



**Countering Poverty and Patriarchy?
Women and Microfinance in Tuan Giao district of
Dien Bien province, Vietnam**

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List of Acronyms

ADB	Asian Development Bank
CGAP	The Consultative Group to Assist the Poor
INGO	International Non-governmental Organization
MFI	Microfinance Institution
MFO	Microfinance Organization
N/A	Not Available
NGO	Non-governmental Organization
OSS	Operational Self-sufficiency
PCP	People's Credit Fund
QSV	Quaker Service Vietnam
ROSCA	Rotating Saving Group
STU	Standard Transaction Unit
UNFPA	The United Nations Population Fund
UNDP	United Nations Development Programme
USAID	The United States Agency for International Development
USD	United States Dollar
VBARD	Vietnam's Bank for Agricultural and Rural Development
VBSP	Vietnam's Bank for Social Policies
VND	Vietnam Dong
VPSC	Vietnam Postal Savings Company
VTV	Vietnam Television

Abstract

Introduced to Vietnam in 1980s, microfinance has been acknowledged by Vietnam Government for its important role in fighting poverty. It was assumed that, once the women could earn and contribute frequent income to the family, they would gain a higher status in the family in terms of decision-making power and control over their lives. Therefore, microfinance providers, putting their focus on women and targeting the poorest of the poor, have employed women's empowerment to their objectives besides the poverty alleviation goal. Thus, this paper is concerned with the impacts of microfinance on the gender division of labour as well as women's economic, social and political empowerment, using the dimensions and different paradigms in the linkage between microfinance and women's empowerment which were developed by Linda Mayoux. It analyses whether economic improvements resulted from microfinance loans could help to challenge and transform the gender relation within the household. In addition, it studies women's participation in household decision-making, the gender division of labour and its re-enforcement by patriarchy associated in a specific context in order to reflect the factors that affect women's social and political empowerment by microfinance.

Relevance to Development Studies

Microfinance has not only included poor people in financial sector but also promoted gender equality by prioritizing access to female clients. The involvement of women to microfinance programmes has been seen by Government and Development agencies as an effective intervention in poverty alleviation as well as the foundation leading to women's empowerment, which could challenge and transform the existing gender relations. There have been many academic researches focusing on microfinance and its impacts on poverty alleviation and female clients. Therefore, this study seeks to contribute to the academic studies in microfinance and women's empowerment, especially in Vietnam, by looking at all aspects of empowerment – economically, socially and politically – within a context long associated with patriarchal norms and practices.

Keywords

Empowerment, Gender Division of Labour, Microfinance, Patriarchy, Poverty Alleviation, Women's Empowerment, Vietnam.

Chapter 1

Introduction

1.1 Background to the Problem

Microcredit involves providing small loans to the poor, without the requirement of collateral, in order for them to engage in income generation activities. Although ‘the concept of microcredit has been around for hundreds of years, its popularity as a financial instrument and a tool of poverty reduction has grown considerably over the course of the past few decades’ (Khan 1999: 147) with the success associated with Muhammad Yunus’ vision and the Grameen Bank in Bangladesh. The initiative was first implemented in 1976 in Jobra, Bangladesh by Yunus as his experiment in providing microcredit to the poor in Jobra after seeing their creativity in trying to survive thwarted by enslavement to local moneylenders. In 1983, the Grameen bank was established with the mandate to alleviate poverty, and continues to provide microcredit to the poor with special focus on women – as ‘it quickly became apparent that women were far better at repaying than men’ - and prioritized in reaching very poor clients (Bateman 2010: 6-11). Beside microcredit, other financial services, micro-savings and micro-insurance, were added to offer to the poor as micro-finance. Since this success, microfinance programmes for women have been seen as ‘...an effective poverty alleviation intervention’ and the ‘provision of credit is believed to lead to the empowerment of women’ (Hunt and Kasynathan 2002: 71).

Microfinance was introduced to Vietnam in 1980s and officially acknowledged by Vietnam Government on February 20th, 1992 under the name of “Credit-Saving programme for poor women” (VTV4/Thanks from Vietnam 2013). The programme has been mainly implemented by and through Vietnam Women’s Union with the focus on its members, that is, female clients. It uses the adaptation from Grameen Bank model.

According to State Bank of Vietnam – the main regulator of microfinance, currently, Vietnam microfinance providers can be classified into 3 groups:

Formal (providing small-scale credit services)	Semi-formal (mainly microfinance services)	Informal (credit-savings)
<ul style="list-style-type: none"> • Vietnam’s Bank for Agricultural and Rural Development (VBARD) • People’s Credit Funds (PCPs) • Vietnam Postal Savings Company (VPSC). • Vietnam’s Bank for Social Policies (VBSP) 	<ul style="list-style-type: none"> • Some international non-governmental organizations. • More than 50 MFIs, including social funds specialized in microfinance. • Hundreds of projects and programs providing small-scale credit or microfinance services implemented by Women’s unions. 	<ul style="list-style-type: none"> • <i>Ho/Hui</i> (ROSCA) • Relatives, friends, neighbours • Private money lenders

(Le 2010: 9)

Within the semi-formal sector, it was estimated that ‘there are now more than 300 microfinance projects throughout the country at various scale and

about half a million of members'. Those MFIs focus on serving poor households, ethnic minorities groups and households living in remote and disadvantaged areas where 'formal financial institutions are not capable or ready to reach'. (Le 2010: 9-10)

1.2 Contextual Background

Dien Bien province is located in the northwest mountainous area of Vietnam; it shares a border with China to the north and with Laos to the southwest. The province is characterised by poverty, problems of accessibility, and severe weather conditions. It has a high proportion of Thai ethnic people, one of the 53 minority groups in Vietnam, who account for nearly 70 per cent of the overall population of the province. The Thai people were reported to first arrive in Vietnam in the ninth century from either Yunnan, China or Thailand (Khong 2002: 54). Thai people have high economically active population which accounts for 88.2 per cent; most of them are working in the so-called household enterprises (93.9 per cent). However, 'the rate of Thai people living in households with socioeconomic conditions classified as "poorest" or "poor" is about 90.2 per cent' (UNFPA). The group of Thai people that settled in Dien Bien province was believed to come via Mekong river from Thailand (Khong 2002: 54).

Map 1.1 Vietnam Map



(‘Dien dan Bac Lieu’, n.d.)

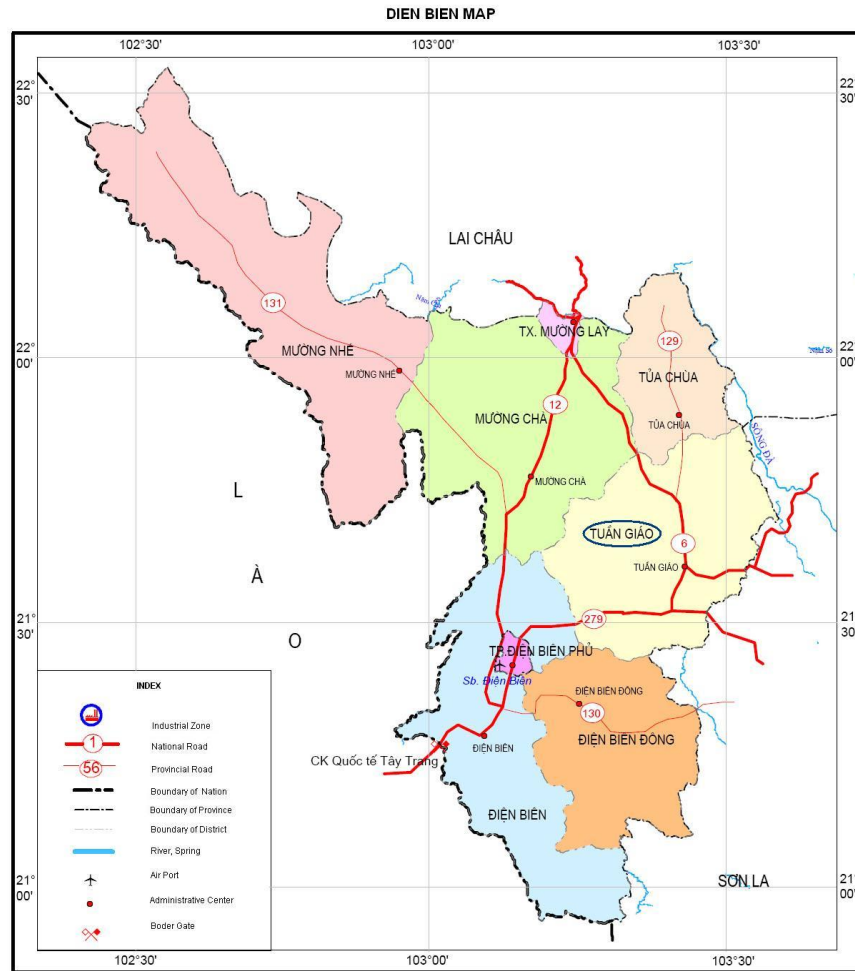
Tuan Giao district, located in the south of Dien Bien province, is one of the eight districts of the province and one of the 62 poorest districts in the country (Prime Minister, Socialist Republic of Vietnam 2013). It is a rural district consisting of one town and 13 communes. The main economic structure in Tuan Giao includes agriculture, industry (small scale industry and construction), and services; among which the biggest sector was agriculture. The local agriculture engages a wide range of various sections such as: rice paddy fields and corn crops; industrial crops; husbandry (mainly cows and pigs, poultry and fisheries); and forestry. Across the district, the proportion of labourers at working age (48,766 people as of the end of June 2013) for each sector was 52.9 per cent, 22.8 per cent and 15.5 per cent respectively (People’s Committee

of Tuan Giao district 2013). Nevertheless, since local agriculture is cultivated traditionally, its productivity is very low (Community Finance Resource Center 2011, Memorandum of Understanding)¹.

In 2010, the total population of Tuan Giao district was 77.446 people with 15.659 households, among which 8.481 (approximately 54.2 per cent) were poor households (People's Committee of Tuan Giao district 2010). The total number of poor women in the district was 7.391 women or 9,54 per cent of the overall population (Women's Union of Tuan Giao district 2012). According to Decision No. 09/2011/QD-TTg on setting norms on poor households and households in danger of falling into poverty for the 2011-2015 period, a poor rural household is defined as '...a household with each member earning an average income of up to VND 400,000 per month' – around 19 USD per month (The Government, Socialist Republic of Vietnam 2011). Early in 2013, the district received 408,18 tons of rice from the Vietnam General Department of State Reserves as food aid to distribute to 5,244 poor households lacking food. Moreover, the local Government also had to support emergency aid to 733 poor household with 4.026 people who could not afford food for New Year's Day (People's Committee of Tuan Giao district 2013). Those households could be considered to be in worst destitution because in Vietnam, however poor the people are, having food for New Year's Day is a must, due to the belief that it will determine the conditions of the family for the whole coming year. Moreover, being able to put food on the ancestral altar is the least thing to show gratitude to ancestors.

¹ Memorandum of Understanding between Community Finance Resource Center and Tuan Giao Women's Union (September 2011)

Map 1.2 The map of Dien Bien province



(‘Vietnam Invest Network’, n.d.)

Currently, within the area of Tuan Giao district in general, clients - especially the poor - can approach small-scale credit services through the two formal providers: Vietnam’s Bank for Social Policies and Vietnam’s Bank for Agricultural and Rural Development (People’s Committee of Tuan Giao district 2013). Meanwhile, there is only one microfinance provider, a project in collaboration between Tuan Giao Women’s Union and Community Finance Resource Center, a Vietnamese Non-governmental organization. The project is called Standard Transaction Unit (STU); its goal is to achieve sustainable poverty reduction for the area by using microfinance.

1.3 Problem statement:

In Vietnam, microfinance has always been considered an effective tool for hunger elimination and reduction of poverty, a tool which helps to ensure ‘...social welfare and sustainable poverty eradication’ (Prime Minister, Socialist Republic of Vietnam 2011). The success of microfinance - the income generating projects for women in general, and in those mountainous areas, in particular - has attracted much of the attention on economic improvement for women, which is translated as social status improvement and empowerment. Thus,

this research is concerned with how microfinance has economically empowered female clients and what are the other aspects of empowerment that have been brought to them.

1.4 Objectives:

This research is concerned with understanding if and how female clients in Tuan Giao district of Dien Bien province of Vietnam have been empowered as a consequence of the microfinance provided by the semi-formal sector in the region.

1.5 Research questions:

1.5.1 The main question

How has microfinance influenced the alleviation of poverty and the social empowerment of women in the Tuan Giao district of Dien Bien province of Vietnam?

1.5.2 Sub-questions

In order to approach this question, the following sub-questions are suggested:

1. In which ways has microfinance played a role in alleviating poverty and developing sustainable businesses for the poor women in Tuan Giao district of Dien Bien province?
2. How has the gender division of labour in the household, associated with patriarchal norms and practices, been influenced by women undertaking microfinance-linked activities?
3. Have there been any other positive social effects on the lives of these women in the community and society?

1.6 Relevance and Justification of the study

According to the World Bank, Vietnam ‘has not had a coherent and comprehensive strategy for the microfinance sector, and until recently not even contemplated the regulation of the industry’ (World Bank 2007: 3). While most research on microfinance has focused on its effects on poverty alleviation, less attention has been given to additional consequences with regard to the ‘improved social status’ of female clients through which ‘their voices are heard by the community’, which could be viewed as a form of ‘Women’s empowerment’. It has been generally assumed – based on the experiences with microfinance – that the success of projects lay with the fact that ‘women had a relatively heightened sensitivity to and fear of bringing shame and disrepute upon their male partner and the wider family’ (Bateman 2010: 10) so that they are more disciplined and had a high repayment rate.

This research contributes to the academic studies in microfinance and women’s empowerment in Vietnam, especially in the rural mountainous areas,

by studying the different aspects of empowerment that were expected to enhance female microfinance clients once they joined microfinance programme(s).

1.7 Methodology

The study reviewed the history and comparative experiences of microfinance, how it was influenced by Grameen Bank and other issues covered by microfinance. It then developed its conceptual framework using Linda Mayoux's views on the linkages between microfinance and women's empowerment, Lerner's definition of patriarchy and Chafetz's notion about gender division of labour. These differing discussions were important in interpreting the case studies of women in Tuan Giao district of Dien Bien province who had undertaken microfinance-based activities.

1.7.1 Sample Population and Choice of respondents

One manager from the Microfinance organization (MFO) and 42 clients were selected to fill in the prepared questionnaire (details below).

Since the manager was one of the very first persons who set up the programme, he was selected due to his role and his understanding of the programme, its operation, as well as other background and geographical details. The information obtained from the manager related to the overall situation at the local level, the mechanism of the MFO, as well as the way microfinance functioned in empowering its clients.

42 clients selected to fill in the questionnaire were clients of the microfinance organization who, at that time, were at least in the second loan cycle. All 42 respondents were randomly selected regardless of their ethnicity, location, age, marital status, or jobs. Since the majority of population in the district is of Thai ethnicity, the selection resulted in all 42 respondents belonging to the Thai ethnic group. The 42 respondents included two divorcees, four widows and 36 married women. They were interviewed after their client meetings, when they came to meet credit staffs for loan repayments. In some cases, interviewers went to the clients' house to conduct interviews.

1.7.2 Data and data collection

The study used a combination of qualitative and quantitative methods for the analysis. While quantitative methods were used to examine the viability and sustainability of the businesses, the qualitative data was important in understanding the gender power relations in the household as well as other aspects of social empowerment in the community.

The information collected included: increase in income; access to credit and level of decision-making on loan usage as well as income generated from loans; control over household finance; gender division of labour within the household and participation in activities in the public sphere. Those data were used to examine whether the role of microfinance contributed to any changes brought to female clients.

Beside primary and secondary data, the researcher was given access to some unpublished and confidential reports because of long-time acquaintance or former contribution to the preparation and development of the materials.

Secondary data:

In terms of secondary data, reports of MFO and/or microfinance programmes/projects including progress reports, narrative reports, annual reports and project evaluation report were used. In addition, secondary data was collected from websites (of the service provider(s), etc.), case studies, reports, books and journals on ethnic minorities in Vietnam, microfinance and gender empowerment as well as reviewed literature related to this topic.

Primary data:

The first type of primary data used was clients' database extracted from the management software of the MFO in order to understand the overall situation of the clients (Management software 2013)². The data included the information on clients' marital status and household size that was collected when clients first joined the MFO, as well as monthly average income and the sources of income that were recorded each year for the purpose of studying the economic changes of the clients.

The second type of primary data included informal, unstructured interviews through emails with MFO manager and questionnaires to clients. The former aimed at finding out the level of understanding about microfinance's empowerment as well as engagement in empowering the clients on the part of the microfinance provider (and more in the form of information and thought sharing); the latter focused on female clients' information.

Within the questionnaire, clients were asked about their access to credit (the level of decision made for loan usage and income generated from the loan) as well as and control over household finance (the decision maker(s) for financial usage within the household). In addition, questions on the division of labour within the household and workload changes after the respondents' involvements in microfinance programmes were also included. Further, a question on female clients' positions in different spheres (private and public, household and community) was also included. The questionnaire was designed based on the first type of primary data, the information extracted from the MFO's management software.

At first, the income information of 48 cases (approximately three per cent of the total number of clients) was extracted from the software in order to show the difference in income of microfinance clients within two years (Management software 2013)³. Those cases were randomly selected. However, since the majority of the cases had exactly the same income data in the second year, the information was cross-checked. It was discovered that the microfinance staffs had not recorded the income information from the clients as required. Instead, they had copied the same data from previous year into the software. Thus, the questionnaire for primary data collection included the information

² Standard Transaction Unit's database, accessed and extracted July 25th, 2013

³ Standard Transaction Unit's database, accessed and extracted August 2nd, 2013

on the income of the respondents at the time of interview in order to compare with those individuals' income data from the previous year extracted from the management software.

The interviews were conducted in Thai, Vietnamese or mixture of both languages depending on the respondents' preference, but the notes were written in Vietnamese. Data entry about female clients' participation in the decision-making process as well as income generating activities and other activities were then classified into three different categories to identify their level of involvement. Full participation meant that the clients decided or did the activities themselves; partial participation meant that the decisions and activities were made with other family member(s); and no participation meant they contributed nothing in deciding or doing the activities. Any data entry under the category of N/A means there was no answer or response for that question.

Secondly, primary data was also taken from notes of the Community Finance Resource Center on the organization's study regarding the impact of microfinance on its clients. Within its research, the organization focused on recording the data on changes of clients after participating in microfinance programmes in various provinces of Vietnam. One specific staff from each district who was in charge of data collection and would visit the clients' houses regularly (once a week or twice a month depending on the distance) to conduct interviews as well as observe in order to measure the changes. In addition, the clients were also asked to record their own notes on the changes as well as their own measurements and assessments. Changes included indicators on household economic improvements, changes in quality of life, personal capacity (including social capacity and social relations), as well as capabilities in approaching financial services. The data taken was the data recorded from November 2011 until end of June 2013 from one microfinance client of STU. The data used for this study was about a married Thai female client living in Tuan Giao district capital.

Lastly, fieldwork observation notes from previous field-trips to the area (Dien Bien province) were also used to illustrate specific situation and/or the context.

Grey data

Grey data for this study included annual reports and project evaluation reports of an international non-governmental organization (NGO), which formerly implemented microfinance projects in Vietnam. This organization stopped its work in Vietnam in 2005. This source of data was made available to the author by the organization's former staff due to long-time acquaintance.

In addition, grey data was also taken from the project proposal on the establishment of microfinance programme of Community Finance Resource Center as well as the Memorandum of Understanding between the organization and its counterpart on the implementation of the programme. Further, data also came from the microfinance programme's internal operation policies. Those documents were made available to the author by Community Finance Resource Center, since the author was formerly a member of the organization's staff.

1.7.3 Scope and limitation

Since part of the secondary data was provided by the MFO, it could contain a bias due to feeling pressured to show donors and/or regulators that it was doing well. For the primary data, the questionnaire was designed in Vietnamese and conducted with Thai clients. The existence of language barrier was one issue to be taken into account, since not all the people (the microfinance staff members) conducting interviews for the questionnaires spoke Thai, while many Thai microfinance clients were not fluent in Vietnamese (they can understand Vietnamese but have difficulty answering questions and expressing their ideas). The primary data taken from the organization's case studies was data recorded during a period of time so that it would not be easy to track down the entire period for crosschecking.

The scope of the study is limited to only one district of Dien Bien province where the MFO is operated. Thus, it can reflect only one group of female microfinance clients in one certain location.

1.8 Structure of the paper

The study is divided into six chapters. While the first two chapters focus on the background and concepts for the study, the third chapter is about microfinance programmes in Vietnam and the specific programme selected for the study. The fourth and fifth chapters analyse the level of empowering women by microfinance. The final chapter – Chapter six – is the summary of the findings and conclusion for the study.

Chapter 2 Conceptual Framework

2.1 Introduction

This conceptual framework is concerned with how microfinance affects the gender division of labour as well as women's economic, social and political empowerment. Beginning with the concepts of patriarchy, the chapter discussed how gender-based norms and practices have created certain patterns on the power relations within the society. It is then followed by the concept of gender division of labour, which played a significant part in re-enforcing the arranged power relations. In order to understand how microfinance could possibly have impacts on such a situation, the chapter looks at the notion of empowerment and different paradigms of microfinance developed by Linda Mayoux.

2.2 Patriarchy and Gender Division of Labour within the Household

2.2.1 Patriarchy

Patriarchy was defined as 'the manifestation and institutionalization of male dominance over women and children in the family and the extension of male dominance over women in society in general' (Lerner 1986: 239). Within this research, the focus was put more on patriarchy at household level with some expansion to the society, which has been long associated with patriarchal norms and practices.

The patriarchal system is the dominant one in Vietnam society. Therefore, analysing patriarchy contributes to understanding about the power relations within the household as well as throughout the community and society. One aspect of microfinance's economic empowerment is female control over income. However, within the patriarchal system, the subordination of women may limit the female clients' control over both loan usage (decided by the husbands) and income. Moreover, the system can also be a barrier to female clients in achieving their social and political empowerment because of the notion about women and private sphere.

2.2.2 Gender division of labour

'The gender-based division of labour, by which women are chiefly responsible for child rearing, familial, and domestic tasks regardless of their other work, and men's main responsibilities are to nondomestic tasks in the economy, polity, and other social and cultural institutions, is seen as the root of gender-based power differences. Stated otherwise, the division of labour assigns to women priority for the family and to men priority to economic or other extradomestic roles regardless of their other commitments' (Chafetz 1991: 74). Within the society of Vietnam, this notion has been reinforced and strengthened from the most basic unit – the household level – in which 'household production is organized and directed by the male head of the extended family or in his name.

Production is generally directed by the woman only in the male's absence' (Wiegersma 1991: 174). By this arrangement, women are assigned domestic work, the work in the private sphere is considered their essential duty. Thus, with microfinance and its weekly or fortnight repayment, women's responsibilities no longer lie only within domestic work but broaden in the sense of "working outside the household sphere". In this case, the women either negotiate with other family members to re-divide the domestic work or simply adding more workload to their daily routine (Tran 2010, Personal Fieldwork observation)⁴.

2.3 Linkage between Microfinance and Women's Empowerment

2.3.1 Defining Empowerment

There is no universal definition for the term empowerment. It may vary from an initial meaning, which can be seen in the *Collins English Dictionary and Thesaurus* (1993: 336) as the noun of *to empower*, meaning 'to give power or authority to or to give ability to; enable or permit' to the key concept embraced by many development interventions. Emerging around early 1990s, the term 'empowerment' has been widely used and has become central in the field of development, both in discourse and in practice. In order to understand the meaning of empowerment in the context of development, it is important to acknowledge that it involves a process of change, where the powerless person or powerless people needs some sort of support to be empowered. Thus, the fundamental factor lying at the heart of this change is power – 'formal, traditional or informal' - which includes three basic forms: 'social, political and economic' (Oakley 2001: 12-13).

With the increasing focus on women's empowerment, 'empowerment is often confused or equated with women's emancipation' (Palier 2004: 43). However, Kabeer has pointed out that it was not necessarily the powerless who needed to be empowered; the powerful may also need to be empowered if they had been disempowered in the first place because their ability to make choices had been denied. Thus, she emphasized that agency – one of the three dimensions of power – was very essential; it represented the *power within* – one's 'ability to define one's goal and act upon them' (Kabeer 1999: 539 - 541). In addition, Rowlands's argument, which was based on Foucault and feminist work, also underlined that 'empowerment is more than participation in decision-making; it must also include the processes that lead people to perceive themselves as able and entitles to make decision' (as cited in Parpart et al. 2002: 11). Hence, Kabeer's definition for empowerment, in which both elements of process and agency were captured, forms a good approach to understand women's empowerment. The definition stated that empowerment was 'the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them' (Kabeer, as cited in Santillan et al. 2004: 535).

⁴ Observation during fieldwork trip to Dien Bien province in October 2010

2.3.2 Linkage between Microfinance and Women's Empowerment

Women's empowerment involves 'varied and multidimensional' processes and is reflected at the basic level in the 'manifestation of redistribution of power that challenges patriarchal ideology and the male dominance' (Samnata 2009: 103). It can be argued that 'microfinance is an effective means or entry point for empowering women' because giving them financial resources helps them to 'level the playing field and promote gender equality' (Cheston and Kuhn 2002: 11). Increased income from microfinance activities could promote women's economic independence and thereby improve their position both inside and outside the household sphere.

Many studies have shown that microfinance has had a positive impact on its female clients through poverty reduction and increases in income, which have resulted in more children going to school and improvements in nutrition within the household (Khandker, Pitt et al., as cited in Chowdhury 2008: 16). Further, according to both Goetz and Gupta as well as Kabeer's studies, microfinance was said to 'enhance women's economic independence, leading to women's self-esteem and status in the households and wider community' (as cited in Chowdhury 2008: 17). Microfinance had also helped women to exercise their agency through undertaking investment and has reduced domestic and intra-households violence (Julia et al., Pronyk et al., Mahmuh, Schuler and Hashemi, Gertler and Moretti, as cited in Chowdhury 2008: 16-17).

According to Linda Mayoux (Mayoux 2001: 246-261), there are three dimensions in the links between microfinance and women's empowerment:

- **Economic empowerment:** defined as increased income, control over income and access to resources.
- **Increased well-being:** women have more skills, time and resources to contribute to programme and groups.
- **Social and political empowerment:** enables women to be more active in their involvement (e.g. because of decreased restrictions on their movements and contacts with men, greater organisational skill and network contacts).

This linkage can be explained through the three underlying paradigms:

- Financial self-sustainability paradigm
- Poverty alleviation paradigm
- Feminist empowerment paradigm

Financial self-sustainability paradigm:

Within this paradigm, empowerment is seen as economic empowerment, expansion of individual choice and capacities for self-reliance (Mayoux 2001: 246). This perspective has been upheld by the multilateral and bilateral donor agencies, 'particularly USAID, World Bank, UNDP and the CGAP Secretariat' since the mid-1990s as well as in the official literature from the Micro-credit Summit, which focused on microfinance programmes as a mean of achieving the goal of poverty alleviation and empowerment (Mayoux 2001: 435-436, Mayoux 2003: 7). This paradigm focuses on providing access to large numbers of poor people through 'financially self-sustainable microfinance programmes'

(Mayoux 2001: 246) with prioritizing women for their higher disciplinary repayment rate.

Some successful names using this approach are Grameen bank in Bangladesh and Accion in Latin America, which were seen as ‘an ideal means of ‘self-help’ poverty reduction’. The argumentation behind the operation of those models was ‘in order to reach the millions of poor people needing micro-finance services, microfinance institutions must eventually be profitable and fully self-supporting’. Although those programmes claimed to serve the poorest of the poor, their main beneficiaries were the bankable poor who were small entrepreneurs and farmers (Mayoux 2003: 8).

Women, the main target group under this paradigm, are assumed to gain empowerment once they access to microfinance services because that ‘will lead to individual economic empowerment through enabling women's decisions about savings and credit use, enabling women to set up micro-enterprise, increasing incomes under their control’. Moreover, once economically empowered, the women along with their families would also achieve well-being increase as well as social and political empowerment (Mayoux 2003: 8).

Poverty alleviation paradigm:

The underlying approach of this paradigm is that microfinance programmes would target the poorest households. Empowerment is seen as an increase in well-being, community development and self-sufficiency (Mayoux 2001: 246-247).

Those community development programmes see poverty alleviation as more than just income improvement. The principles of those programmes are ‘developing sustainable household livelihoods, decreasing household vulnerability and community development’. The programmes aim at ‘increasing capacities and choices and decreasing the vulnerability of poor people’ through a rights-based approach (Mayoux 2003: 7).

Because of their high concern to reach the poorest, those programmes target women for their high levels of female poverty as well as the fact that women are always responsible for their households’ well-being. Although the unit for assistance is the household, microfinance is still channelled through women due to the assumption that accessing microfinance services helps women to contribute to household income. The reasoning is that this contribution not only increases the well-being for the women themselves but also leads other members within the families to recognize the women’s increased roles. With the status acknowledged, the women would be enabled to participate more in the decision-making process within their families, then gradually ‘bring about wider changes in gender inequality in the community’ (Mayoux 2003: 7).

Feminist empowerment paradigm:

Within this paradigm, microfinance is considered as the entry point for women’s economic, social and political empowerment; empowerment underlying this model means transformation of power relations throughout society, with the focus placed on gender equity and human rights (Mayoux 2001: 247).

By targeting poor women, this model for women’s empowerment by microfinance focuses on promoting on gender awareness and feminist organization. This approach viewed empowerment ‘as a multidimensional process in-

volving challenging existing power relationships and inequalities at different interlinked levels'. In addition, economic empowerment is broadened to include 'issues such as property rights, changes intra-household relations and transformation of the macro-economic context' so that it is 'both dependent on, and contributing to, social and political empowerment' (Mayoux 2003: 6) because, according to Sen and Grown (as cited in Mayoux 2003: 6), 'the ultimate aim is transformation not only of gender relations, but all power relations and dimensions of inequality throughout society'.

2.4 Chapter conclusion

In fact, in rural areas in the north of Vietnam, the women are not only solely responsible for domestic chores but are also 'responsible for the heaviest load of work and most of the phases of agricultural production' (Le 1996: 71). Under these circumstances, the outcomes have not always come out as expected as will be analysed in the following chapters.

Chapter 3 Microfinance Programmes, Poverty Alleviation and Linking to Women's Empowerment

3.1 Introduction:

The focus of microfinance provided by semi-formal organizations in Vietnam in general has been to fight poverty through loans for income generating activities and to enhance poor women's capacity by equipping them with skills and knowledge. In order to achieve those objectives, microfinance programmes developed mechanisms not only to provide loans but also to create public spaces for interaction in groups and cluster meetings for their clients so that they could participate in activities outside the boundary of the household. The success of those microfinance programmes would be reflected in their clients' achievements in both physical and social assets which '...include networks, social claims, social relations, and associations which people draw on when gaining livelihood strategies' (Scoones, as cited in Swain et al. 2008: 206). This chapter analyses how microfinance programmes and their objectives were associated with poverty alleviation and women's empowerment in the context of Vietnam.

3.2 Microfinance Programmes and Poverty Alleviation in Vietnam

Introduced to Vietnam since 1980s, the pioneer microfinance activities were essentially viewed as poverty reduction programmes funded by international organizations and working in poor, rural and/or mountainous areas. Since 'microfinance programmes have been promoted to address the concerns and needs of poor households that markets and governments fail to adequately meet' (ADB, as cited in Swain et al. 2008: 193), those initial programmes aimed at serving the poorest of the poor, who were not reached by loans from Bank for the Poor - the Government's tool for Poverty alleviation. Specializing in savings-credit provision to poor women, most of those programmes collaborated with the Vietnam Women's Union at different levels to operate the activities. The assumption behind those programmes was, once the women could earn and contribute frequent income to the family, they would be able to 'gain a higher status in the family in terms of greater decision-making power and control over their lives' (Safilios-Rothschild 1990: 221). Moreover, it would also become the first stepping-stone on their path to integrate fully into the community and society.

According to Quaker Service Vietnam (QSV), known as American Friends Service Committee – an American INGO working in Vietnam during and after the Vietnam War until 2005, the organization was the first NGO to do credit in Vietnam. The very first project began in 1990 in a mountainous district in

central Vietnam (Quaker Service Vietnam 1999, Annual report)⁵. To the organization, poverty was not only a state of being poor but also a barrier which placed poor women in an isolated position in the community and society. Credit, in this case, would help break the barrier by involving poor women in more outside activities. Access loans was an essential condition. However, without collateral, poor and poorest women faced refusal from the Banks. Thus, QSV's projects aimed at the poorest women, providing them with small loans for production to increase family income. To ensure its approach to the poor and poorest women, QSV selected borrowers based on the condition of 'poor women whose families lacked food for at least three months a year'. This criterion assured that the borrowers had been in very destitute situations. Since most of the population in that district were engaged in agricultural activities, ensuring food for the families were the minimum limit they could afford. Thus, the criterion referred to the poorest of the poor.

The success of QSV's project was reflected through one of the evaluations implemented based on borrowers at the third and fourth loan cycle, in which it was reported that the household economy of the microfinance clients had improved significantly with an increase in both amount and stability of income. This resulted from loan being used for appropriate purposes, such as investments in agricultural production or other means of income generation, etc. It was stated in the report that 'Funds were used to raise pigs, chickens, ducks, fish, purchase fertilizer and pesticides, and to buy materials for providing service and setting up small trading businesses' (Quaker Service Vietnam 1999, Evaluation report). Some households, which faced risks during their investments were provided extra loans in order to reinvest in production. As a result, within the project area, it was reported that the clients could repay on time; there were no case of delayed payment and a significant subsidence in clients having to sell premature harvests. The most direct effect of microfinance loans to the clients and their families was that most of the families no longer lacked food during the year. In addition, the quality of the meals was said to have improved considerably.

Moreover, the conditions for those clients' material lives were upgraded as most of the clients who were at third loan cycle were able to construct building(s) as well as buying some other assets. The listed properties that were built included brick houses to replace mud and wattle structures, courtyards for drying produce, wells and pigpens. The other assets included productive equipment, furniture, household appliance and means of transportation for members of the families. In addition, the impacts of microfinance loans specifically reached out to the children because, after the household economy had been improved, the parents were able to take more care of the children. Education for children became more affordable, and children also received more resources supporting their study, such as books and chances to achieve further studies, leading to high school, vocational training or colleges. Health also im-

⁵ Quaker Service Vietnam' Annual report of 1999

proved through nutritious meals and warm clothes during winter (Quaker Service Vietnam 1999, Evaluation report)⁶.

The achievements from the very first microfinance programme were a strong encouragement for the implementations of other microfinance projects, one of which was the credit – saving project funded by ActionAid Vietnam, a member of ActionAid International in the United Kingdom. The project was implemented in collaboration with the Women’s Union in seven rural and/or mountainous districts of five provinces in Vietnam from 1993 to 2003. Those seven service providers used the Grameen model, focusing on serving poor and low-income women. After 2003, all seven programmes were gradually handed over to local Government and operated under the District women’s Union’s management (Community Finance Resource Center 2008).

From 2005, with the issuance of Decree 28/2005 regarding the organization and operation of small-sized financial institutions in Vietnam and the transfer of programmes from INGOs to local partners for self-management, many programmes chose to transform into Social Funds under Decree 148/2007/ND-CP on the organization and operation of social funds and charity funds since they could not meet the requirements to transform into formal microfinance institutions at that time, yet they still wanted to continue providing microfinance services. In 2006, the seven service providers mentioned above jointly established the M7 National Microfinance Network – the third biggest microfinance provider in Vietnam. The mandate for this network was to provide microfinance services to ‘poor people and poor communities, especially women and their families, facilitating them in their economic development for improvement of their life and status’ (M7 Microfinance Network 2006).

3.3 From Poverty Alleviation to Women’s Empowerment

Along with bringing economic improvements not only to the female clients but also to all family members, another impact on the female clients mentioned in the Evaluation Report of the Quaker Service Vietnam addressed the changes in the participation of other family members, especially the husbands, in the clients’ daily work, stating that ‘their husbands and children help when the women work in the house as well as in the field’ (Quaker Service Vietnam 1999, Evaluation report)⁷. Moreover, to many organizations doing microfinance in Vietnam, microfinance’s achievements, on the other hand, resulted in women’s intellectual self-improvement and achieving status within their own community and society, which were seen as empowerment, as well. The initial affirmation was first shown in QSV’s evaluation report, stating that their female clients had improved their knowledge in agricultural production, cattle

⁶ Quaker Service Vietnam’ report evaluating the impacts of micro-credit activities, 1999.

⁷ Quaker Service Vietnam’ report evaluating the impacts of micro-credit activities, 1999.

and poultry raising and household economy management. In order to do so, the first approach was through clients' regular group meetings where members shared experiences on agricultural cultivation and cattle breeding. Besides, since the women were responsible to contribute compulsory savings and make repayments, they needed to calculate financial plans, although on a small-scale, so that repayment instalments could be made. Those activities gradually resulted in a savings habit, which influenced also their households' expenditure plans. The borrowers were also said to make fast progress as they could foresee and then make use of the opportunities where they could use their money most effectively, resulting in increased income. Those were achieved through improvement in knowledge and skill. This as well could be seen as one aspect of empowerment since it helped increase women's well-being through equipping them with more skills.

While the aspect on women being empowered through improved skills was clearly presented, the statement on husbands' involvement in their wives' work did not explain clearly the situation of the changes in the women's workload. On one hand, help from the husband and children could help to decrease the amount of time a woman needed to do the work, meaning she could have more time for the groups, which was another aspect increasing women's well-being. On the other hand, how much help was considered proper to decrease the workload brought by microfinance's income-generating activities? What was the level of the husbands' contribution in doing the work? And did 'work in the house' mean household chores or income-generating activities conducted at home, such as a family sales stall? More detailed description would have helped to describe the situation as well as illustrate the full picture of the gender division of labour within the household because, according to Hood's study (as cited in Coleman 1991: 249) 'Husbands tended to do what they liked doing or what absolutely had to be done in their wives' absence' while in fact, doing household chores took a lot of time from the women. Therefore, in this case, the microfinance providers' point of view in described women's empowerment in the limited sense of financial sustainability but with little emphasis on their social empowerment within the household.

3.4 Standard Transaction Unit

Standard Transaction Unit (STU) was established in 2010, following the pathway of M7 microfinance Network but with 'more upgraded and standardized procedures and services' (Standard Transaction Unit 2013). Like M7 network, STU aimed at serving poor and ethnic minority women, offering them life-changing opportunities through microfinance services. It selected the poorest areas in Vietnam to operate and expand its outreach. STU provided both financial and non-financial products to its clients with financial products included saving (both compulsory and voluntary), loans and micro-insurance. Non-financial products included various trainings on soft skills, gender equality, household budgeting, business management and related legal issues. The types of loan provided were 12-month general loan (repaid in 24 instalments) and three-month supplementary loan (one time repayment) with requirement that general loan was for business investment. Loans for the next cycle could be

from 1,5 to 2 times of the previous one (Community Finance Resource Center 2010, project proposal)⁸.

The process for recruiting clients was conducted within poor communes introduced by the district Women's Union. Commune women's union was responsible for collecting members' registration among poor women for forwarding to STU (Community Finance Resource Center 2011, Memorandum of Understanding)⁹. Before receiving loans, clients went through the provider's loan appraisal process in which a client handed in a loan application indicating basic information, loan amount, planned loan usage, the name of the inheritor for the loan (the people who would continue to make repayments in case of the borrower's death or accidents, which led to the possibility of being disabled), and signature. Then the credit staff conducted a direct assessment of the applicant's house in order to decide whether the loan should be distributed. The appraisal included assessments of applicant's attitude towards loan repayment, applicant's ability to repay, applicant's assets and/or property; collateral/trust guarantee and other risks (Standard Transaction Unit 2011, Internal Operating Policy)¹⁰.

One of the biggest implications underlying all STU's documents and indicated as the main mission for STU's operation was poverty reduction so that the organization could 'serve directly the low-income households in poor areas, with priority to women and vulnerable groups' (Standard Transaction Unit 2013). Furthermore, the organization considered empowering the clients as capacity building through knowledge equipment and different levels of trainings (Nguyen, T. personal communication, 20 August 2013)¹¹. Hence, education was taken as the 'cornerstone of sustainable poverty reduction'. Through becoming microfinance clients, the members would receive updated knowledge and skills relating to their daily economic source of income. Topics for clients' meetings included cattle and poultry raising, cultivating technique, healthcare, and daily-life management. Moreover, different levels of trainings from literacy classes to training on gender equality were also conducted; entrepreneurship training was also provided so that knowledge acquisition would help clients gradually access and integrate into the community and achieve certain social status (Standard Transaction Unit 2013).

Indeed, the organization has met one of its priorities, since the database showed that 99,18 per cent of the total clients were female (Management software 2013)¹². However, during the organization's actual operation, some shifts were made from the original objectives. One of the goals set by STU was to reach 'achieve operational self-sufficiency (OSS) after 3 years of operation'. Somehow, this put STU facing the same issue on positioning as the whole microfinance sector internationally, 'whether to view itself as a developmental

⁸ Community Finance Resource Center's project proposal for the establishment of Standard Transaction Unit (October 2010)

⁹ Memorandum of Understanding between Community Finance Resource Center and Tuan Giao Women's Union (September 2011)

¹⁰ Operating policy of Standard Transaction Unit (June 2011)

¹¹ Informal email interview with Nguyen on the operation of Standard Transaction Unit, The Hague 20 August 2013.

¹² Standard Transaction Unit's database, accessed and extracted August 2nd, 2013.

tool or as a financial one' (Sundararajan 2004: 55-56). It seem the financial role was given more priority.

The clients approached by STU were not necessarily poor or from poor communes introduced by the Women's Union; this can be seen through the organization's loan appraisal, where the focus was more about repayment and other related material conditions rather than on the status of the household. The suggestions from Women's Union were taken as reference points, but the final decision on the location as well as client recruitment was made solely by STU and based on the capacity to repay (Nguyen, T. personal communication, 20 August 2013). As estimated, if applying the Vietnam poverty line for rural area of VND 400,000 (approximately USD 19) per person per month, STU data showed that the organization did not approach and offer loans to any poor client. If the World Bank's indicator of USD 1.25 a-day (approximately VND 787,000 per person per month) is used, the number of poor clients reached was 17 per cent. Given the high poverty rate in a district like Tuan Giao, having only 17 per cent poor clients served by the organization according to World Bank criteria shows that, in fact, no poor people were served according to the Vietnamese criterion. Thus, the current borrowers are not necessarily the ones who are really in need.

3.5 Chapter conclusion

The actual outreach of STU presented the shift from initial objectives of serving the poorest of the poor or those not reached by the formal sector to non-poor and/or bankable poor clients. According to Mayoux, this can be seen as the shift from the poverty alleviation paradigm to the financial self-sustainability paradigm so that the provider can guarantee its own financial self-sufficiency. In this case, the empowerment for its clients will be emphasized economic aspects.

Chapter 4 Women's Access to Credit, Profitability and Control over Household Finance

4.1 Introduction

In Vietnam society, '...it is commonly the mother in Vietnamese households who handles the family finances' (O'Harrow 1995: 165). Nevertheless, this type of handling the finances does not mean that those mothers can 'control' the finances. Within the patriarchal social structure, especially in rural areas, it is always the heads of the family '...who were virtually always male...' controlling the economy of the family (Wiegersma 1988: 166). It also means that, with or without the income contributed from the husband/ male of the family, it is still the mothers/wives' responsibility to manage so that food is put on the table, children go to school, and old people in the family are cared for. Thus, in order to gain control of their lives, Vietnamese women tend '...to control, or try to control, the family finances' (O'Harrow 1995: 172). Within the financial self-sustainability paradigm that links microfinance and empowerment, the economic improvements brought by microfinance would help women to achieve this. However, to what extent can microfinance female clients control their loans, the income generated, and household finance? What factors limit them from having control? This chapter will give a full picture of the situation based on the experiences of STU.

4.2 Loan usage and changes in average income

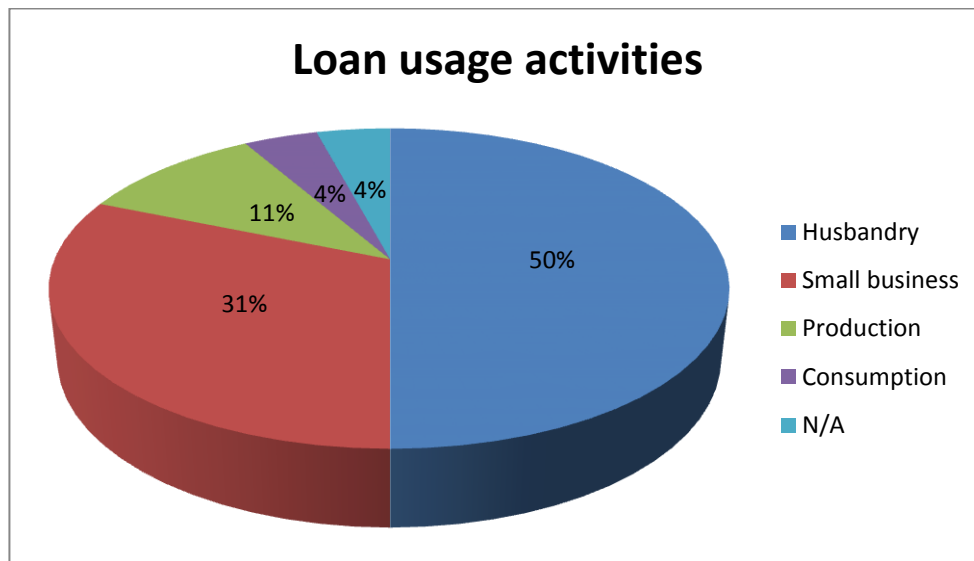
4.2.1 Loan Usage

As recorded in STU's database (Management software 2013)¹³, the main purposes for loan usage of all organization's clients were for cultivation (rice paddy fields, fruit trees, vegetables, etc.); husbandry (cattle and poultry); small business (grocery stalls, market stalls, repair service, etc.); production (wine, tofu, etc.); education (tuition fee); construction (building houses, outhouses, courtyards, etc.) and buying assets (production tools, machines, means of transportation, etc.). Those purposes could be divided into two categories: investment and consumption. The rate of loans for consumption was much more smaller compared to loans for investment. The three biggest loan usages were: cultivation, husbandry, and small business since the main economic structure in the area is agriculture and '...small businesses are the heart of the distributive economy of Vietnam' (O'Harrow 1995: 164) and very popular in the district. Those types of loan utilizations were considered effective since the majority of loans at the next cycle was used for those same purposes in order to expand the current economic activities.

¹³ Standard Transaction Unit's database, accessed September 27, 2013

Of all the 42 cases studied, loans were utilized for 48 activities which could be divided in four main purposes: husbandry (24 cases, equivalent to 50 per cent of all activities), small business (15 cases, holding 31 per cent), production (five cases with 11 per cent) and consumption (two cases, equal to four per cent). Unidentified activities (two cases) were put under the category of N/A.

Figure 4.1 Loan usage activities



For husbandry, the larger portion of the investments was in poultry (chicken and hens), since it takes only about three month to raise a brood of chicken, and hens lay eggs every days; this way, clients could turn over their capital more quickly. Second in line was pig raising because it took approximately the same amount of time to raise a pig. However, pig husbandry requires more space, better infrastructure (pigpens), and piglets were more expensive. Only two clients invested in fishery.

Small business can be divided into two different categories: either the borrowers invested in small market stalls/vendor/fool stalls (retail work) or they invested in trading by buying village agricultural products and selling them to wholesales. Investments were made for product diversification or scale expansion. For the five respondents whose loans were invested in production, four made and sold homemade products (wine and tofu), and the other grew mushroom. The last two clients borrowed for consumption (buying a motorbike and paying tuition fees).

Within the 42 respondents of this research, seven clients reported that the loans borrowed at their current cycle were used for multiple purposes, and most of those loan usages were related to each other. For example, two clients invested in both husbandry (pig raising) and making and selling wine because they said that the rice/maize used to make wine could be also cooked into pig's mash, and, thus, would not be wasted. Another two combined investing in both the vegetable stalls at the market and expanding the number of chicken raised, since the vegetable left-over from the stalls each day could also be used as the feed for chickens, save costs in the expense for husbandry. Meanwhile,

the fifth case said that, with the money borrowed, the family first bought a rice-husking machine and used the remaining money to import rice for the family's store. With the newly bough machine, the family now needed only to import un-husked rice, which was much cheaper than husked rice. The amount imported was big enough for them to expand their current business. The last two cases did not make a combined type of investment like the ones mentioned above. Instead, their loan utilizations were diversified when one started to grow mushroom in addition to husbandry; the other used the loan for both poultry and fishery. Apart from the two cases, there the information provided was not detailed enough to identify the number of activities made from loan usage, the other 33 respondents' loans were used for only one purpose. Since the loans were only for a single activity, most of the borrowers focused on expanding the scale of that work/business in order to secure more profit. It seems most of the economic activities created by investment with the loans resulted in improved productivity and good income generation. As a result, a majority of the respondents reported that they would continue to invest the income generated in the same economic activities but on larger scale for expansion.

Among the 42 female microfinance clients interviewed, 36 cases borrowed for their own utilization, while for the other six cases borrowed in clients' name for their family members (two for parents, two for husband, one for brother and one for son). It can be seen that for those cases where loans were borrowed by female clients for other family members, the receiving family members were always male. Is it because of tendency of microfinance to favour female makes it difficult for male to ask for loans? Another result here was that female clients were responsible for the loans' repayment regardless of recipients.

4.2.2 Changes in average income

The income recorded in the database of the microfinance provider as well as indicated in the study shows the average income per person per household. Thirteen cases showed a decrease in income. Among those thirteen, four cases had no explanation for the decrease in income. Apart from the four cases mentioned, the other nine cases had their own reasons to explain for the decreases. Fluctuations in the number of family members within a household, whether the number increased (with more dependants) or decreased (in the number of main labour force) had affected the average income for five families, while the other four families' income dropped due to the fact that the main labour force (husbands or wives) either had a health problem, which led to their inability to work, or they were still recovering from illness.

Table 4.1 Income decreased after getting microfinance loans

No.	Loan usage	Income decreased by	Reason
1	Client's investment	97%	N/A
2	Client's investment	36%	Husband got accident, can no longer work
3	Client's investment	96%	N/A
4	Client's investment	69%	The family members increased by 2 more person
5	Client's investment	57%	Divorced

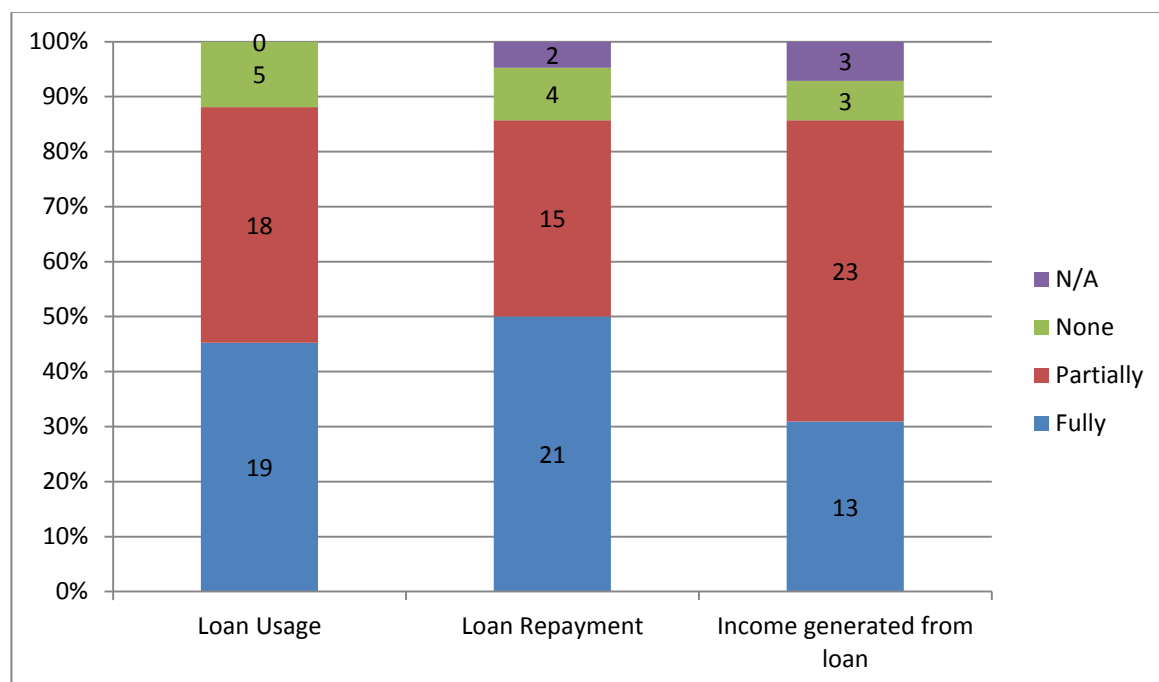
6	Borrow for husband's usage	47%	The family moved out from extended family
7	Client's investment	73%	N/A
8	Client's investment	51%	2 sons left home
9	Client's investment	95%	N/A
10	Client's investment	76%	Just give birth so currently not doing any work
11	Client's investment	75%	Just give birth so currently not doing any work
12	Client's investment	94%	The family member increased by 1 more person
13	Borrow for son's usage	91%	Husband has cancer and no longer be able to work

Of the remaining 29 cases, one had the same income compared with the previous year. There was no change in income was because the loan was borrowed for another family member. Her husband and she were both salary-receiving employees, so there was no difference in their household income within the two years. The 28 respondents whose income increased showed that, the income generated from loans was one of the main sources for the families' income. Most of them decided to continue investment in the same activities so that more income could be generated.

4.3 Credit, profit and household finance – who is in control?

4.3.1 Accessibility to credit and profitability

Figure 4.2 Level of female microfinance clients' decision making



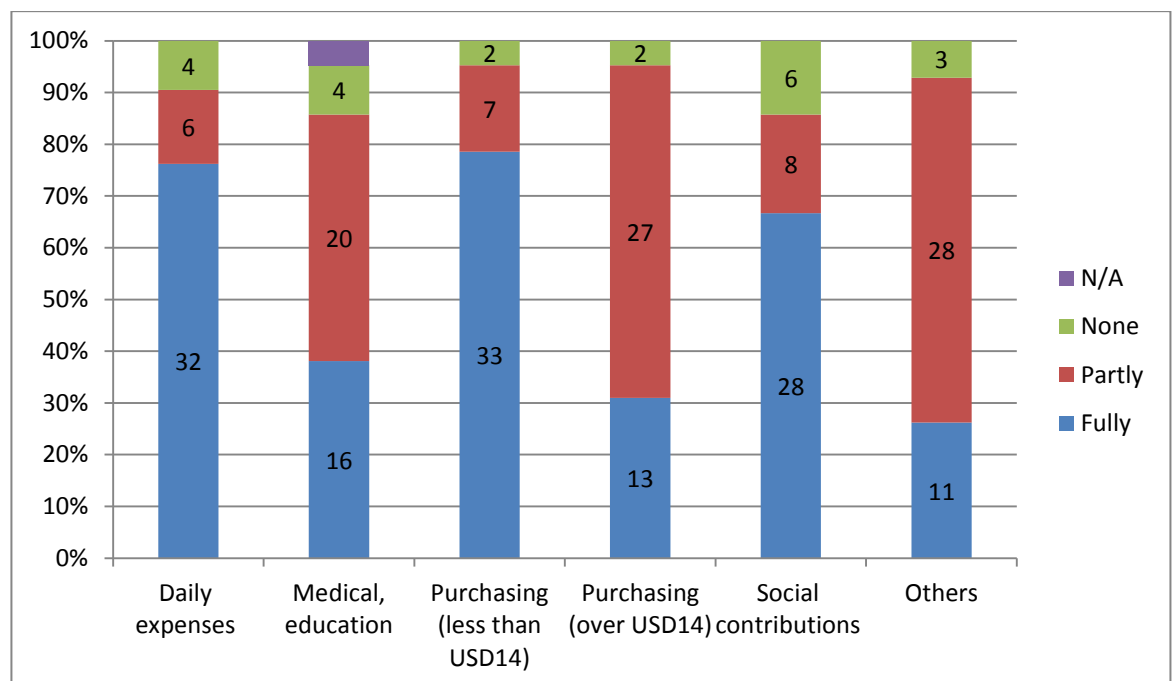
As can be seen from the chart above, it seems clients needed to decide with other family member(s) how to use the loan they had borrowed than the number of clients who had full control of loan usage. Nevertheless, 50 per cent of

the respondents (21 clients) had full responsibility for loan repayment (whether they took part fully or partly in the decision making for the usage). And only approximately 30 per cent of respondents had full control over the income generated by the loans - quite a low rate compared to the level of responsibility they needed to hold for repayment - while the majority of them needed to decide how to use this type of income with someone else in the family. In the cases of those who had only a part in deciding about loan usage (repayment and income generated from the loan), the other 'partner' was always from a male figure in the family (father, husband or eldest son).

Of the five cases where female clients did not participate in loan usage decision-making, four cases were loans the clients borrowed for other family members (two for husbands, one for father and one for son). Therefore, the clients had no part in deciding the loan usage; two of these clients also did not have access to profitability from the loan since everything was decided solely by their husbands. However, for the last case, although the loan was borrowed for client's usage, loan used was decided not by the client herself but her father-in-law. This reflects clearly the patriarchal power structure, since within the extended family, the head of the family – the father or father-in-law – controls the family economy. Thus, his daughter-in-law's investment, which contributed to the family income, would be, in effect, controlled by the father-in-law.

4.3.2 Control over household finance

Figure 4.3 Decision-making relating to household expenses



The household finance included expenses on food (daily), health (medicine and hospital check-up) and education (tuition fee and cost for children's extra classes), purchases, social contributions and others (with the two main expenses being wedding gifts and offerings at funeral). According to the interviews, the majority of female clients had full control over daily expenses on purchases

worth less than VND 300,000 (approximately USD 14) and social contributions. It was explained that, since they were in charge of food/meals in the family, they could make full decision on the money spent on those items (in the most economical way possible); the social contributions were the compulsory expenses that had been identified so that it made no difference on who decided to pay for them. In addition, the amount of VND 300,000 is not considered large amount. Thus, it did not require consideration by other family members, leaving the female to be in charge of those purchases. However, four cases that showed no participation in deciding over the most basic daily expenses. Of those four clients, three were living in extended families so two of them passed that responsibility to their daughter-in-laws and, in the third woman's case, to her mother-in-law. The fourth case was a woman living in a nuclear family; since she was a working woman (teacher), it was her husband who took charge of the work because his time was more flexible. Overall, it could be seen that, daily expense was under the women's full control because this type of expense was associated with household chores (grocery shopping and cooking), which were always considered women's responsibility. Thus, these decisions were related more to the gender division of labour than the assumption that microfinance would bring financial control capacity to the female clients.

Meanwhile, when being asked about the control over expenses relating to health and education, for purchases over VND 300,000 and others, the female clients showed that they had only partial control over those expenses. The common explanations were that since children's education was very important and any purchase over VND 300,000 was considered valuable expense. Expenses for any wedding invitation or offerings at funerals were on behalf of the family; thus, those expenses needed agreement by the clients and other family member. This joint agreement may sound democratic, but the ones who held power to make the final decision were always the male heads of the families. This presented a clear distinction between the minor and major expenses in the families, where only the minor ones were under women's full control.

4.4 Case studies: Patriarchal Relations within the household

4.4.1 Case of a daughter-in-law: Ms. Ca Thi Thom

Ms. Ca Thi Thom is a Thai woman, who was born in 1983. She is married and has three children. The first two daughters were born in 2002 and 2003, while the youngest son was born recently in 2011. The birth of the third child is inconsistent with Vietnam's two-child policy. Indeed, this is not a big surprise since having a son strengthened the mother's position within the family and gave her some power to deal with the in-laws (O'Harrow 1995: 166). Ms. Thom's husband, who is two years older, is a farmer. When asked about her job, she referred to herself as someone who is doing farm work, where in fact, she participates in all the family's income-generating activities. However, during the entire interview, she often called herself a housewife. Her family consists of three generations: the children, the couple and the parent-in-laws. Her father-in-law is a retiree and her mother-in-law is also doing farm work. In the family, her father-in-law can be seen as the one with the highest level of educa-

tion and social status not only because of his age but also because he is a retiree, the title only someone once worked for the local government can have. In an area where the majority of the population participates in farming activities, a local government officer, at any level, even after retirement, receives a lot of respect from others and has an important status and “voice” in the community.

Ms. Thom’s family’s income is from four main sources: farming, husbandry, fishery and Government pension. Even though there are three farmers in the family, the biggest income comes from her father-in-law’s state pension. Second in line is income from husbandry, then farming and fishery. The loan from STU was borrowed under Ms. Thom’s name but she contributed no part in deciding its use. Unlike other cases, Ms. Thom did not borrow for other family members. The loan was utilized within her household for husbandry and, as the one who was mainly in charge of that activity, it could be said that she is the one who generated income from that loan. However, the process may make anyone think differently. The loan usage (what to raise) was decided by her father-in-law, and the loan repayment was taken from her father-in-law’s pension and was decided by him. Moreover, the profitability from loan usage was a family decision. The whole scenario made it look like Ms. Thom was the one who signed for the loan but then had to follow others’ arrangements on how to do with it despite the fact that it was “her” loan. It would be said that, ability to access a microfinance loan and generate income from economic activity resulting from the loan did not guarantee Ms. Thom’s economic empowerment since she had no control over the loan, the repayment, or the income generated.

In the household finance, Ms. Thom had fully control only over daily expenses for food. Medical and education expenses were decided by her father-in-law and her; those expenses were considered quite significant within the family since medical expenses were important to the elders (parents-in-law) and education expenses were crucial to the three children, who attended different schools (from kindergarten to primary and junior high school). Ms. Thom had partial participation in deciding purchases above VND 300.000. Nevertheless, she has little control over social contributions and other expenses. Like the common explanation for who decides payment for social contributions, these were fixed and identified amounts so it makes no difference makes the payment. Thus, why should not Ms. Thom instead of her father-in-law make the payment? She answered that he made the contributions on behalf of the whole family and under the title of the ‘head of the family’ (Ca Thi Thom 2013, personal interview)¹⁴. Similarly, other expenses, such as monetary gifts for weddings and offerings at funerals, were solely decided by the father-in-law and given by him as the head of the family. This also meant there was no need for agreement among the family for such payments.

¹⁴ Personal interview with Ca Thi Thom for data collection, Tuan Giao, Dien Bien August 2013.

4.4.2 Case of a widow client: Ms. Luong Thi Xuan

Ms. Luong Thi Xuan was 48 years old at the time of interview. She is a widow with two grown sons. Her first born was 23 years old and was a teacher at a boarding school while the youngest was a 20-year-old college student. Basically, Ms. Xuan stays at home alone because her eldest son only came back during weekend. Since the younger son's college was in another province, he comes back only during summer vacation and for New Year's holiday.

The main sources of income in Ms. Xuan's family are the money from pig raising, selling home-made wine, and the older son's salary which is not much since he is only a newly graduated teacher. In addition, there is a small income from farming, but it is not much since there is no labour to focus on farming. Thus, her income is mainly generated from her loan. She made her investment in buying piglets and raised them with the rice and corn mash she had from making wine. Overall, Ms. Xuan seems to be the only one who is in charge of the household finance, but she does not fully control it. With her elder son, she made the decision for loan usage, repayment and the income generated, since he is currently the 'head of the family' as the eldest male. As a matter of fact, throughout the interview, whenever mentioning the decision - making process relating to the loan, she said that she had 'consulted' her older son and then decided base on the son's agreement, which she did not necessarily needed to do.

Since Ms. Xuan basically lives by herself most of the time, she is fully in charge of daily food expense, social contributions as well as wedding gifts and funeral offerings when attending any of those occasions. Nonetheless, purchases over VND 300.000 and medical and education expenses were decided by both Ms. Xuan and her older son. In fact, the education of the second son was decided mainly by his elder brother. Ms. Xuan referred to herself as someone with 'low educational level' and 'the brother knows best because he is a teacher' (Luong Thi Xuan 2013, personal interview)¹⁵.

4.4.3 Conclusion

The two cases above reflect clearly the strong patriarchal system in which authority is put into the male's hand. This system has been strengthened by women's submissiveness, which had formed during a long process. Vietnamese women were always taught to be subject to Confucian rule of Obedience for their entire lives. When a woman was unmarried and still remained at home, she was supposed to obey her father; once she got married, moved to her husband's house, it was the husband she needed to submit to during her marriage; and when the husband died, the eldest son became the people for the widow's submission (O'Harrow 1995: 163). Hence, all of her life, the woman had to be submissive to a male figure, normally the eldest male in the family. Those Confucian rules were reinforced by the patriarchal society and became proper behaviour women had to follow in order to function.

¹⁵ Personal interview with Luong Thi Xuan for data collection, Tuan Giao, Dien Bien August 2013.

4.5 Chapter conclusion

The wide assumption behind the microfinance provision is that ‘there is a clear and direct relationship between access to credit and an increase in the status of women within their households and communities’ (Hunt and Kasynathan 2002: 71). In the case of STU’s clients, women were provided access to micro-finance and utilized the loans effectively to generate income. The majority of clients showed that they achieved increased income. The investments they made seemed sustainable because it generated income. Most respondents wanted to continue investing in the same activities. However, the level of women in controlling loans, repayments and income generated as well as household finance showed more still needs to be done in order to transform the gender relations in the families first and then in the communities and in wider societies. In that way, women’s empowerment can really be achieved.

Chapter 5 Gender Division of Labour and Taking a Step Further to Social Empowerment

5.1 Introduction

Within this chapter, different aspects about work, gender and division of labour are presented to help reflect the bigger picture, in which the nexus with microfinance is expected to bring some changes to female clients. The expectation from microfinance is that, once the female client succeeds in generating more income for the family, this may affect the household relations by increasing women’s capacity to negotiate and challenge the accepted gender division of labour and then further help the female clients move forward to be socially empowered. However, the difficulty women face is that of the existing gender division of labour within which it is more likely to be women in charge of household chores, since ‘Women in the households take on these tasks often without question since they are socialized that such tasks are ‘women’s work’” (Floro 1995:275). Moreover, activities such as grocery shopping, cooking, cleaning, and taking care of children and elders are not considered ‘work’ since they are all unpaid activities. These activities are done out of care, responsibilities and love. The society does not take into account that these activities require quite a large portion of the day. Thus, in addition to the gender division of labour for domestic work within the household, the division of activities generating income, which is seen as productive work, must also be taken into consideration.

5.2 Gender Division of Labour in productive work

Table 5.1 Workload outside the household/ Productive work

Participation	WORKLOAD DISTRIBUTION WITHIN THE HOUSEHOLD (before and after getting loans)											
	From loan usage		Farming		Subsidiary crops and fruit farming		Taking care of cattle		Fishery		Small business	
	Previous cycle	Current cycle	Before	After	Before	After	Before	After	Before	After	Before	After
Fully	15	13	9	11	8	8	13	11	5	5	16	14
Partially	26	28	22	17	12	12	18	19	9	10	4	6
None	1	1	3	6	5	5	6	7	6	5	2	2
N/A			8	8	17	17	5	5	22	22	20	20

It can be seen from the listed activities in the table above that, the women were involved in all aspects of productive work and did not limit themselves only to the categories of subsistence production for the families. Among all activities, the labour force for subsidiary crops and fruit farming seemed to be very stable since, as it can be seen from the above table, there was no change in the division of labour for this activity before and after the microfinance loan was utilized.

It looks like a good sign that the number of female clients who had someone within the household to cooperate or assist with the work resulting from loan usage was higher than the number of those who had to do the work alone (26 respondents to 15). Indeed, this ratio continued to remain (with a slight change to 28 and 13) after the clients received microfinance loans. Two respondents were successful in mobilizing the participation of male member (son and husband) in the family in the work brought by microfinance loan investment.

The main economic sources in the areas were farming and husbandry, which were mostly rice paddy fields and poultry/pig raising. Basically, for rice paddy field work, the changes were in the number of five female clients who had partly done the farm work with other family members. Now, they either did it alone or stopped doing the farm completely. Among the cases mentioned above, two had taken care of the rice paddy fields with their husbands; then once the loans were borrowed under their names for the husbands, the men withdrew completely from farm work (one reported that the loan was invested into her husband's motorbike repairing shop and he needed to spend all time staying there to manage it and the other did not give any response). As a result, the women had to take charge. For the cases of the three female clients who stopped doing farm work, one said that she wanted to invest all her time and efforts in her work as a small vendor, which was supported by the microfinance loan; thus, she let her husband take over the family rice fields. The other case showed no explanation. The changes in poultry/pig raising work involved three, in which two clients received help from their husbands since the business expanded. In the third case, the woman withdrew completely from the work, letting her husband take charge of the activity. The majority of the few changes mentioned above shows that, in fact, the division of labour after receiving the loan did not help to decrease the workload for women. In those cases, either the women had to take care of the work alone due to the withdrawal of the family members or they withdrew completely from one activity in order to take charge of another activity, which had expanded.

Fishery was also one source of income in the project; it included taking care of the pond for fish breeding and/or mature freshwater fishes. However, not all families were in this business, since it required the family own or rent at least a natural pond or a dug one, either one of which could be costly. Hence, less than half of the total respondents' families are in this business. For this activity, the change reflected in one case when the client had to do the work along with her husband after she received the loan. However, the loan was not invested in this activity, meaning besides the work resulted from loan usage, she had more work adding to her workload. Some clients doing small businesses sold home-made products, while others owned either a stall selling food (vegetables or meat) in the markets or a small stop at home. Two clients switched from doing the work alone to having the work done with the participation of another family members due to the expansion in their businesses.

Taking a closer look at those activities, it could be said that, although other family members (husbands and/or male members) participated in the work resulting from microfinance loans, the specifics show that the contribution was not much. Overall, women were involved in all productive activities, and the workload they had to bear was still very high, considering that within the gender division of labour, productive work is still considered men's work rather than women's work. Thus, the men's involvement in any activity within the

productive work, whether mobilized by women or not, did not mean that there was actual change in the division.

5.3 Domestic Division of Labour

Table 5.2 Workload inside the household/ Domestic work

Participation	WORKLOAD DISTRIBUTION WITHIN THE HOUSEHOLD (before and after getting loans)							
	Grocery shopping, cooking		Cleaning, laundry		Repairing things within the household		Taking care of elders and/or children	
	Before	After	Before	After	Before	After	Before	After
Fully	24	24	15	15	5	4	6	6
Partially	16	16	19	19	5	6	15	15
None	2	2	7	7	31	31	1	1
N/A			1	1	1	1	20	20

The female of the family takes charge of grocery shopping and cooking. Of all 42 cases interviewed, 36 cases showed that this activity is done by only the female in the family and in 24 cases of solely by the female clients themselves. The six cases that had the involvement of a male in this type of work were the cases of a nuclear family in which husbands partly contributed to this activity. The similarity in all six cases was families with a small child or children, and either the daughters were too small to assist mothers (two cases with daughters age two or three) or families with only son(s). Looking at all the cases, regardless of family type, it appears that the sons in the family were supposed to help with other household chores, such as cleaning and laundry or repairing but not with this shopping and cooking. In the cases of extended families, men did not participate in grocery shopping and cooking. Since repairing things in the family was considered male's housework, those chores were always taken care of by males in the household. Therefore, the majority (31 in total) of males in the 42 cases interviewed were in charge of that household activity.

Overall, there was no change in the division of labour for household chores even after the female clients received loans and needed to do the extra work that resulted from those loans. It seemed the assumption that microfinance could influence and change the domestic division of labour did not work for those cases. Without the redistribution of work within the household, the workload for the women became greater higher. As a result, it can be said that the women's burden was doubled from both external and internal work.

5.4 Changes in workload

The majority of respondents (28 cases) claimed that their daily workload had increased compared with before receiving microfinance loans; 12 stated that their workload stayed the same; one did not respond to this question; and one said her workload decreased. For the case with decreased workload, it was determined that, since she had just given birth, her husband was doing all the work.

Among the 12 cases who had the same workload, two cases were the ones who had borrowed for their family members, while and the third one had borrowed to pay for her further education tuition. In her case, the repayment was made by her salary, since there were no immediate income-generating activities.

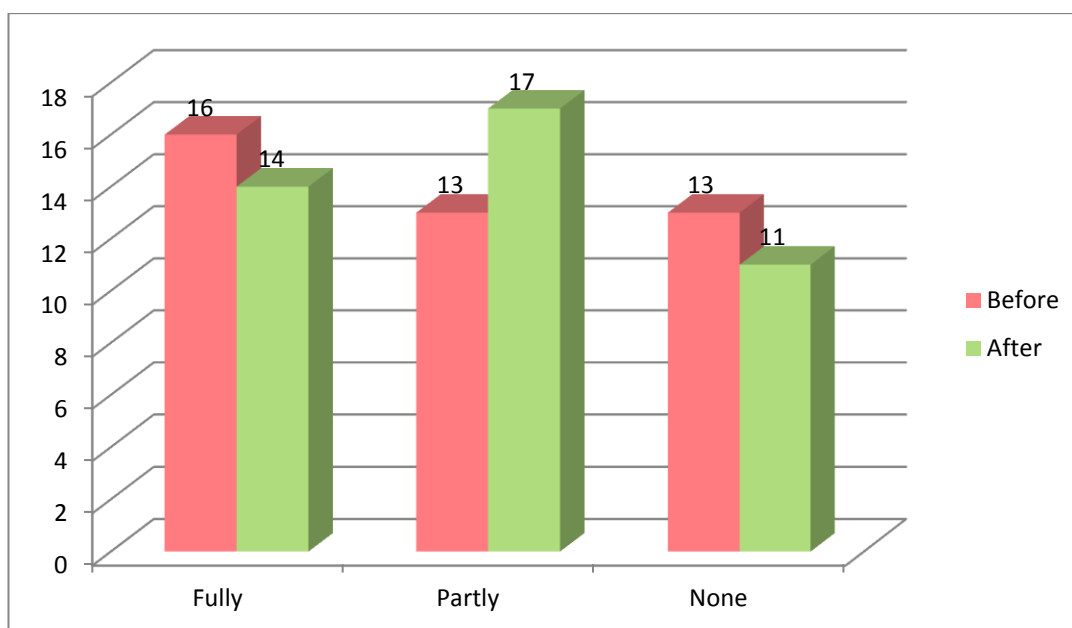
There were two cases with a workload increase despite the fact that the clients borrowed for other family members; one borrowed for her husband to open a motorbike cleaning and repairing shop, and one borrow for her son to buy a motorbike. Since the former's husband's shop operated well, she had to assist him in working in the shop while doing her usual daily work. Moreover, from the time the shop opened, the husband could not help her in farm work, only she did the farm work as well as household chores. The latter borrowed for her son to buy a motorbike, and it was his responsibility to make the repayment. However, with her husband's sickness, she also had no one to share the work.

Although there were some external factors (health problems, etc.) affecting the situations of some clients, the overall picture showed that microfinance was creating obstacles for women to be socially empowered. Since microfinance had already involved the female clients in external work resulted from loans and did not help in cutting down the domestic workload, the project put more burden on the clients' shoulders instead of allowing them the time and chance to increase their well-being and/or to engage more with the community and the wider society.

5.5 Social empowerment

According to Vu's master thesis (as cited in Hirschman and Vu, 1996) 'The Vietnamese term for household head, *chu bo*, is widely used and usually refers to the person who represents the household in dealings with the larger community', meaning any activities required the appearance in public would be undertaken by this head. Although women were the one who mainly managed the household finances, they were never accepted as head of the families by Vietnamese Confucian tradition (Tran, as cited in Hirschman and Vu 1996: 236), especially in rural areas where the patriarchal family structure is an important tradition in daily life. In addition, most of women's time was consumed not only for household related duties and child nurturing but also for production. Thus, they had little time '... to rest, to engage in social relations, or to enjoy culture' as described by Le (1996). Those factors limit women's activities to the household sphere only. Therefore, women's participation in any social festivities or activities would be seen as a sign of being empowered since their movement to the public was less restricted.

Figure 5.1 Participation in social activities (before and after getting loans)



The social activities indicated here were attending village meetings, parent-teacher meetings for children, or any gatherings within the community but not counting the microfinance clients' meeting every two weeks.

Before receiving microfinance loans, among the 13 cases with partial participation of clients in social activities, the majority (12 cases) were from nuclear families, where wives and husbands took turns participating. The last case was a divorcee living with her parents and her son; thus, she took part in those social activities along with her father. However, it was quite a different division where wives/mothers went to the parent-teacher meetings, while the husbands/fathers were in charge everything else. In this aspect, it seems the females were still put in subordinate position, since participating in parent-teacher meetings for children is part of taking care of the children. After receiving loans, this category changed in ratio with the number of respondents claiming to have partly participation increasing to 17 female clients. Of those four women, three also came from nuclear families, while the other one was from an extended family.

The switch of the four mentioned above to female clients with partial participation in social activities came from two categories. Two formerly attended those activities by themselves; now both husband and wife attend the activities. The clients in the other two cases had never attended such activities before. The former explained that their husbands used to work far from home and had just returned to their nuclear families. The latter, although a small number – only two – represented a significant shift because those women, for the first time, were able to take part in the activities outside the household. Participation was no longer limited to the male members in the families but was now divided between the husband and wife in the nuclear family and between the father-in-law, husband, and daughter-in-law in the extended family.

Despite the increase in the number of women partly participating in social activities after receiving loans, this effect of the loans seemed to have happen only within two cases, where the clients shifted from never participating in any

social activities to partly participation. The number was small, but it was significant. However, considering the total number of women who still did not participate in any social activities (11 out of 42 cases), many things would need to be done in order for microfinance clients to become socially empowered. The social activities indicated here were to attend village meetings, parent-teacher meetings for children or any gatherings within the community they were living in (except the microfinance clients' meeting every two weeks).

5.6 Case studies: the empowerment of Microfinance

Ms. Lo Thi Chuyen was 50 years old at the time she participated in the research as well as becoming microfinance client. She is Thai, married, and lives with her husband and their four children. Her family was assessed as marginally poor. In 2011, her first two children graduated and secured jobs, while the two youngest were still at college. The family owns a small grocery stall in the front yard and a fish pond; their land is too small for agricultural cultivation, so they do not cultivate rice paddy fields or any other subsidiary crops. Like other families in the neighbourhood, they also had family-size husbandry with a sow (weight 40 kilos), some piglets, some poultry (chicken and ducks), and a garden. Whenever the family needed money for children's tuition or unexpected household affairs, they must borrow from local money lenders, who charged high interest rates. Each year, the family lacked food from three to four months because most of the money earned must pay for her two children's education and monthly expenditures (they both studied in other provinces, living far from home) and the family did not earn much from the small stall and fish pond. With the loan from STU, the family invested in diversifying commodities for the stall and also in the fish pond, focusing on fish breeding for higher profit.

In June 2013, one and a half years after receiving microfinance loan, Ms. Chuyen was on her second loan cycle. The changes in her family's economy were measured by the increase in average monthly income (nearly 19 per cent higher compared with the previous year). There was not much change in the family's assets except for the two newly bought food processing machines for the fish and the computer for her children to use. Husbandry has becoming one main source for the household's income, since they have a pig, 30 laying hens, and 20 geese. They no longer lack food and are able to afford beef (which is considered expensive meat) for a few meals per month. Moreover, Ms. Chuyen made several remarks about her personal development when assessing self-improvement. Firstly, her confidence had increased markedly. As the head of her cluster, she now could present and explain confidently in front of over 30 members of her group. In addition, during some trainings she had attended, she was able to speak out her own thoughts and ideas in front of trainers and other trainees (coming from different communes), who were total strangers; she had never thought herself capable of this. Those events had made her realize that she no longer needed to hang about at home all day as she had before and that her sphere had expanded to public space. Secondly, she had developed skills in managing her family's finances; she had learned how to keep a daily financial diary to help her figure out whether her grocery stall was operating at a loss or bringing in enough income so that she could keep to her expenditure plans for the household. Lastly, she felt her knowledge

had broadened; she had more understanding now about gender and running a small business as well as knowledge about cattle, poultry, and fish breeding.

Ms. Chuyen's case appeared to be rather typical of what happened when a client received a microfinance loan, made a small-scale investment, and generated increased income for the household. In addition, the group and cluster meetings helped the client secure more skills and knowledge and, thereby, gain more status within the family and the community. However, some aspects need to be taken into account when looking at Ms. Chuyen's particular case. The factors leading to her access to credit, the income generated from the loans, and her control over household finance were not mentioned. Any decision made relating loan investment was noted down as 'we', meaning she and her husband made the decision together. No information on profitability and financial control was provided.

Although there was no record on the changes of workload in Ms. Chuyen's case, one detail was deserving of attention. Ms. Chuyen reported that her daily work still included managing her grocery stall and raising chickens and pigs as she had before receiving the loan. What she did not mention was the fact that her grocery store had been expanded and the number of her poultry had increased. As a result, she may have done the same type of work but her workload may have increased without her realization. Since there was no requirement for recording changes in workload as well as gender division of labour within the household, it is difficult to assess those aspects.

Relating to Ms. Chuyen's personal development, beside the knowledge acquisition from the trainings, there were two other significant changes. First, she has a higher level of confidence and second, her presentation skills in front of a group increased. According to Mayoux, those are the signs showing that Ms. Chuyen's well-being has been increased and she is also socially empowered, since she can be more active after her involvement in the programme. However, Ms. Chuyen was a single case. She was able to secure these additional skills because she was the head of her cluster; that position gave her the chance to attend trainings with strangers and make presentations in front of others. It cannot not be denied that many STU clients increased their income and are better equipped with more skills and knowledge, most of which are associated with household economic management. But in order to achieve social empowerment, the chance to serve as the head of the cluster seems to be of higher value. And, of course, there was only one cluster head for every 30 to 35 clients.

Overall, Ms. Chuyen's case could be considered meeting the requirements on being empowered as defined by STU. She achieved household economic improvements; she is equipped with new knowledge and skills; and she became more confident and more actively involved in the programme. Nevertheless, due to limited information and data, other aspects on empowerment were not been taken into account; they include the information on financial control and access to resources. Besides, the fact that her workload must have increased and there is no information on the division of labour within the household makes it difficult to see her case as an example of success and being fully empowered.

5.7 Chapter conclusion

One of the clearest reflections is there were no changes in the distribution of domestic work. The division of labour for this category stayed the same even after borrowing the loan. This means that after receiving loans, female clients still had to be responsible for the household chores and there seems to have been no negotiations within the household as well as with the male members of the family for their help with this type of work. Meanwhile, although there were only some slight changes in the division of the productive work 'outside' the household, the majority claimed that their workload increased. This emphasized the fact that women's duties were no longer limited within the household sphere. In fact, the women already participated in most of the productive work of the families. The workload brought by microfinance loans was added to the heavy load they already carried. This showed that, without the re-division of labour within the households, the possibility at this point for their well-being to increase as well as the clients themselves to become socially empowered was more limited, since they would not have time to contribute to the programmes or to become more involved in social activities.

Chapter 6 Conclusion

First introduced to Vietnam in 1980s, microfinance and its role in fighting poverty have been acknowledged by Vietnam Government and, as a result, 'in the last decade, all major multilateral and bilateral donors and several NGOs have been involved in microfinance programmes in Vietnam' (Putzeys, as cited in Swain et al., 2008: 192). Within the sector, since the formal financial institutions could not cover all the needs of the poor, informal ones emerged as an alternative, with focus on women and prioritizing the poorest of the poor (Swain et al. 2008: 202). In addition to the poverty alleviation goal, women's empowerment was also employed to microfinance's objectives and the linkage between microfinance and empowerment was explained by Linda Mayoux (Mayoux 2001: 246-261) through the three paradigms of Financial self-sustainability; Poverty alleviation and Feminist empowerment paradigm.

Established following the model of pioneer microfinance programmes whose approach was within the poverty alleviation paradigm, STU - the organization studied - has made its shift towards the paradigm of financial self-sustainability. STU operates in Tuan Giao district, an area with a high poverty rate. The STU database showed, however, that the organization did not offer loan to any poor clients, as defined by Vietnam's poverty line. The organization's outreach to the poor could only be recognized if the World Bank's indicator of the poverty line is applied. However, since any indicator relating to poverty within the area is measured by Vietnam's official criteria, it seemed microfinance is no longer targeting and serving the poorest of the poor in Tuan Giao district.

Since power can be achieved through knowledge and skill acquisition, education can be used as a means for poverty reduction. It was not easy to measure the effectiveness of this method of empowerment since 'members varied education levels influenced how they grasped training knowledge' (Swain et al. 2008: 208). Moreover, even within the STU activities regarding acquisition of knowledge and skills, the significant case reported was from the cluster head, who had far greater access. A greater level of knowledge and skill acquisition was not generalized among other clients.

Although STU's microfinance programme was channelled through women, this did not necessarily mean that gender issues were taken into account. Patriarchy and gender division of labour continued to hinder women's empowerment. The hierarchy within a Vietnamese household is such that males are more favoured, with women generally placed in a subordinate position. Thus, even when female clients have access to microfinance loans, which result in increased income, this does not mean that they were empowered, since they did not always control how the loan was used and how the income was distributed. Therefore, women contributed income to the households but only continued to hold control over the most basic expenses for necessities. Thus, these cannot be viewed as successful examples of women's empowerment by microfinance.

In addition, microfinance was expected to impact the transformation of gender relations within the household, which would be reflected through women's capacity to negotiate about the division of domestic work. However,

in reality, women's duties were not only limited within the household but they also participated in productive work outside. Thus, any transformation made should not be limited to women's capacity to negotiate; it needs to be broadened to women's capabilities to mobilize the involvement of other family members, especially male members, in both domestic and productive work in order to redistribute the workload women must bear. Meanwhile, empirical data showed that, after receiving microfinance loans, there was no change in domestic division of labour for those female clients, while the change in division of labour for external work was small. Considering that the gender division of labour had a large influence on the empowerment of women within the nexus of microfinance because it intended to cut down the workload and give women more time for leisure, the fact that most of the clients interviewed reported an increase in their daily workload reflects another obstacle preventing the microfinance loan recipients from achieving increased well-being and social empowerment due to the lack of time to participate in and contribute to the programme and groups. Therefore, taking into account all factors associated within this specific context (like patriarchy, gender division of labour, and their reinforcement to each other) would help to show the full results (positive and/or negative) of women's empowerment through microfinance.

Overall, STU was successful in bringing about positive changes to the organization's clients by microfinance. However, its clients' success in business was also related to the fact that they did not belong to the 'poorest' but to the more 'bankable' category of the population. In order successfully to empower female clients through microfinance, the barriers placed by gender power relations within the household and society in Vietnam need to be taken into account.

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APPENDIX

Appendix 1 Questionnaire on Microfinance and Empowerment

I. PERSONAL INFORMATION

1. MICROFINANCE CLIENT

Name: _____ Client code: _____ Year of birth: _____
 Ethnicity: _____ Marital status: _____
 Year of membership: _____ Loan cycle: _____

2. HOUSEHOLD

Member	Age	Relation to client	Job status	Gender	Marital status

II. FINANCIAL USAGE WITHIN THE HOUSEHOLD

1. Main sources of income in the family
2. Average monthly income of the family:
3. How are the expenses decided within the household?

No.	Expenses	Decided by
1	Loan usage	
2	Daily expenses (food)	
3	Medical, education	
4	Purchasing amount less than 300.000 VND	
5	Purchasing amount over 300.000 VND	
6	Social contributions	
7	Others (attending funerals, weddings)	

4. Money for termly loan instalment and interest are from what source? Decided by whom?
5. How is income from loan used? Decided by whom?

III. WORKLOAD DISTRIBUTION WITHIN THE HOUSEHOLD

No.	Type of work	In charge (and assisted if any) by	
		Before getting loan	Currently
1	Work from loan usage		
2	Farming		
3	Subsidiary crops and fruit farming		

4	Taking care of cattle		
5	Fishery		
6	Small business		
7	Grocery shopping, cooking		
8	Cleaning, laundry		
9	Repairing things within the households		
10	Taking care of elders and/or children		
11	Participate in social activities (village meetings, parent-teacher meetings, etc)		

IV. AFTER GETTING LOANS

1. Is there any changes in your daily workload (including work from loan usage)? Increase or decrease, and how?

2. Do you receive any help/assistance? From whom?

Appendix 2 List of informants

No.	Name	Title	Contact
1	Nguyen Sy Tuan	STU manager	tuannsy@gmail.com
2	Luong Thi Xuan	STU client	N/A
3	Lo Thi Dan	STU client	N/A
4	Quang Thi Vui	STU client	N/A
5	Luong Thi Tin	STU client	N/A
6	Luong Thi Thich	STU client	N/A
7	Lo Thi Than	STU client	N/A
8	Ca Thi Uan	STU client	N/A
9	Ca Thi Lien	STU client	N/A
10	Dang Thi Han	STU client	N/A
11	Bac Thi Minh Thuy	STU client	N/A
12	Tong Thi Xom	STU client	N/A
13	Lo Thi Thanh	STU client	N/A
14	Lo Thi Xoan	STU client	N/A
15	Bac Thi Nuong	STU client	N/A
16	Ca Thi Van	STU client	N/A
17	Lo Thi Xinh	STU client	N/A
18	Lo Thi Thao	STU client	N/A
19	Ca Thi Phien	STU client	N/A
20	Ca Thi Thuong	STU client	N/A
21	Ca Thi Hong	STU client	N/A
22	Ca Thi Thom	STU client	N/A
23	Tong Thi Noi	STU client	N/A
24	Lo Thi Tun	STU client	N/A
25	Quang Thi Thien	STU client	N/A
26	Pham Thi Thu	STU client	N/A
27	Lo Thi Ngoc	STU client	N/A
28	Tong Thi Hoa	STU client	N/A

29	Lo Thi Lan	STU client	N/A
30	Ca Thi Yen	STU client	N/A
31	Luong Thi Chung Tinh	STU client	N/A
32	Lo Thi Ha	STU client	N/A
33	Nguyen Thi Huong	STU client	N/A
34	Ca Thi Thien	STU client	N/A
35	Lo Thi Xa	STU client	N/A
36	Lo Thi Thuong	STU client	N/A
37	Luong Thi Xom	STU client	N/A
38	Lo Thi Nhung	STU client	N/A
39	Pham Thi Tam	STU client	N/A
40	Lo Thi Lo	STU client	N/A
41	Nguyen Thi Minh	STU client	N/A
42	Tran Thi Canh	STU client	N/A
43	Lu Thi Phuong	STU client	N/A