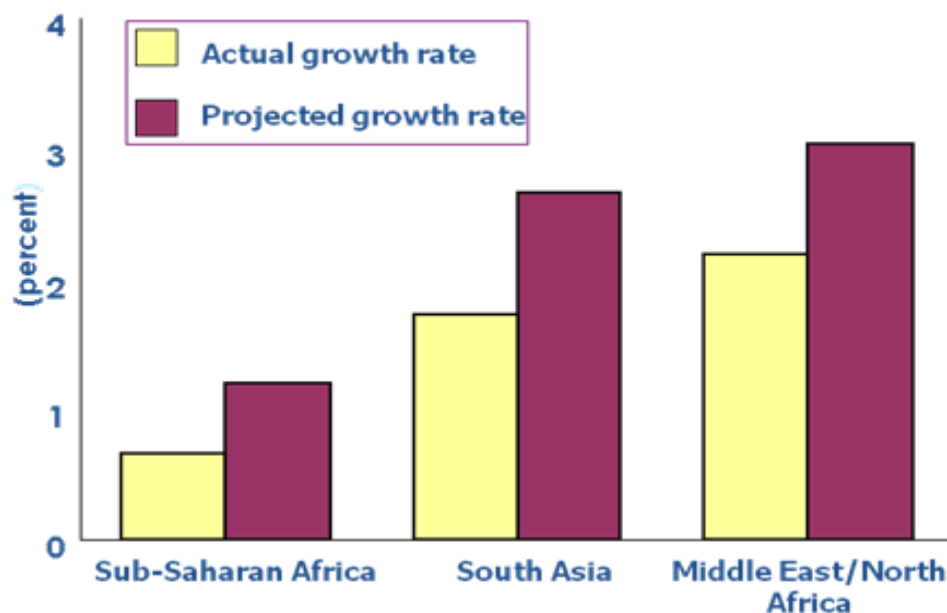
³⁵ N. R. Korzeniewicz Forsythe and V. Durrant, 'Gender Inequality and Economic Growth. A Longitudinal Evaluation', *Economic Development and Cultural Change*, Vol. 48 (April 2000), pp. 573– 617. Also see: J.G. Stotsky, 'Gender and its Relevance to Macroeconomic Policy: A survey', *IMF Working Paper P/06/233*, (Washington: International Monetary Fund, 2006).

³⁶ Ester Boserup is the foremost proponent of this hypothesis and her book in 1970, 'Women's Role in Economic Development', is among the most cited literature in this connection. Boserup has strongly influenced perceptions of women's status in the Third World.

³⁷ World Development Report 2001, The World Bank: Washington.

rates of all these regions were at least one percentage point lower than their potential growth due to this critical factor. This underlies the important role of gender balance in economic growth.³⁸

Figure 5: Trends in Actual and Projected GDP Growth Rates in South Asia and Other Regions



Source: World Development Report 2001, The World Bank: Washington.

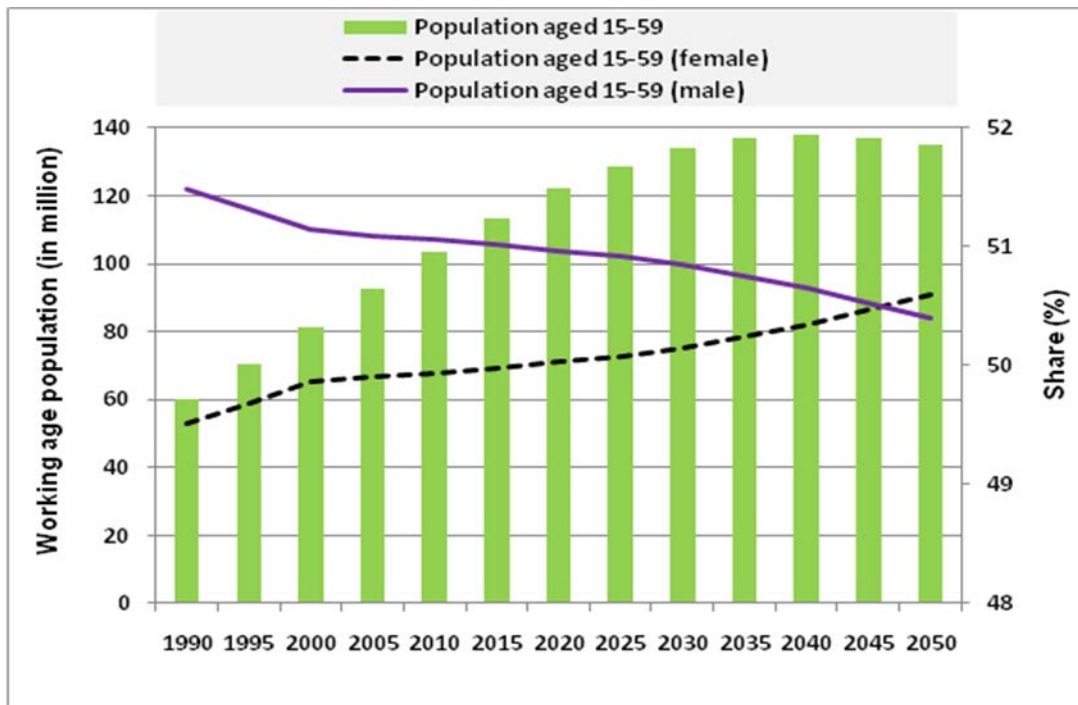
In a model of long-run growth that incorporates time-averaged stocks of female and male education for about 70 countries, Knowles, Lorgelly and Owen (2002) found GDP per worker elasticity with respect to the stock of female education to be between 0.2 and 0.45, while male education productivity elasticities are either not statistically significant or slightly negative. Gender gaps in education also tend to have negative effects on growth in their study. Asadullah (2009) estimated gender-specific returns to primary, secondary and higher education in Bangladesh and found that the females' returns to primary and secondary education are much higher than their male counterparts. His estimation shows that respective returns for males are 3.4 per cent, 3.2 per cent and 12.7 per cent, while the respective figures for females are 8.9 per cent, 9.6 per cent and 12.4 per cent.³⁹ Based on this, one can argue that a higher share of the working age population, particularly the rising share of the female age group (as Figure 6

³⁸ For a comprehensive analysis, see S. Klasen, 'Does Gender Inequality Reduce Growth and Development? Evidence from Cross-Country Regressions', *Policy Research Report On Gender And Development Working Paper Series, No. 7* (Washington: The World Bank, 1999).

³⁹ M. N. Asadullah, 'Returns to Private and Public Education in Bangladesh and Pakistan: A Comparative Analysis', *Journal of Asian Economics*, Vol.20, no.1 (January 2009), pp. 77-86.

exhibits) could help Bangladesh’s economic growth in the coming years. Consequently, Bangladesh is likely to close the gap between its potential and actual GDP growth.

Figure 6: Total Size and Share of Working Age Population (Male and Female) in Bangladesh: 1990-2050



Source: Based on World Population Prospects: The 2008 Revision

That said, we look at Bangladesh’s past growth records and future prospects. In particular we explore how gender balance can fuel its growth rate. Its GDP growth averaged 5.3 per cent annually since the fall of the military regime in 1990, which is just less than one percentage point of India’s growth. In the past five years the economy grew over 6 per cent per annum. Looking forward, with its sound macroeconomic management, growing exports earnings and remittance flows and high savings rates, it is very likely to grow faster than its current pace.

However, it is hard to calculate how much of this growth is due to Bangladesh’s improving gender balance. As we discussed in the preceding sections (based on statistics and research studies) the country fares well *vis-à-vis* some of its South Asian neighbours. In the global picture it is still far behind, though its progress on gender balance has been steady. So, one can say that while Bangladesh has benefited from its stride in gender balance, it stands to benefit (at an increasing rate) in line with its steady progress in closing its gender gap.

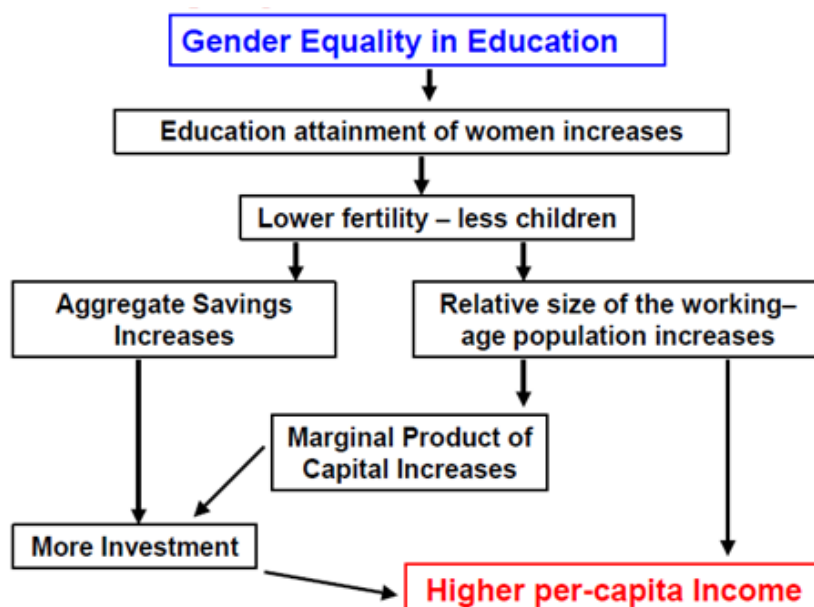
Moreover, these strides come at a time when the nation's demographic window is about to open.⁴⁰ As seen in Figure 6, as Bangladesh's demographic window opens, the country is experiencing a rising share of the working age population (aged 15-59). For instance, in 2010, nearly two-thirds (63 per cent) of its total population fell into the working age group that expected to peak at 66 per cent in 2025, with the female share approaching half of the total working age population. As discussed, with Bangladesh's success in primary and secondary enrolment and increasing opportunities for the female workforce, women's share in income and employment are expected to be higher than the existing level.

This could help the country immensely in bridging the gap between its potential and actual GDP growth. As discussed in Section II, Bangladesh's success in high female enrolment in primary and secondary education has been a contributing factor in the country's successful demographic transition. Bloom and Williamson (1997), for instance, found that lower fertility rates expedite the demographic transition that works as a benefactor for economic growth through a sequence of events.⁴¹ Lower fertility rates reduce the youth dependency ratio and increase the size of the working age population. A low overall dependency ratio means higher savings and surplus investables, leading to higher economic growth. The process is captured in Figure 7.

⁴⁰ 'Demographic Window' is defined as the period of time in a nation's demographic evolution when the proportion of the working age group population is particularly prominent. Typically, the demographic window of opportunity lasts for 30-40 years depending on the country. According to *World Population Prospects: The 2008 Revision, the United Nations*, Bangladesh's demographic window is projected to open in the period of 2010-15 and is expected to continue till 2050.

⁴¹ David E. Bloom, and Jeffrey G. Williamson, 'Demographic Transitions and Economic Miracles in Emerging Asia.' *NBER Working Paper No. 6268* (Cambridge, Massachusetts: National Bureau of Economic Research, 1997)

Figure 7: Demographic Transition Effect



Source: Chen, Derek H. C. (2004), 'Gender Equality and Economic Development: the Role for Information and Communication Technologies', *The Knowledge for Development Program*, The World Bank: Washington.

Seguino & Floro (2003)⁴² and Stotsky (2006)⁴³ have argued that improved gender equality can lead to economic growth, resulting from difference in savings and consumption patterns of women and men. Women are likely to save more than men. Women's consumption revolves primarily around the children and household necessities (basic consumer goods). Women with incomes of their own may, therefore, contribute to a more stable and sustainable economic growth in the long run.⁴⁴

To sum up, the existing literature supports the fact that there is a direct nexus between gender balance and economic growth. This works through several mechanisms. The impact of gender balance through education has a notable impact on demography that eventually gives more space to households to allocate larger budgets on health and education, making the overall population

⁴² S. Seguino and M. Floro, 'Does Gender Have Any Effect on Aggregate Saving: An Empirical Analysis', *International Review of Applied Economics*, Vol.17, no.2 (2003), pp.147-66.

⁴³ J. G. Stotsky, 'Gender and Its Relevance to Macroeconomic Policy: A survey', *IMF Working Paper WP/06/233* (Washington: International Monetary Fund, 2006).

⁴⁴ Organisation for Economic Cooperation and Development (2008), 'Consumption in OECD-countries is distinctly gender-related', p.65. www.oecd.org/dataoecd/58/1/40881538.pdf. Accessed on 9 October 2010.

economically productive. This could bring other societal benefits that may not be captured in economic numbers.

With this, one can expect that Bangladesh's progress in gender development and its success in empowering its female population could be a contributing factor, as the nation is expected to grow faster than its current pace. One can argue that similar experiences have been noticed elsewhere, including in the case of Bangladesh's South Asian neighbour, Sri Lanka. However, many of them could not translate better gender indicators into economic growth. Bangladesh's context, however, should be seen in a different light. Women in Bangladesh are now finding a number of favourable conditions that many countries might not have found in their economic and social transitions. This is not merely limited to economic factors such as demographic window, better access to education and health, or better work opportunities. Bangladeshi institutions (such as courts, civil society, etc.) are very supportive of women's greater role in the economy and society and many scholars have documented this development. As a noted political scientist observed, 'development and progress is always a combination of political, economic, social and cultural changes that complement one another. The combined impact of a number of initiatives has been that Bangladesh is currently the calmest country in the region'.⁴⁵ After some struggle after independence in 1971, perhaps the country has been evolving with its own character which is politically secular, religiously Muslim and culturally Bengali.⁴⁶

Another important point that deserves mention is the nexus between growth and distribution, which, more precisely, is the question of equity. There is no straight relationship between these two phenomena except cross-country experience, including China and India, indicates that inequality widens with a rising economic tide. It is too early to comment on Bangladesh as far as growth and inequality are concerned. However, anecdotal evidence and a low Gini coefficient (Table 2) indicate that Bangladesh's growth has been so far more equitable. It is difficult to estimate the factors that made Bangladesh's growth more egalitarian but gender, among others, could be an important contributing factor.

⁴⁵ Ishtiaq Ahmed, 'The Political Economy of Bangladesh,' *The Daily Times*, Pakistan (17 Aug 2010).

⁴⁶ For a comprehensive analysis, see I. Ahmed Chowdhury, 'The Roots of Bangladeshi National Identity: Their Impact on State Behaviour', *ISAS Working Paper No. 63* (Singapore: Institute of South Asian Studies). Also see I. Ahmed Chowdhury, 'Bangladeshi Courts: Reaffirmation of Democratic and Secular Norms, *ISAS Insights No. 113* (Singapore: Institute of South Asian Studies), and 'Bangladesh: Basket Case No More', *The Wall Street Journal* (29 September 2010).

V. Conclusion and Policy Notes

This paper uses the relevant statistics to demonstrate that in South Asia, after Sri Lanka, Bangladesh has made the most significant strides in closing its gender gap. The improved conditions of its female population are reflected in their better access to education and healthcare. Women also find better employment and income opportunities in the country. Another striking feature is that Bangladesh has improved its gender-related development indicators with a relatively low per capita income *vis-à-vis* the sample countries that we discussed in this paper. Bangladesh's success in this regard also needs to be seen from another perspective; it is perhaps one of the few Muslim countries that recognises women's wider role in society, polity and economy.

As discussed, a number of factors have helped the Bangladeshi female population to improve its economic and social standing. The factors discussed in Section III have some complementary functions regarding women empowerment in Bangladesh. However, the role played by education in this regard has been phenomenal. Bangladesh's success in primary and secondary enrolment have had a profound impact on the country's successful demographic transition, this could have some lasting impact as the nation is showing signs of growing faster than its current rate. NGOs played a critical role in netting the underprivileged in primary education who, otherwise, could not be at schools, owing to the high opportunity costs. This silent revolution, some analysts believe, has marginalised extremist thinking in the country by limiting the role of religious schools in Bangladeshi society and politics.

The economic benefits of female education can be captured by sophisticated economic models. As we have shown by citing some academic work, including on Bangladesh, economic returns have proved to be higher for girls than boys. This brings us to the next critical issue, namely, Bangladesh's tremendous success in improving the sex ratio in favour of females, in this area it outshone two Asian giants, India and China, not to mention Pakistan. While child mortality rates in the country have declined sharply, the rate of decline for female infants has been faster than for male ones. This explains why there are millions of 'missing women' in many parts of Asia. This is due to parents' highly skewed preference for sons over daughters. The country also provided better healthcare to its female population, both in the health and education sectors where the government failed, NGOs helped the underprivileged, mostly female population, to gain access to these two basic necessities. Market and government failures in the social sector in many developing and underdeveloped countries are rampant. Perhaps, Bangladesh offers a successful case study in this regard.

Bangladeshi women's increased access to health and education has better prepared them for the job market. Many underdeveloped and developing countries face tremendous constraints in creating employment opportunities, particularly for women. In Bangladesh the rise of the labour-intensive apparel industry and the high penetration of microfinance has made it the second most successful country in South Asia in terms of women's labour force participation rate.

However, the study acknowledges that Bangladesh is still far behind the developed world and many developing countries as far as women empowerment is concerned. While Bangladesh's strides in women empowerment have paid some tangible benefits to the nation, the country has only exploited part of its female human capital. Bangladesh's economic potential as far as the gender factor is concerned, is being exploited only partially and the nation stands to benefit in a profound way with its continued improved gender balances along with its steady economic growth. How this could happen is a matter for further research; however, with the help of the existing economic literature and cross-country experience, we briefly focused the issue in Section IV. As discussed, Bangladesh's moderate but steady strides as far as economic growth is concerned and its steady progress in women empowerment in the past two decades, give us a strong signal that the country is well-poised to move towards a higher growth trajectory.

Bangladesh's success in women empowerment offers some policy lessons for many South Asian and Muslim countries. We highlight three points here.

1. Women's education, population transition and women empowerment: Due to the conflict between religion and contraceptive use, family planning programmes still face tremendous opposition, particularly from *Mullahs* (or other religious leaders and priests), around the world. This has led many countries, notably Muslim countries, to fall into demographic traps. Bangladesh's success in this regard can be a useful reference for Muslim countries, particularly Pakistan and Afghanistan in South Asia. Moreover, Bangladesh's experience in this regard can be advanced to other countries, especially in Africa that face social, political and economic problems with higher population growth- owing to high birth rates and low death rates.
2. Microfinance and women empowerment: Job creation is a key challenge for most developing countries and unemployment rates are particularly high among the female population. Microfinance provides self-employment to millions of female entrepreneurs in Bangladesh is another idea generated from the country, an idea that is becoming increasingly global. Though there is growing consensus on the role of microfinance in women empowerment, the low penetration of microfinance in most countries of South Asia indicates that it has not gained institutional roots in many parts of the region. India's microfinance industry can take

a closer look at Bangladesh's extraordinary achievements in this context, especially the success of women borrowers and the associated economic and social well-being, to see if latter's success can offer any light in mitigating the former's ongoing crisis concerning microfinance lending.

3. The role of NGOs in women empowerment: NGOs play a substitute as well as a complementary role to government (and perhaps markets, too) in empowering the female population in Bangladesh. Whether the NGOs are a credible third force to address both market and government failures needs further research; in Bangladesh their role clearly makes a strong point for those who are in favour of this argument. A relevant point here is that some analysts argue that the rise of NGOs and their role in empowering the female population in Bangladesh has marginalised extremist thinking in the country. This might be of huge interest to a number of South Asian countries and other countries around the world that face the rise of religious extremism.

There could be some wider applications of Bangladesh's success in women empowerment. There is some interest among policy makers to gauge if the Bangladesh model of women empowerment can be useful in conflict prevention and resolution, particularly in Africa. All these issues need to be studied further for the wider benefit of South Asia as well other parts of the world.

.....

APPENDIX

Table A.1: Top-10 MIX (Microfinance Information Index) Global Composite Ranking

Rank	Microfinance Institutions	Country
1	MBK Ventura	Indonesia
2	SDBL	Sri Lanka
3	Shakti	Bangladesh
4	GFSPL	India
5	CARD Bank	Philippines
6	BURO Bangladesh	Bangladesh
7	SKS	India
8	Spandana	India
9	Grameen Bank	Bangladesh
10	Lead Foundation	Egypt

Source: *Microfinance Information Index*,
<http://www.themix.org/sites/default/files/2009%20MIX%20Global%20100%20Composite.pdf>.
Accessed on 12 August 2010.

Table A.2: Micro Credit Fact Sheet of Grameen Bank

Grameen Bank's Historical Data Series, 1976-2009 (amount in million US\$)					
<i>Performance Indicator</i>	<i>1976</i>	<i>1980</i>	<i>1990</i>	<i>2000</i>	<i>2009</i>
Cumulative Disbursement (all loans)	0.001	1.31	248.08	3060.44	8741.86
Disbursement during the Year (all loans)	0.001	1.1	68.73	268.44	1150.54
Year-end Outstanding Amount	0.0003	0.83	38.6	193.26	791.82
Total Deposits (Balance)	NA	0.1	25.86	126.78	1200.49
Deposits of GB Members (Balance)	NA	0.1	16.51	100.54	648.68
Number of Groups	NA	2935	173907	503001	1253160
Number of Members	10	14830	869538	2378356	7970616
Percentage of Female Members	20	31	91	95	97
Number of Villages covered	1	363	19536	40225	83458
Number of Branches	1	24	781	1160	2562

Source: *Grameen Bank*, www.grameen-info.org/index.php?option=com_content&task=view&id=177&Itemid=144, Accessed on 17 August 2010.