

Microfinance for Promoting Human Rights in Bangladesh: A Right-based Assessment

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Abstract: The study aims at assessing the compliance of microfinance program of Microfinance Institutions (MFIs) with right-based norms and principles as well as determining the rule of microfinance in the promotion of human rights especially economic, social and cultural rights (ESC rights) for the poor people in Bangladesh. The study method applied is the analysis of secondary materials like books, journal articles and research reports and papers of major reputable institutions working on microfinance. The study points out that microfinance program do not recognize the national and international human rights normative framework, interdependence and indivisibility among human rights and priorities, legally enforceable accountability mechanisms but it ensures principle of equality and non-discrimination among microcredit borrowers and special protection for the vulnerable and marginalized people. At the same time, it also finds out that microfinance is playing a significant and positive role in the facilitation of the enjoyment of right to work, right to social security and right to adequate standard of living by the poor people in Bangladesh. Finally, it concludes that in order to put a sustainable human right-based impact, microfinance program should ensure comprehensive compliance with the right-based norms and principles.

Keywords: Economic, Social and Cultural Rights, Human Right, Microfinance, Microcredit, Poverty, Right-based Norms and Principles

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I. INTRODUCTION

1.1. Background

The emergence of microfinance has enhanced the poor people's access to credit to foster small scale entrepreneurship to appear in global anti-poverty movement. The World Communities regard microfinance as a feasible financial alternative for poor people with no access to credit from formal financial institutions.¹ Therefore, it has got quick expansion across the earth as few other financial tools promise to fight poverty as effectively as it does.² The World Bank Fact Sheet Report 2008 identified microfinance as the first one in its list of things that are working to address poverty. The Report stated that microfinance has helped many of the world's poor to increase their incomes through self-employment and empowerment.³ Moreover, United Nations launched the year of 2005 as 'International Year of Microcredit' to acknowledge the paramount contribution of microfinance in the world poverty alleviation.⁴ Furthermore, the State of the Microcredit Summit Campaign Report 2015 highlights on the progress of MFIs towards reaching more than 175 million of the poorest families with microfinance and ensuring that 100 million of those families rise out of poverty. As of December 31, 2013 MFIs worldwide reported reaching 211.1 million total borrowers, the largest number ever reported, which is an increase from 203.7 million borrowers in 2012. The total number of women clients with loans outstanding also increased from 150.9 million in 2012 to 157.7 million in 2013. On the other hand, the total number of poorest clients with loans outstanding declined for the third straight year from 115.7 million in 2012 to 114.3 million in 2013. The total number of poorest women with loans outstanding also decreased from 96.4 million in 2012 to 94.4 million in 2013.⁵

Table 1: Number of microcredit borrowers reported each year

	Dec. 2009	Dec. 2010	Dec. 2011	Dec. 2012	Dec. 2013
Total Borrowers	190,135,080	205,314,502	195,014,970	203,672,249	211,119,547
Total Women	140,117,727	153,306,542	146,770,213	152,477,064	157,695,359
Total Poorest Borrowers	128,220,051	137,547,441	124,293,727	115,747,387	114,311,586
Total Poorest Women	104,694,115	113,138,652	102,749,643	96,386,285	94,388,701

Source: State of the Microcredit Summit Campaign Report, 2015⁶

Bangladesh which is rightly considered as the pioneer of an innovative microfinance program introduced by Muhammad Yunus through Grameen Bank which earned him and his organization a Nobel Prize in 2006 has shown the world community that microfinance is the way of bringing financial services to the reach of poor. In Bangladesh NGOs, Grameen Bank, State-owned Commercial Banks, Private Commercial Banks and Specialized Programs of some Ministries of the Government of Bangladesh implement microfinance programs. Microfinance sector of Bangladesh displays before the world communities a clear indication of sturdy resilience and a continuous contribution towards the rise of macroeconomic growth, while in microfinance industry many flourishing countries are in ‘Double-dip’ retreat and ‘Over-indebtedness’ crisis. In the microfinance sector as of June, 2014 total loan outstanding is around BDT 403 billion (including Grameen Bank, 10 Government project and Commercial Banks) and savings is around BDT 237 billion. The total clients of this sector is 33.73 million (including 8.62 million clients from Grameen Bank) that accelerates overall economic development process of the country.⁷

Table 2: Active members, disbursement of loan, loan outstanding, outstanding borrowers and net savings of three major MFIs in Bangladesh

MFIs	Active Members		Disbursement of Loan		Loan Outstanding		Outstanding Borrowers		Net Savings	
	Number	Market Share (In %)	Amount (Tk. in million)	Market Share (in %)	Amount (Tk. in million)	Market Share (in %)	Numbers	Market Share (in %)	Amount (Tk. in million)	Market Share (in %)
GB	8,640,225	25.38	151,904.86	23.47	91,244.67	22.26	6,747,139	24.77	105,790.80	46.58
BRAC	5,510,905	16.19	133,320.70	20.60	87,495.30	21.34	4,798,118	17.61	34,180.82	15.05
ASA	5,322,351	15.64	116,056.32	17.93	72,218.62	17.62	4,664,443	17.12	32,402.86	14.27

Source: CDF Statistics 2014/15 as of December 2014⁸

The affirmative impacts of microfinance in poverty reduction are globally recognized but the human rights implications of microfinance are yet to be known. Although an assessment of the impacts of microfinance from human rights perspectives may be appropriate to display the role of microfinance in the promotion of human rights for microcredit borrowers, it gets the minimum notice of MFIs to be conducted duly. Only linking right to credit to human rights, a distinct stream of microfinance led by Grameen Bank claims microcredit as human rights.⁸ More specifically, Muhammad Yunus thinks that everybody has a human right to the enjoyment of access to credit. In other words, he believes in a human right to microfinance.⁹ Contrary to this claim, many writers deny to calculate right to credit as a human right as they consider that it does not reflect the criterions of human rights in conclusive sense.¹⁰ However, the present study is not targeted at questioning the validity of this claim rather it explores the human rights implications of microfinance in Bangladesh. In first section, it will explain microfinance as a fastest growing and most widely recognized anti-poverty tool. In second section, it will make a right-based assessment of microfinance program of MFIs and finally in third section, it will determine the role of microfinance in the promotion of human rights especially ESC rights for the poor people in Bangladesh.

1.2. Study questions

- How far does the microfinance program of MFIs in Bangladesh keep compliance with right-based norms and principles?
- What sort of role does the microfinance play in the promotion of ESC rights for the poor people in Bangladesh?

1.3. Study objectives

While there is a plenty of studies focusing on mere socio-economic impact of microfinance in the poor households, there is a short number of studies that utilize research designs to describe the human rights implications of microfinance. In other words, impacts of microfinance in the promotion of human rights for the poor people get only the minimum sight of Researchers. Therefore, the main focus of the study is to assess the compliance of microfinance program of MFIs with right-based norms and principles as well as to determine the role of microfinance in the promotion of human rights especially ESC rights for the poor people in Bangladesh. Virtually, it tries to show the types of changes in the ability of members to enjoy ESC rights after borrowing credit from microfinance institutions.

1.4. Study method

To meet the aims and objectives of the study, selecting the right method is of paramount importance. The study has utilized the analysis of secondary materials as a study method for the purpose of obtaining the answers to the study questions. Mainly, it is based on comprehensive literature review on microfinance. The

major sources of information are books, journal articles and research reports and papers of major reputable institutions working on microfinance such as Palli Karma-Sahayak Foundation (PKSF), Institute for Inclusive Finance and Development (InM), Microcredit Regulatory Authority (MRA), Grameen Bank, Bangladesh Rural Advancement Committee (BRAC), Association for Social Advancement (ASA), Credit and Development Forum (CDF), Non-Governmental Organizations (NGOs) etc. Critical and analytical descriptions about various relevant issues have been developed with the assistance of these secondary sources.

II. MICROFINANCE AS A FASTEST GROWING AND MOST WIDELY RECOGNIZED ANTI-POVERTY TOOL

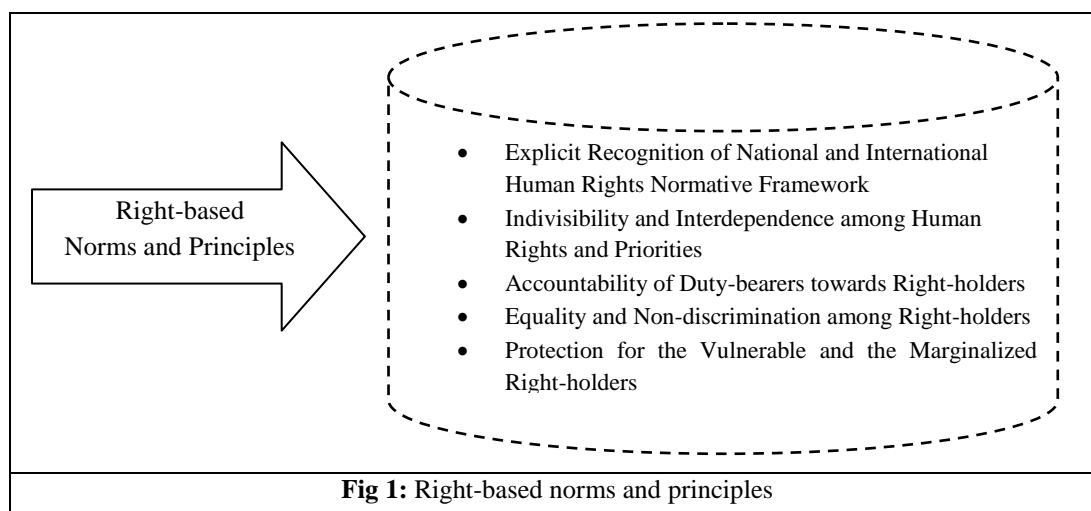
The world history of development reveals that the concept of microfinance began to pervade since 1970. At present, microfinance has become a common phenomenon for the development activists. In the primary stage, the word had been named as microcredit generally used to mean agricultural credit or rural credit or cooperative credit or consumer credit or credit from the savings and loan associations or from credit unions or from money lenders. During the period of 1970s to early 1980s, microfinance worked as an effective tool to increase productivity through self-empowerment and development of human capital.¹¹ Subsequently, the word was expanded to include more services than microcredit like micro-saving, micro-insurance and transfer services for the betterment of impoverished people. So that, microcredit is regarded as the prime element of microfinance. Today, microfinance is defined as an effort to uplift poor people's entrance to loans and saving services and it may be the fastest growing and most widely recognized anti-poverty tool.¹²

In fact, microfinance is a powerful weapon to break the vicious cycle of poverty and it opens the virtuous cycle of prosperity and wellbeing.¹³ Muhammad Yunus the promoter of modern microfinance model thinks that availability of financial resources for the poor people on appropriate and reasonable terms and conditions can enable them to run small pursuits to create the biggest development wonder.¹⁴ In a nutshell, it may be said that microfinance is an instrument which avails the poor people the opportunity of getting assistance from financial resources for undertaking business enterprise in order to gain maximum return. Therefore, the objectives of microfinance are poor people's welfare oriented so as to increase their opinions, incomes and creativities.

III. RIGHT-BASED ASSESSMENT OF MICROFINANCE PROGRAM OF MFIS IN BANGLADESH

3.1. Yardstick for Right-based Assessment

The right-based norms and principles are deeply interconnected as well as interrelated and operate to support each other. They are aimed at determining the appropriate process of development to fix the types of outcomes to the needs of the people. To constitute a yardstick for the purpose of studying the microfinance program keeping in view the right-based norms and principles, we select microfinance program of Grameen Bank and those right-based norms and principles which correspond to some Grameen Bank's claims.



3.2. Grameen Claims and Right-based Query

Grameen Bank with the support of all other MFIs is working to achieve international recognition of the right to credit as a human right. It demands credit as a human right and requires it to be treated as a human right. It claims that if the right to credit is established as human right, all other human rights can be easily established.¹⁵ Indeed, the idea of credit as a human right flux from the reasoning that if we are concerned with

universal access to food, shelter, and health, we must be committed to ensure access to such an engine that is capable of meeting the universal basic needs of life.¹⁶In other words, it may be argued that access to credit should be treated as human right, as it is powerful in reducing poverty and helping poor people enjoy their human rights. However, these types of claims have no way to go without being questioned.

In fact, human rights are increasingly promoted in development discourses so as to fulfill human rights objectives of development initiatives. While access to credit and other financial services is often mentioned as being instrumental to ensure other stated rights in both the Universal Declaration of Human Rights, 1948 and the International Covenant on Economic, Social and Cultural Rights, 1966, there is no clear inference that access to credit should be a right in and of itself. One of the few specific mentions of access to credit in international human rights instruments is in Article 13 and 14 of the Convention on the Elimination of All Forms of Discrimination against Women, 1979 which emphasis on the equality of the access of women and men to credit. However, right to credit which is not specified in any of the international covenants may be implied in the provisions of Article 6 of the ICESCR, 1966 which recognizes the right of everyone to the opportunity to gain his living.¹⁷

Table 3: Right-based Query to the Grameen Bank's Claims¹⁸

Issues	Grameen Bank's Claims	Right-based Query
Right	Credit should be accepted as human right. It is powerful in reducing poverty and helping poor people enjoy their ESC rights.	Does Grameen Bank have any written instrument explicitly recognizing national and international human rights normative framework? Does Grameen Bank recognize indivisibility and interdependence among human rights and priorities? Is Grameen Bank legally accountable for providing credit? Does Grameen Bank assess human rights implication of its microfinance program?
Poverty	Poverty is a denial of all human rights. Poverty is an artificial imposition on poor people. Credit has positive economic impacts and reduces poverty.	Does Grameen Bank respect the principle of non-discrimination and equality among microcredit borrowers? Does Grameen Bank address the needs of the extreme poor and the vulnerable? Does Grameen Bank offer any remedy if any member worsens his poverty situation investing Grameen credit?
Women Empowerment	Beside economic impact credit has also positive non-economic impacts (social benefit) and it empowers the poor women.	Do these social benefits help the poor women to enhance their capabilities? Do these social benefits empower women to take decisions on use of loan as well as family matters? Do these social benefits reduce domestic violence and incidence of divorce owing to financial crisis?

3.3. Explicit Recognition of National and International Human Rights Normative Framework

Microfinance programs founded on right-based norms and principles include an explicit recognition of national and international human rights normative framework. This recognition serves twin purposes: firstly, it removes lawlessness and arbitrariness from microfinance programs and secondly, it sharpens the moral basis of the microfinance program focusing special attention to the most deprived and excluded people especially those excluded by discrimination. In this aspect, it is shown that the Grameen microfinance model does not have any reference to national and international human rights normative framework and even the concept of human right is simply absent from Grameen Bank's official literature.¹⁹In fact, an in-depth study on Grameen microfinance program from right-based perspective is likely to reveal that Grameen Bank has no written instrument incorporating right-based norms and principles. For example, the sixteen decisions of Grameen Bank which addresses various socio-economic and environmental issues do not define them in terms of human rights but simply in terms of needs. Moreover, Grameen Bank Manual and even the Grameen Bank Annual Reports do not have any reference to human rights. The phrases 'human rights' or 'rights' do not appear anywhere in Grameen Bank Annual Reports 2015. Only once the Grameen Bank website refers to human rights to mention Grameen Bank's belief that Credit should be accepted as human right. Therefore, it is evident that Grameen Bank is not in deep touch with current development and human rights discourse. Due to Grameen Bank's failure or unwillingness to insert right-based norms and principles it can be said that Grameen microfinance model does

not fulfill the right-based criterion of explicit recognition of national and international human rights normative framework.

3.4. Indivisibility and Interdependence among Human Rights and Priorities

All human rights are universal, indivisible, interdependent and interrelated. The international community must treat human rights globally in a fair and equal manner on the same footing and with the same emphasis.²⁰ This principle of human rights removes incidental reference to human rights from development programs and policies. In relation to this principle, Grameen Bank shows due interest to promote poor people's right to credit as human right but it defines other ESC rights like right to food, shelter, clothing, education, health etc. only in terms of needs. In this respect, Marks, Stephen P. noted that one of the features of right-based approach is to define socio-economic issues in terms of rights. Furthermore, he stated that issues like health, education, food, harbor, labor, marginalization, equity, gender and similar factors are eternal concerns of the development practitioners. The International Covenant on Economic, Social and Cultural Rights, 1966 has formulated them all in normative terms. The challenges are to perceive the similarities and discrepancies towards the realization of these issues in the process of advancement planning and accomplishment on the one hand and human rights on the other hand.²¹ In addition, Quazi MH Supan treated this approach of Grameen Bank as contrary to right-based norms and principles. He further argues that defining one need in terms of human rights and leaving other priorities just as needs and not as rights, is a clear denial of one of the fundamental principles of international human rights namely interdependence and indivisibility among human rights.²² In fact, Grameen Bank calculates right to credit as superior over ESC rights by terming right to credit as human rights and ESC rights simply as needs and thus impairs indivisibility and interdependence among human rights and priorities.

3.5. Accountability of Duty-bearers towards Right-holders

Microfinance program founded on right-based norms and principles may emphasize on the accountability of the policymakers and others whose actions have an impact on the right of the people. Rights imply duties and duties demand accountability. This principle of accountability supports the right-holders to claim their rights and compel the duty-bearers to fulfill obligation towards creating a favorable environment in which right-holders can enjoy their legitimate rights. In this respect, Grameen Bank clearly states that most distinctive feature of its credit is that it is not based on any collateral or legally enforceable contracts. It further claims that it is a banking system based on mutual trust, accountability, participation and creativity.²³ However, in opposition to Grameen Bank's claim Quazi MH Supan argued that Grameen model does not promote credit as a human right to accept any legal accountability. To establish his claim he forwarded an argument that as Grameen credit is based on trust, not on legal process and method, it cannot be held accountable in case of a breach of this trust or denial of credit to someone otherwise eligible.²⁴ In addition, Jonathan Morduch found out that Grameen Bank is reluctant to consider its impact on the wellbeing of non-participants invaded directly by the amplifications and general parity over prices.²⁵ In fact, Grameen Bank may carry no legally enforceable accountability rather its accountability may arise partly from mutual trust and partly from humane values, and collective responsibility of the group members to repay the loan serves as a determinant factor to provide credit.

3.6. Equality and Non-discrimination among Right-holders

The right to equality guarantees in the context of microfinance that all poor people have the equal right to get membership of microfinance institutions as well as that all members have equal right to get credit. In this respect, Grameen Bank claims that its mission is to assist the poor families to help themselves overcome poverty. It argues that it has no role in the selection of the group members but only to guide them to select those in dire need of financial assistance. Grameen Bank properly counts the decisions of the group members in all the affairs of the group as well as in selecting the members eligible to receive the loan first.²⁶ Contrary to this claim of Grameen Bank, Mark Schreiner found that in order to sustain cost effectiveness and sustainability Grameen Bank and its clone cannot go below the poverty line.²⁷ However, there may be no scope to deny that Grameen treats its members equally and respects all member's right to get credit even if someone worsens her/his poverty situation investing Grameen credit, Grameen Bank offers her/him immediate remedy.

3.7. Protection for the Vulnerable and the Marginalized Right-holders

A key principle of microfinance program founded on right-based norms and principles is that it deals with the contested claims particularly those of marginalized people who are generally not able to get their claims met. That is why, it seeks to identify different vulnerable groups among the claim-holders to target them explicitly. In this connection, Grameen Bank claims that it targets those helpless poor people who are denied of the access to formal credit due to their poverty. It further adds that not only this targeted group but also the most vulnerable female members get precedence in the Grameen credit delivery process.²⁸ In an attempt to evaluate whether the Grameen Bank reaches the relatively poor and vulnerable, it is found that while it is successful at reaching the poor it is less successful at reaching the vulnerable.²⁹ However, Mohammed Emrul Hasan found

that only 24.5% of the services of the microfinance institutions go towards the extremely poor. Both demand and supply-side factors systematically excludes the extremely poor through a process of peer screening and self-exclusion. They do this because of the institutional interest of microfinance institutions. The extreme poor are more marginalized by the peer screening mechanism.³⁰ S. M. Hashemi, and L. Morshed argued that this self-selection screens out the non-poor in that the small loans and identification of the banks with the poor discourage the wealthier strata of the society from joining and also keep out those who would not be able to make repayments in that their peers can better judge who is reliable and who is not.³¹ Similarly, Mark Schreiner, and Jonathan Morduch remarked that one purpose of joint-liability groups is to shift some of the work of screening and enforcement from lender to the group. Membership trend to form among people who already know each other and members screen-out bad risks because they do not want to repay the debts of their fellow group members.³²

However, presently Grameen Bank and its clones are reviewing their screening mechanism and taking new measures to avoid this discrimination. Grameen Bank's Goat-Leasing Program and Struggling Members (Beggar) Program and BRAC's Income Generation for Vulnerable Group Development (IGVGD) Program are good examples of these innovations. Now, it may be expected that this new approach may be able to work well and to provide special protection for the vulnerable and the marginalized people.

IV. MICROFINANCE AND ESC RIGHTS

4.1. Understanding ESC Rights

The history of human rights touches the history of human beings. Each and every person throughout the world is the participator in the human rights movement due to the very fact that they are human beings. In essence, human rights are about right of human being to live a dignified and secured life. That is why, human rights cover a wide range of individual and group rights relating to the civil, political, economic, social, cultural, and environmental spheres. Within the ambit of human rights that relate to workplace, social security, family life, cultural life and basic human needs are grouped as economic, social and cultural rights (ESC rights). Economic, social and cultural rights are aimed at ensuring the safeguard of human being as full persons in a society in which they can enjoy rights, freedoms and social justice simultaneously. International human rights law recognizes economic, social and cultural rights as integral parts of the human rights framework. The prime international instruments explicitly referring to economic, social and cultural rights are:

- Universal Declaration of Human Rights (1948);
- International Convention on the Elimination of All Forms of Racial Discrimination (1965);
- International Covenant on Economic, Social and Cultural Rights (1966);
- Declaration on Social Progress and Development (1969);
- Convention on the Elimination of All Forms of Discrimination against Women (1979);
- Declaration on the Right to Development (1986);
- Convention on the Rights of the Child (1989); and
- International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990).

In addition, many regional human rights instruments address economic, social and cultural rights, most notably:

- African Charter on Human and People's Rights (1981);
- Additional Protocol in the Area of Economic, Social and Cultural Rights to the American Convention on Human Rights (Protocol of San Salvador) (1988);
- European Social Charter (revised 1996) and the Additional Protocol thereto.

Economic, social and cultural rights are also widely recognized in domestic legal systems. While economic, social and cultural rights are recognized as non-justifiable rights in many national constitutions, for instance, the constitution of Bangladesh, India and Pakistan, there are also countries like South Africa, Finland and Portugal which explicitly recognize them in their constitutions as fully justifiable rights. Virtually, all States have domestic statutes of one form or another that incorporate elements of economic, social and cultural rights.

4.2. Role of Microfinance in the Promotion of ESC Rights in Bangladesh

4.2.1. Right to Work

The right to work is of vital importance for the realization of other economic, social and cultural rights. It forms a part and parcel of human dignity and is essential for an individual to lead a social life. It includes the right of everyone to the opportunity to gain his living by work which he freely chooses or accepts. Microfinance may put an affirmative and significant impact in facilitation of the enjoyment of right to work. Up to December 2014, the 511 MFIs-NGOs including the Grameen Bank (GB) have created employment for 230,177 people of which 133,607 (58%) are directly related to microfinance.³³ Mahabub Hossain reported that the contribution of Grameen Bank to employment generation is admirable. He said that Grameen Bank generated new employment for a fifth of its members. He further added that it increased the average level of employment from 6 working days to 18 working days per month.³⁴ In addition, Shahidur R. Khandker found that there is a positive and

significant impact of Grameen Bank on rural wages. He mentioned that wages at the village level had been increased by about 21%.³⁵

4.2.2. Right to Social security

The right to social security is essential to guarantee human dignity for every human being. By dint of redistributive nature, social security does an admirable role in poverty eradication, social exclusion prevention and social inclusion promotion. Microfinance industry in Bangladesh is committed to overall socio-economic development for the communities they serve. This is why, alongside microfinance activities, MFIs have engaged themselves in various social security services for the poor, very poor, near poor and low-income people. They have not only included their members in such development programs but also have covered many other community members who are not their members. These people have been equally benefited from these social security programs. During the year 2014, in total 135.81 million people (the number is in terms of frequency of services availed) received social supports from the MFIs of which 27.92 million were members (20.56%) while 107.89 million were non-members (79.44%).³⁶

4.2.2.1. Decline in Dependence on Money Lenders

Beside affirmative impacts on increase in income, the rapid growth of MFIs in Bangladesh may have opened for the poor people the opportunity to decline the dependence on money lenders and to transact with formal financial institutions. Holcombe, Susan noted that Grameen Bank's members are strongly desirous of reducing their dependence on local money lenders. He also pointed their likeliness to use working capital from their business or to use their own savings to survive at the time of disaster.³⁷ Similarly, S. Rutherford, found that MFIs can help the poor people to limit their dependence on money lenders and employers by providing financial assistance as an alternative to large loans at high rates of interest normally contracted in case of emergencies.³⁸

4.2.2.2. Domestic violence reduction

Microfinance may enhance poor female's economic ability which may bring about family recognition, social respect, social awareness and safe domestic life. S. M. Hashemi, et. al., found that access of the poor women to credit may help them to enjoy social security by facilitating the reduction in the incidence of family violence.³⁹ However, contrary to this finding Sidney Ruth Schuler, et al., suggested a negative conclusion that the expansion of the women's access to financial resources may not always follow with their less vulnerability to domestic violence.⁴⁰

4.2.2.3. Family planning adoption

Microfinance encourages participants to keep the family small by adapting family planning methods and to increase the opportunity cost of bringing up the child.⁴¹ M. A. Latif pointed out the positive impacts of Grameen Bank in increasing the use of contraception among female clients. Contraceptive use goes up among members because they are better able to overcome the barriers to obtaining access to contraceptive services like lack of mobility, cash, and information and so on. Such a situation is almost likely to lead Grameen Bank members to form smaller families than that of the non-member.⁴² But M. M. Pitt, and S. R. Khandker pointed a negative conclusion that Grameen Bank does not affect the use of contraception.⁴³ However, on aggregate level, Grameen increases the demand of women for formal health care.⁴⁴ Therefore, the role microfinance in the promotion of the right to social security for the poor people may be mixed and context specific.

4.2.3. Right to Adequate Standard of Living

4.2.3.1. Right to Food

The right to food is widely accepted as a component of the right to adequate standard of living. It means the right of every one to get a perpetual, regular and free access to adequate and sufficient food at all times for himself and his family. Its minimum essential level is the right to be free from hunger. Microfinance through enabling the microfinance borrowers to engage in income generating activities may enhance their economic ability to spend to have food suited to their condition in life. Rushidan Islam Rahman found that through increase in family income microfinance causes the reduction of food insecurity and increment of human capital development.⁴⁵ Similarly, S. Zohir, et. al., noted the positive effect of microfinance on income and on average consumption of poor households. He more specifically mentioned that increase in the consumption of pulse, fish and milk is more prominent among microfinance borrowers.⁴⁶

4.2.3.2. Right to Clothing

The right to clothing is the right of everyone to have a reasonable access to adequate clothing for himself/herself and his/her family and to maintain it in reasonable condition. It has an intrinsic linkage with the right to adequate standard of living. Enjoyment of this right is an essential component of the fulfillment of the right to adequate standard of living. Microfinance may enable the borrower to increase expenditure in the enjoyment of right to clothing. Rushidan Islam Rahman found that through running small scale entrepreneurship microfinance borrowers increase their household income which causes the increase in expenditure on

clothing.⁴⁷In addition, Dewan A. H. Alamgir reported the improvement of expenditure on clothing by 87.85% of repeat borrowers.⁴⁸

4.2.3.2. Right to Shelter

The right to shelter is the right of everyone to have and sustain a safe and secured home for himself/herself and his/her family to live in security, peace and dignity. It also extends to the continuous improvement of living conditions. Microfinance and micro-savings may facilitate the enjoyment of the right of poor to equitable access to land, shelter and adequate infrastructure and services. Dewan A. H. Alamgir reported that the condition of housing has been improved by 57.14% of microfinance borrowers.⁴⁹ Furthermore, C. Brannen pointed that the microfinance borrowers are willing to have their own home and make investments in the improvement of the quality of their home.⁵⁰

4.2.3.3. Right to Health

The right to health is not merely the right to be healthy. It is the right of everyone to the enjoyment of the highest attainable standard of physical and mental health. It is about both health care and the underlying determinants of health including a meaningful access to health-related education and information. Microfinance proves to have a large and statistically significant impact on the health of not only boy but also girl children.⁵¹ It may improve health of children in terms of

- a. Protective behaviors (such as sleeping under a mosquito net)⁵² and
- b. Nutritional status (for families in particularly stressed environment).⁵³

H. Todd found that Grameen women's children were healthier than the control group's children in respect of all three indicators-measures of height and weight for age and weight for height.⁵⁴ In addition, M. M. Pitt and S. R. Khandker found that a 10-percent increase in disbursement to women increases the average arm circumference of daughters by 0.45 cm and of sons by 0.39 cm and increase the average height of daughters by 0.36 cm and of sons by 0.50 cm.⁵⁵

4.2.3.4. Right to Education

Education is essential to enable all persons to participate effectively in a free society, promote understanding, tolerance and friendship among all nations and all racial, ethnic or religious groups. It is the primary vehicle by which children and adults can lift themselves out of poverty. Microfinance in case of promotion of the right to education plays a significant and positive role. Shahidur R. Khandker found that microfinance has an affirmative impact on schooling especially for boys.⁵⁶ M. M. Pitt, and S. R. Khandker noted that 1 percent increase in cumulative disbursement to a woman increases the likelihood of school attendance of daughter by 1.9 percent and of sons by 2.8 percent.⁵⁷ In addition, H. Todd noted that most of the Grameen boys (81%) have had some schooling, compared to just half (54%) of the control group boys.⁵⁸ Rushidan Islam Rahman found that income and awareness increase due to membership in MFIs led to better children's school attendance.⁵⁹ However, in opposition to this affirmative evidence R. Marcus, and C. Harper reported that in some cases due to parental participation in credit and saving projects the workloads of children have increased endangering their health or dropping out of school.⁶⁰ Therefore, the impact of microfinance on school attendance is mixed and context specific although positive impacts almost always outweigh the negative one.

V. CONCLUSION

Over the last few decades, Bangladesh is being popularly viewed as the synonym for microfinance around the world. Here, Grameen Bank started the anti-poverty movement through microfinance which encourages other MFIs to join in. In a developing country like Bangladesh where the vast majority of the people have no access to a formal banking system which deprives many poor but extremely hard working people to realize fully their income earning potential, microfinance is the way of bringing financial services to their reach. It is an innovative instrument that under the right conditions fits the needs of a broad range of the poor people. In fact, poor people can get benefits from microfinance from both an economic and social well-being point of view. Now, it is important to examine the whole study to determine whether it is successful in pointing out the answer to the study questions.

The response to the first study question is that in Bangladesh microfinance program of MFIs may not ensure comprehensive compliance with right-based norms and principles. MFIs in Bangladesh may not have any written instrument incorporating national and international human rights normative framework to accept them as fundamental foundation to construct microfinance program. In addition, while right-based norms and principles requires treating socio-economic issues as right microfinance program of MFIs trends to accept them as needs. Therefore, superiorizing right to credit over ESC rights by recognizing former as human right and latter as needs grossly violate the principle of indivisibility and interdependence among human rights and priorities. Furthermore, microfinance program of MFIs has no legal accountability to provide credit to all of their

members. In other words, members have no legal right to demand credit and consequently if MFIs denies supplying credit, they have no right to take legal action. Actually, mutual trust and humane values obliges MFIs to provide credit. However, Grameen treats its members equally and respects all member's right to get credit. Additionally, in present day MFIs are taking new initiatives primarily focusing on the protections and safeguards for the vulnerable and the marginalized people.

The response to the second study question is that in Bangladesh in case of the promotion of ESC rights for the poor people, the role of microfinance is positive and significant. It widens the scope for the poor people to get the access to credit to run small scale entrepreneurship to earn their livelihood. In brief, microfinance role in employment generation and rural wages increment is admirable. In case of the promotion of right to social security, it may be said that microfinance on the one side introduces a decline in dependence on money lenders and on the other side address a willingness to use working capital or savings at the time of urgency. In addition, it gives the poor women income generating ability, family recognition, social respect, social awareness and reduces the incidence of domestic violence and divorce in their families. Again, in case of the promotion of right to adequate standard of living, it is worthy to acknowledge that it enables the members to live a sound life with security of food, clothing, shelter, health and education. Above all, microfinance increases employment and income of households that leads to an improved quality of life as indicated by reduced food insecurity, improved access to housing, health, sanitation and education and enhanced capacity to form assets in different forms. In fact, microfinance is most likely to guarantee the enjoyment of the basic elements of life.

VI. RECOMMENDATIONS

In consideration of the study findings it may be recommended that microfinance program of MFIs in Bangladesh should deal with poverty and powerlessness touching all aspects of life and living of the poor people. Protecting human dignity and improving human rights situations of the poor and disadvantaged people gain the essentiality to be placed in the cornerstone of the microfinance program. Socio-economic needs of the poor people require to be addressed in terms of human rights together with conceptualizing poverty as denial or violation or non-fulfillment of certain human rights. In addition, it is needed to develop an effective impact measurement mechanism to assess the impact of microfinance by disaggregating effects on gender, age and socio-economic status and comparing impacts on participants, former participants and non-participants. Finally, to put sound and sustainable human right-based impact, microfinance program should ensure comprehensive compliance with the right-based norms and principles.

VII. FUTURE RESEARCH DIRECTION

The initial objectives of the study have been achieved but it is the need of time that further research should be conducted in order to determine the path to make microfinance a human right-based anti-poverty tool.

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