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SCHOOL OF THEOLOGY

# Microfinance and Women's Self-perception:

A qualitative study of a microfinance institution in Ganja, Azerbaijan

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## Abstract

Microfinance is seen as a development strategy used to reduce poverty and empower women around the world. This thesis takes a closer look at consequences, other than economic improvement, for women involved in microfinance, namely how they feel their self-perception has been affected because of their involvement. The purpose of this thesis is to give women involved in development strategies a voice, and let them say how this type of strategy has affected their life and their perception about themselves. Through interviewing women involved in Viator Microcredit Bank in Ganja, Azerbaijan, I have gained insight in how they describe themselves, and what changes they feel the microcredit loan has caused in terms of their self-esteem. This thesis is a contribution to the field of women and development, and puts emphasis on the importance of self-esteem in development work. I come to the conclusion that female clients in Viator Microcredit Bank in Ganja have improved their self-perception through their involvement, and that listening to what women say and how they feel is important in development work.

# Microfinance and Women's Self-perception

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## **Chapter 1: Introduction**

This thesis focuses on women and development. Microfinance is a tool that has been used to bring people out of poverty, but also as a tool used to empower women, and through this improve women's self-perception. Studies done on women and empowerment claim that microfinance has an empowering effect on women involved. I am interested in what the relationship between women's participation in microfinance programs and their self-perception is. To find an answer to this research problem, I have chosen to do an empirical study that focuses on the women's own views on this relationship.

My interest lies in the women's own thoughts and feelings, and how, and whether, they feel microfinance has affected how they see themselves and feel about themselves. To study this, I have done a field study in Ganja, Azerbaijan, and interviewed women involved in Viator Microcredit Bank there. My research question has thus been: How do women involved in a microfinance program in Ganja, Azerbaijan perceive the relationship between their self-perception and their microfinance involvement?

This research is meant to be a contribution to the field of women and development, where I give women a voice and an opportunity to give their opinion of how microfinance, as a development tool, has an impact on their lives and their well-being. In this introductory chapter of my thesis, I will give a more detailed description of my research problem and research question, to give the reader a better understanding of what is being studied. I will also give a presentation of why I have chosen to do this study, and why I chose Ganja, Azerbaijan as the location for the study. Following this, I will give an explanation of the theory and method I have used to answer my research problem, and at the end I will give an outline of the following chapters.

### **1.1 Defining research problem**

The research problem is: What is the relationship between women's participation in microfinance programs and their self-perception? This means that I will study how women who have been granted a microcredit loan perceive themselves in light of their involvement in microfinance programs, and whether they see a change in themselves

as a result of being granted a microcredit loan. In this section, I will give an explanation of my use of the word “self-perception”, a clarification of the difference between microfinance and microcredit and how I use these terms, an explanation of the case that has been studied, and an introduction to the context where the study has been conducted.

### **1.1.1 Self-perception**

As noted above, my interest lies in women’s opinion of how involvement in microfinance has had an impact on their feelings and thoughts about themselves. In my research problem and research question, I use the term “self-perception”.

Merriam-Websters dictionary defines self-perception as “the idea that you have about the kind of person you are” (Merriam-Webster, 2013)<sup>1</sup>. In this thesis, I will use this term together with the term “self-esteem”. Nathaniel Branden defines self-esteem as “the disposition to experience yourself as being competent to cope with the basic challenges of life and of being worthy of happiness” (Branden, 1998: 23-24).

Together, these terms are chosen to cover the topic of interest, namely women’s feelings and views towards themselves.

### **1.1.2 Microfinance and microcredit**

Microfinance is the practice of giving financial service to people with little income. Mostly it includes small-scale savings and credit. Many of the Microfinance Institutions (MFIs) also provide clients with other services, such as assistance with group formation, training in financial literacy and management, skills training, and legal advocacy among members of a group. Microfinance is thus often defined as both financial and social intermediation (Shekh, 2006: 179). Microfinance and microcredit are often used interchangeably, but microcredit is actually only a part of microfinance, and refers to small loans or providing small loans for income generating self-employment (Bruhn, Carpena, and Zia, 2012: 826). I will use the terms, both microfinance and microcredit, in this thesis. In my interviews, however, the focus has been on the microcredit part of microfinance. I have referred to the loan, or credit, in my questions, and the women have thus not told me about any other involvement in the microfinance program than being granted one, or multiple, loans.

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<sup>1</sup> See “Self-perception” in Literature list <http://www.merriam-webster.com/dictionary/self-perception> (18.12.13)

In chapter 2, I will give more detailed information of microfinance as a tool for development.

### 1.1.3 Case

In 1999, Norwegian Humanitarian Enterprise (NHE) started Viator Microcredit Azerbaijan Limited Liability Company as a “small business development”. NHE is part of Normisjon, which is a legally independent organization within the Lutheran Church of Norway (MicroFinanza Rating, 2007)<sup>2</sup>. Viator Microcredit Azerbaijan (Viator) was registered as a limited liability company with the Ministry of Justice of the Republic of Azerbaijan in December 2002, thus separated from NHE, and in September the following year it obtained a license to conduct lending activities from the National Bank of Azerbaijan (Viator Microcredit Azerbaijan, 2013a)<sup>3</sup>. Viator provides small rural and urban entrepreneurs with small individual loans, and loans to groups of individuals who lack access to traditional financial institutions (Viator Microcredit Azerbaijan, 2013b)<sup>4</sup>. By the end of May 2012, Viator had about 17 000 customers and loan portfolio of about 12 million dollars. The company has six branches in Azerbaijan, which are located in Ganja, Sheki, Dälimämmädli, Shamkir, Gazakh, and Balakän (Normisjon)<sup>5</sup>. Their headquarters are located in Ganja, which is Azerbaijan’s second largest city.

The women this study focuses on are Azeri women over the age of 18, who have all been accepted as clients in Viator. These women are in different life situations, where some are married, some are not, and others are widowed. They have all started different projects as a result of the loan they got from the banks, either alone or in a group with others, which have given them an opportunity to make money and maintain a stable income. I chose to do my study in Ganja, which is located in western Azerbaijan, at the Viator headquarters.

About 40% of the customers involved in Viator’s microcredit program are women (Normisjon, 2012). My research focuses on these women, and what being loan takers

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<sup>2</sup>[http://www.ratinginitiative.org/uploads/tx\\_dbreports/Viator\\_Azerbaijan\\_Final\\_Rating\\_Report\\_-\\_July\\_2007.pdf](http://www.ratinginitiative.org/uploads/tx_dbreports/Viator_Azerbaijan_Final_Rating_Report_-_July_2007.pdf) (18.12.13)

<sup>3</sup> <http://en.viator-az.com/history/> (03.01.14)

<sup>4</sup> <http://en.viator-az.com/about/10-about-us.html> (03.01.14)

<sup>5</sup> [http://www.normisjon.no/index.php?kat\\_id=20&v=&ff=&id=11497856#](http://www.normisjon.no/index.php?kat_id=20&v=&ff=&id=11497856#) (18.12.13)

has done to them. I want to find out whether they feel there has been a change as a result of the involvement. By change I mean whether they feel more or less important, respected, and valued in their relationships with others, that being family, society or associates. I also want to see if it has had a positive or negative effect on their view of themselves and their own worth. My research question covers these questions, because it asks about the women's self-perception, namely how they define themselves. I focus on their own thoughts and feelings, not on how other people view them and have seen a change in them.

#### **1.1.4 Context**

Azerbaijan, officially the Republic of Azerbaijan, is a country located where Western Asia meets Eastern Europe. To the east of Azerbaijan lies the Caspian Sea, and it borders Russia to the north, Georgia to the northwest, Armenia to the west, and Iran to the south. The Azerbaijan Democratic Republic was formed in 1918, but was incorporated into the Soviet Union in 1920 and did not gain independence again until 1991. Almost at the same time Azerbaijan became independent, a conflict started with its neighboring country Armenia. The conflict concerned the area of Nagorno-Karabakh, which lies in the western part of Azerbaijan.

The country is highly affected by its time under the Soviet Union and the conflict with Armenia. After 70 years under foreign rule, the country's social institutions had to be rebuilt. The command economy that had been in effect during the Soviet rule broke down, and was replaced with free competition. This led to massive unemployment among the Azeri people, in addition to more than two million people leaving the country to find work somewhere else. Also, as a result of the Nagorno-Karabakh conflict, about one million people had to flee and find new places to live and work. The breakdown of the social institutions, unemployment, and an ugly culture of corruption have had a huge effect on the period after the country gained independence (Seierstad, 2003; Asian Development Bank [ADB], 2006). More about the economic situation and social life in Azerbaijan will be described in Chapter two.

#### **1.2 Objectives of study**

I have several personal reasons for wanting to go through with this project. I am interested in what the consequences of microfinance actually are, not just financially



and economically, but on a deeper level of personal feelings. I could have focused on other possible consequences of microfinance, like mission or education, but because of earlier subjects I have taken during my years of education, women's empowerment has become an interest of mine.

My reasons for choosing Azerbaijan as my research country is, first of all, that I am familiar with Normisjon as an organization, and since the administration in the organization know me as well they could serve as my "sponsors" and "gatekeepers" (Bryman, 2008: 407) and help me get access to the organization and microcredit clients. This was an advantage for me, considering that I did not have to spend a lot of time finding contacts and getting access. Secondly, I find Azerbaijan to be a very interesting country, as it can neither be described as European, nor Asian (even though it belongs to the Asian continent). The country has a lot of history, but at the same time it is relatively new as a consequence of its independence from the USSR.

When it comes to this thesis' relevance in the field of research, it contributes to questions concerning microfinance's effect on those involved. Microfinance, as mentioned above, is used as a tool for reducing poverty, but also as a tool for empowering women. My research takes a closer look at how women feel about themselves as a result of microfinance involvement. It is thus meant to look for impacts of microfinance other than economic impacts. As we will see in Chapter three, microfinance has become a well-known, and much used, development strategy around the world, though there are those who are hesitant or critical to its actual effects. It has been questioned whether microfinance programs focus too much on their own sustainability than on the actual gain for those the programs target, and attention to its actual effect on empowerment has been called for (Isserles, 2003:55). This is where my thesis contributes. It is written to draw attention to other aspects of a person's well-being than their economy.

### **1.3 Theory and method**

This thesis is an interdisciplinary study, and I have used literature from different fields in my study and analysis. My thesis is a contribution to the field of women and development, and I have used feminist philosopher Martha C. Nussbaum's Capability

approach as my main theory in this field. Her theory builds on Amartya Sen's Capability approach, which is based on a belief that poverty is a result of the lack of basic capabilities. What is meant by 'capabilities' is both basic needs, like food and shelter, but also non-material needs, such as the feeling of being empowered (Grobakken, 2006: 207). Nussbaum has built on Sen's theory and composed a list of ten central human functional capabilities (Nussbaum, 2000: 78). Her Capabilities approach is a well-known development theory that has been of interest of many development and gender theorists (Clair, 2006: 336), and I join these theorists in their evaluation and discussion of this approach.

Like mentioned, Nussbaum's 'capabilities' include both basic needs, but also the feeling of being empowered. There is thus a close connection between Nussbaum's capabilities and empowerment. Empowerment is, as we will see in Chapter three (see 3.3), closely connected to improvement of self-perception, or growth in self-esteem. In the 1960's, interests of self-esteem grew in the academic field, and among those who led this period of development in the field was Nathaniel Branden (Mruk, 2006: 4). In my analysis, I have used Branden's self-esteem theory by looking at my material in light of what he claims are signs of high and low levels of self-esteem. Branden's self-esteem theory is linked to Nussbaum's Capability approach in the last chapter of this thesis, which shows how it is relevant in the field of women and development.

In terms of microfinance's empowering impact, I have looked at earlier studies done on this matter. Opinions vary on the effect microfinance has on the women involved, and I will present opinions and findings on the subject by Linda Mayoux, Robin Isserles, Susy Cheston and Lisa Kuhn, and Mushumbusi Paul Kato and Jan Kratzer in Chapter three. These are presented to see whether my findings agree with, or challenges, earlier findings done in the field, and will be taken up in the question of my study's contribution to the field of women and development (see 6.3).

To find an answer to my research problem, I have conducted a qualitative, empirical case study of women in Ganja, Azerbaijan. My data was collected through in-depth, semi-structured interviews with 18 of Viator's female clients. My gathered data was

then analyzed using Branden's self-esteem theory, to find out what these women's answers told me about their self-perception.

Chapter four gives a more thorough description of why I have chosen this research method, how my interviews were conducted, and what challenges I faced during my fieldwork.

#### **1.4 Outline**

This thesis consists of six chapters, where this introduction chapter is the first. The following chapter will present more thorough background information about Azerbaijan's economic situation today and the gender roles that are present there. After this, the history and development of microfinance, and also the goals of the idea of microfinance and the process through which microfinance is conducted, will be explained. I will also look closely at the clients of microfinancial programs, with a focus on gender issues related to it. I will also present Viator's position as a microfinance institution in Azerbaijan.

The third chapter of this thesis will be my theory chapter, where I present earlier literature and theories concerning women and development, microfinance as a development strategy, and microfinance's impact on women. This chapter gives information about Martha Nussbaum's Capability approach and Branden's self-esteem theory, discusses approaches to the issue of how microfinance influence women, and is concluded with a summary that explains why I have chosen to focus my own study on women's self-perception.

Chapter four is what I call my method chapter. In this chapter I will describe the research design and research method I used to gain information and data, and also describe the interviews I conducted. In addition, the chapter presents ethical questions that were raised through conducting this research, weaknesses and strengths of my data, and the reliability and validity of my research. An overview of the analytical approach I have employed will also be presented here.

The next chapter, my analysis chapter, is divided into five parts. My material has been categorized into four different themes, namely business, household and family relations, women's role in society, and personal feelings, and my analysis is done within these themes. An explanation to why these four themes were chosen is given at the beginning of the chapter. These four themes make up the first four parts of the chapter, and the last part will then be a summary of the entire analysis, where I present what my informants told me about how they perceive the relationship between their microfinance involvement and their self-perception.

Finally, Chapter six will be my conclusion of the study. In this chapter, I will review the methodological and theoretical approach to my research problem and the findings in my analysis. Also, I will discuss this study's relevance in the field of women and development, by looking back at Chapter three's theories. In the end, I will present the answer to my research problem.

## **Chapter 2: Context and background**

This chapter is written to give the reader an understanding of the context the study was conducted, as this is important information to have to better understand the analysis later in the thesis. It gives a presentation of Azerbaijan's economic situation and the women's situation in the country.

In addition to understanding the context where the study was done, it is important to understand what microfinance is. Chapter one gave a brief introduction to microfinance, but this chapter will give a more thorough explanation of how the idea of microfinance developed, what the goals and purposes of microfinance are, and who microfinance is meant for. This is to give the reader an understanding of microfinance, while my theory chapter (Chapter 3) will give the reader information about studies done on the impact and consequences of this type of development strategy. Also, since this thesis is a case study done in Viator Microcredit Bank in Azerbaijan, I will explain how Viator is organized.

### **2.1 Economic situation**

The years between 2000 and 2008 brought with them global economic boom and rise in gas prices, which caused economic growth for Azerbaijan. Azerbaijan's gross domestic product (GDP) grew over 20% per year, and there was a high rate of both public and private investments in the oil-industry, especially in Baku. This resulted in an increase of new jobs, which again led to a decrease in extreme poverty. However, Azerbaijan's dependence on the oil and petroleum-related industry is a challenge. The oil reserves are estimated to run out eventually, and it is therefore important for the country to develop other economy sectors, like agriculture and non-oil industries. Small and medium-sized enterprises, and the private sector in general, are in need of attention and support for them to be able to open up opportunities to grow, for the country to be able to achieve sustainable economic growth (OECD, 2011: 71).

Azerbaijan was not affected as much as other countries during the international economic crisis, as it is less integrated in the world economy than other Eastern European and South Caucasus countries. However, in 2010, Azerbaijan's GDP

growth reached 4.3%, compared to 9.3% in 2009, and shows that the drop in oil returns in 2009 revealed Azerbaijan's dependence on its oil industry. Despite this, nearly all economic sectors in the country registered growth, and in 2010, the non-oil sector made up 42.4% of the country's GDP (OECD, 2011: 74).

Data concerning poverty in Azerbaijan is lacking, and it is difficult to give accurate numbers of how many people live in poverty in the country. However, OECD presents numbers that demonstrate a decrease in poverty. Between 2001 and 2009, the poverty level went from 49% to 11.2%, and according to the World Bank, about 2,5 million people in Azerbaijan has moved out of poverty in recent years. Poverty occurs more in rural areas (51.1% of the poor) than in urban areas (48.8%), but the numbers seem to be decreasing. By distributing oil profits more fairly, and developing the non-oil sector, Azerbaijan has a better chance of achieving its millennium development goal of reducing the total number of people whose monthly income is below the country's absolute poverty line by 50%, by 2015 (OECD, 2011: 98).

Despite the increase in GDP and the decrease in the number of people living in poverty, a research done by the Economic Research Center shows that the real figures on poverty in the country are higher than those revealed. Official data do not properly disclose the real poverty problem in the country (OECD, 2011: 98). Reducing poverty is thus the major challenge for Azerbaijan (ADB, 2005).

## **2.2 Women in Azerbaijan**

Women make up 51% of the Azeri population, and half of these women live below the poverty line (OECD, 2011: 99). OECD (Organization for Economic Co-operation and Development) writes, in its country review of Azerbaijan from 2011, that gender norms have changed since the Soviet regime. During the regime, women, as well as men, achieved high levels of education and had work experience in the economy and government of Azerbaijan. Today, however, more women than men are under-employed or unemployed and they have lower income. They are more likely to work part-time, have temporary jobs, or stay at home and take care of their families. There are very few women represented in the highest levels of power, much because of women's lack of interest, time and understanding of what leadership is. There is also

a cultural belief among the Azeri women that leaders are supposed to be men (OECD, 2011: 99). The reason for this reemergence of traditional beliefs and practices is debated, and could be caused by external factors, like Islam's influence on the country, or it could be that these beliefs and practices were never really gone during the USSR rule, but rather suppressed (ADB, 2005: 71).

Many women continue to struggle against poverty rates, unemployment, little access to basic services, and also the reemergence of traditional gender stereotypes. These stereotypes limit their personal, social, economic, and political freedom, which has led to a decrease in their opportunities and an increase in disempowerment. There is a growth in marginalization, both in public and private workforces, more men than women are being hired in decision-making positions, and women earn less than men. The limited access women have to credit and technical support for enterprise development has kept women from being able to start and manage their own businesses as well. The increase of disempowerment is seen both in their low representation in political structures, but also within households and communities (ADB, 2005: 4-9).

Restrictive gender stereotypes and attitudes have reemerged since the country's independence from USSR, and women are seen as mothers and family caretakers, rather than independent individuals able to contribute in the public sphere. Many women feel pressured to marry young, have children, and stay at home and take care of immediate and extended family members, and do not feel encouraged to start and develop a career (ADB, 2005). A survey published in 2001, Azerbaijan Reproductive Health Survey, showed that nine out of ten women believed that their husbands needed to give them permission if they wanted a job, and the same number believed that men should have the final say in family matters (ADB, 2005: 71). Evidence showed, however, that as the survey's female participants' education increased, the agreement of these statements decreased. Another research, done in 2004, showed that in most rural areas, middle-aged and elderly men are the ones who make decisions and take part in meetings where important matters are decided. The women's role in decision-making was limited, and even though certain groups of women, usually with higher education, actively took part in the decision-making, most women did not (ADB, 2005: 71).

Author Nadia M. Diuk (2012) writes about the features of the social life in Azerbaijan's impact on Azerbaijan's politics, and thus takes up the subject of family structure as patriarchal. She presents beliefs that say that the family is the most influential factor in the formation of Azeri "mentality", and that it also is the prime organizing principle of the society. She describes a view of the Azeri society as a society where freedom is conditioned by tradition and by members of the extended family. The interests of the individual are based on the interests of the extended family, not his or her own. Also, the Azeri organized life is based on loyalty to the patriarchal principle, where respect for the leader is important. The Azeri psyche is imprinted by an overwhelming need to belong to one of the many tribes of Azerbaijan. This hierarchical type of society breeds the concept of a leader, whether this is in the family, political parties, or the state itself (Diuk, 2012). However, Diuk notes that the traditions of patriarchalism in Azerbaijan may be breaking down. She shows that there are a significant number of young people who now earn more than their parents do, and that the number of women who support their families economically is increasing. A few years ago, it was unheard of that a son, much less a daughter, supported his, or her, parents. Her numbers are based on the city of Baku, but the phenomenon of change in traditional structures is also present in the countryside (Diuk, 2012).

### **2.3 Microfinance**

Microfinance is a development strategy used to reduce poverty. It provides small-scale financial services to low income people, and has become an important intervention in the efforts to reduce poverty, but also to empower women. The way we understand the concept today dates back to the Grameen Bank (GB) in Bangladesh in the mid-1970s (Shekh, 2006: 177). Mohammad Yunus, who is the best-known developer of microcredit, started GB and he received the Nobel Peace Prize in 2006 for his efforts. The GB serves more than 5.6 million borrowers, where 96% are women. It has functioned as a cost-efficient credit model to reach poor people in more than sixty countries in the world (Shekh, 2006: 183).

#### **2.3.1 The Grameen Bank**

The objectives of GB were many. First of all it wanted to give poor men and women access to banking facilities. Also, it wanted to eliminate the fact that moneylenders



exploited poor people. It wanted to give people the opportunity to self-employment, and bring the disadvantaged into an organizational format in which they could understand and manage by themselves. The disadvantaged were mostly women from poor households. In addition, it wanted to reverse the cruel circle led to by having low income. Low income led to low savings and low investments, but GB wanted to turn it around and make injection of credit bring possibilities of investments, which would turn into more income, more savings, more investments, and again, more income (Shekh, 2006: 183-184).

While conventional banking asks for collateral when lending money, GB removed this need by basing its banking system on mutual trust, accountability, participation, and creativity. The poor had been kept out of the banking orbit based on a belief that since they were poor they were not bankable. In the fight against poverty, GB required each borrower to belong to a five-member group, but the members did not have to give a guarantee for a loan to its members. The individual borrower was responsible for his or her own loan, but the group was there to make sure the members behaved in a responsible way and that none of them ended up with repayment problems (Shekh, 2006: 184).

### **2.3.2 Microfinance's innovations**

The new microfinance initiatives in the 1970s were a response to disappointing results from subsidized rural credit in the 50s and 60s. Poor people's need for access to credit and the lender's need to get loans repaid were aligned, and the loans given were small, short term, and supported by informal or group guarantees. The main goal for microfinance was to reach entrepreneurial poor people (Mersland and Strøm, 2012).

Providing banking services to poor people as self-help means to avoid poverty and improve poor people's living conditions has a long history. Moneylenders have been around to offer loans to poor people, though these loans have usually been very expensive. However, people have come together for hundreds of years to organize ROSCAs (Rotating Savings and Credit Associations), which include savings clubs and small credit schemes. Other financial systems, like savings banks and credit cooperatives, were organized over 150 years ago as self-help means to help poor people out of their poverty. These services, along with ROSCAs, continue to be

popular around the world. Thus, microfinance is not a new invention, but rather an innovation that rediscovers earlier financial schemes (Mersland and Strøm, 2012). Mersland and Strøm present a summary of what the innovations in microfinance are: First, it targets poor customers. Second, it targets women. Third, it has new lending technologies. Fourth, it has new organizational solutions, and fifth, it has new sources of funding (Mersland and Strøm, 2012: 873). I will go through these five points as presented by Mersland and Strøm.

The targeting of poor people is normally seen as microfinance's mission, but it can also be seen as a choice of a new market. Earlier alternatives for poor people were often local moneylenders or government initiatives. State banks often had impossible repayment rates, and often let the customers refrain from paying back because of political pressure, or an "understanding" of their situation. Local moneylenders often had background information about the people in the community, and could choose to lend money to low-risk borrowers and monitor the borrower's repayment. Some people were thus excluded from this possibility. Microbanks then became an alternative for poor people. The small loan has become the most common measure for microbank's mission to reach out to poor people, but at the same time the microbanks has discovered and developed a new market for banking services to poor people (Mersland and Strøm, 2012).

Microfinance has from the beginning targeted women as their customers. This continues even today, and Mersland and Strøm's (2012: 874) data shows that women represents 73% of microfinance customers on average, and 42% of microbanks declares that they have a conscious gender bias towards women. There are three main arguments to why women became the main target of microfinance: First, gender equality, second, poverty reduction, and third, microbank efficiency (Mersland and Strøm, 2012: 875). Microfinance is considered effective in the efforts to promote women's empowerment. By letting women develop and strengthen income-generating activities, microfinance is believed to increase their income, help them control this income, and improve their power within households. It is expected that this will reinforce social, psychological, and even political effects, and give women better self-esteem and self-confidence, improve their status both in their families and in the community, and make women more visible in public spaces. When it comes to

poverty reduction, it is believed that women invest their money in the well-being of their families, while men do not necessarily do the same. Also, in terms of microbank's efficiency, high female repayment rate is often the main argument. Microbanks assume fewer risks when lending to women, as it is shown that women often repay at a better rate than men. However, it has been shown that the banks that consciously target women have equal financial terms than those who do not. This third argument for targeting women is thus not emphasized as much as the other two (Mersland and Strøm, 2012).

Usually when people borrow money, they pledge collateral. However, this is difficult for poor people to do, since they usually do not have any collateral to offer. Microfinance has developed loan strategies that meet this problem. They often combine small loans with group loans and short maturity. The small loan and short duration is mostly what microfinance is known for, but the major innovation is the group loan. The way a group loan works is that an individual is given a loan, but the whole group is responsible for its repayment. The group acts as a substitute for collateral. Since the group is responsible for the individual's repayment, they will act as monitors for his or her repayment. If the individual do not pay back like they are supposed to, then they do not only face the consequences for themselves, but are responsible for the consequences imposed on the others as well. The consequences for someone who does not repay can then include social exclusion, in addition to the penalties imposed by the bank. The monitoring of the loan is also increased, as the group members usually know each other and belong to the same community and have better judgment of who they are willing to act as collateral for, and the risk and monitoring costs for the bank decreases. Group lending models vary, but regardless of the model used, it makes members repay more often than individual loans. However, even though some believed that the group loans would become the most used loan method in both developing and developed countries, studies show that the individual loans are more important than group loans. Mersland and Strøm shows that the cost of upholding group lending is higher than its benefits, and questions whether group loans will be widespread in the future (Mersland and Strøm, 2012).

Another lending technology, that was mentioned earlier, is the small loan with short duration. Small loans enable banks to give loans to more people, thereby fulfilling its

mission. With short duration loans, borrowers are able to show in a short period of time that they are able to repay and keep their end of the deal. It also weeds out those who do not repay loans quickly, and gives the banks knowledge about who are high-risk borrowers and who are low-risk borrowers. Also, loans can be renewed, extended, and prolonged, and the banks earn interest on the continuing customers. The customers are aware of the fact that repaying their loans enables them to be granted an even larger loan later, which gives motivation to repay that which they have already borrowed (Mersland and Strøm, 2012).

Microbanks grow roots in the community it serves. The banks are often organized from below, and have a mutual or nonprofit ownership, which means that the customers have a say in how the bank works. This way, customers are able to monitor their bank. The relationship between the bank and the customer is important in microbank's development in communities. State-owned banks are often large and impersonal banks that are created to implement government policies, and do not need the same relationship with their customers to be sustainable (Mersland and Strøm, 2012).

The main sources of funds for banks are equity, deposits, and borrowing from credit providers other than depositors. Microbanks have been able to attract donor capital as well. The investment in microfinance has become popular, and there are over one hundred international microfinance investment sources worldwide. Microfinance established an innovation in these sources of funds, and contributes in mobilizing and distributing international capital as investments in developing countries (Mersland and Strøm, 2012).

### **2.3.3 Assisting the poor**

Shekh (2006) presents an overview adapted from Gulli (1998) that shows how microfinance can assist the poor in poverty reduction. First of all, it can promote investment in assets. The loan increases the borrower's purchasing power, and lets them invest in assets that will help them improve their income. Secondly, the financial service lets poor people manage their economy in a more efficient manner. Third, the financial services can help the borrowers cope with income shocks and emergency needs, and thereby increase their economic security. Finally, the financial services can

help the borrowers build social capital, establish credit history, and trust. The opportunities that opens up because of the loan can increase the borrower's self-esteem, and give a feeling of empowerment (Shekh, 2006: 179-180).

#### **2.3.4 Summary**

This section has given a presentation of microfinance's starting point and purpose. Microfinance was not a new invention in the 70's, but rather an innovation of earlier financial schemes. Mersland and Strøm present these innovations, and explain how these can be used to develop sustainable financial services for low-income people. Shekh also presents an overview of what consequences these financial services can have for the poor. This is the main idea behind microfinance as a tool for poverty reduction.

#### **2.4 Microfinance in Azerbaijan**

MFIs play a key role in the rural financial markets of Azerbaijan. Several international NGOs came to Azerbaijan in the second half of the 1990s to establish MFIs in the country. In 2001, the MFIs organized the "First Annual Micro finance Conference in Azerbaijan" with the aim of educating and informing the broader community of how important microfinance is for the country. Among the MFIs presented at this conference was the Norwegian Humanitarian Enterprises. Together with nine other MFIs, they signed a Memorandum of Understanding as a formal recognition of the intent of these MFIs to establish an association to advance the interests of the microfinance industry to support sustainable and equitable economic growth. They also developed guidelines, which would define why and how this network should function. As a result, the Azerbaijan Microfinance Association (AMFA) was formalized as an association that would serve as the central point on microfinance in Azerbaijan. The association has grown since 2001, and now has 30 membership organizations, and Viator Microcredit is one of these membership organizations (Azerbaijan Micro-Finance Association)<sup>6</sup>.

#### **2.5 Summary**

This chapter has given an overview of what the economic situation in Azerbaijan is like today and how women struggle in the country due to reemergence of traditional gender roles. I have also given a presentation of microfinance, what it is, its history

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<sup>6</sup> <http://amfa.az/> (15.09.13)

and development, its reasons for targeting women, how it is conducted, and how it is supposed to help people out of poverty. The next chapter will present theories of women and development, evidence of impact caused by microfinance, and theories of self-esteem.

## Chapter 3: Theory

The theme of my thesis calls for an overview of how development practices have included gender issues in its agenda<sup>7</sup>. I will therefore start this chapter by giving an overview, adapted from Shirin M. Rai (2011), of principal theories and frameworks that has guided research and practice in the field of women, gender, and development. I then take a closer look at one of these development approaches, namely the Capabilities approach. Following this, I look at how microfinance as a development strategy is believed to reduce poverty. In this section, I also look at powerlessness as a dimension of poverty. Next, I will discuss the empowering impact of microfinance on women, based on different studies on this topic. This discussion includes definitions of the term ‘empowerment’, opinions as to why women are targeted in microfinance programs, and different perspectives on whether and how microfinance has an empowering impact on women. The discussion concludes this chapter by underlining important elements of what microfinance programs as development strategies should consider.

### 3.1 Women and development

When women first came into focus in development, it was mainly for welfare reasons. Aid programs focused on birth control, nutrition projects for both women and children, and pregnant and lactating mothers, while the question of gender relations in society was left unchallenged. This welfarist approach to development remained dominant through the first phase of development practices. However, the way development was thought about changed. The International Labor Organization (ILO) wanted development work to focus on fulfillment of basic human needs, rather than growth, and during the 1980s, the discourse of sustainable development arose. The ‘women in development’ (WID) was articulated during the 70s, and became a starting point for feminist engagements in development discourse and practices. In addition to this, Marxism challenged the earlier development practices as it introduced alternative models of state socialist development and focused on class struggles. Also, in the

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<sup>7</sup> Contributions in this field include: Boserup (1970); Rogers (1980); Pearson (2006)

1980s post-structuralists questioned and critiqued the development paradigm as an achievable enterprise (Rai, 2011: 28-29).

In 1962, the UN General Assembly asked for a report on women's role in development by the Commission of Women's Status. In 1970 a study, conducted by Boserup, was published that argued for a combination between equality and efficiency. She argued that women gain less than men in their roles as waged workers, farmers and traders, which make them marginalized in the economy. She also argued that the mechanization of agriculture had resulted in a separation of women's labor from waged agricultural labor, which undermined women's social status (Rai, 2011: 29). Rogers (cited from Rai, 2011: 29) stressed women's importance in the development process itself, and said that not only women would benefit from increased opportunities, but the development process would benefit as well as it would better achieve its targets. These perspectives became the basis of the WID agenda. The WID project was to make sure that the benefits of modernization affected both women and men in the Third World. However, the WID project overlooked social and political structures, which was important, as the women were located and acted within them. By the 1980s, feminist scholars and activists criticized the theories, and focused on gender relations rather than women's status and argued that development programs should focus on gender issues. The WID did, nevertheless, point to the relationship between work and status, which had earlier been ignored by development agencies and governments in the West (Rai, 2011: 29-30).

### **3.1.1 Different approaches to gender and development**

The Basic Needs (BN) approach questioned growth and income as the focus in development. BN theorists meant that poverty was not something one could eliminate with higher income alone, but rather that development should include, and have as a main goal, the fulfillment of basic human needs. These basic human needs included both physical needs, like enough food, as well as the needs for participation, empowerment and community life. BN suggested that development have a participatory approach, which included these basic human rights not only as ends in themselves, but also as a contribution to accomplish other goals. However, their approach did not challenge the gender ideology of different power relations in families, and did not focus much on women's work situation (Rai, 2011: 30).



Amartya Sen and Martha Nussbaum challenged the BN approach by moving beyond the understanding of basic needs and capabilities as a development focus and discussed the required rights to develop these capabilities. Sen challenges the “culture”-based acceptance of women’s rights, and he and Nussbaum include legal, political and human rights as important when maximizing labor-based rights. Sen argues that these freedoms are both means of development and an end of development. Capability theorists challenged the assumption that when distributing resources to families, the resources would be fairly shared. They say that the women are often suffering because of patriarchal social relations both in the homes and in the public spheres (Rai, 2011: 30-31). The Capability approach focus much more on the gender relations within households than the BN approach do, as will be presented in section 3.1.2. These two approaches are both concerned with sustainable development, defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Rai, 2011: 31).

The focus shifted in the 1980s, as a result of feminist critique, from the inclusion of women in development to the transformation of gender relations as the main focus. The gender and development theorists have argued that the heart of political activity should include the focus on the relationships that place women within societies. This is gender and development theorist’s main focus in development, namely the gender division of labor within the homes and work, access to and control over resources, and the social position of women and men. Also, the gender and development theorists differentiated between practical, immediate, and long-term and transformative needs of women. The gender and development framework has, however, not been able to influence development planning. Its approach has been seen as a more confrontational approach than WID’s, but Rai argues that it has posed critical and political questions for later feminist activists and theorists (Rai, 2011: 32).

In the 1980s and 1990s, postmodernist feminists further extended the WID and gender and development debates, and critiqued the state based strategies of development. They argued that “Development has been the primary mechanism through which the Third World has been imagined and imagined itself, thus marginalizing or precluding

other ways of seeing and doing” (cited from Rai, 2011: 33). The local communities became important as a political and conceptual space, and should be a site of life-improving initiatives. However, these postmodern theories have been criticized for leading to relativism and political nihilism (Rai, 2011: 33).

A group of feminist, inspired by Marxist critiques of capitalist development, has argued the development process has been male biased. These feminists build on Sen’s critique of the selfless family, saying that women’s contribution to household income is unrecognized. Their focus on the uneven burden laid on women has resulted in important shifts within the economic discourse of international institutions, and has had significant influence in the field of development studies (Rai, 2011: 35).

These theoretical approaches show the complexity and contradictory nature of the debates, and the impact these have on policy and institutional issues, as well as on aid programs. Yet, there is still high gendered inequality, and gender justice is still a goal. The work towards gender justice and equality continues, which is both reflected and shaped by the debates presented above (Rai, 2011: 35). As we can see, there have been different thoughts about how to approach the gender issue in development processes. I will further present more of Nussbaum’s arguments of the Capabilities approach, as I find her arguments to focus on much of what will later be discussed as microfinance’s development agenda.

### **3.1.2 Capabilities approach**

Martha Nussbaum presents the Capability approach in her book *Women and Human Development* (2000). She argues that the international political and economic thought should be feminist, and pay attention to the problem women face because of their gender in pretty much all countries in the world. She says that without understanding these problems, confronting issues of poverty and development is problematic. The Capability approach is philosophical, and based on a universalist account of central human functions, closely linked to a type of political liberalism (Nussbaum, 2000).

Nussbaum argues that there is a bare minimum of respect that human dignity requires, and to achieve this, an approach that focuses on human capabilities, which are what people are actually able to do and be, is needed. Also, she argues that the capabilities

in question should be pursued for everyone, treating each person as an end and not as a tool for the end of others. Thus, her principle of each person's capability is based on a principle of each person as end (2000: 5).

Nussbaum's approach is somewhat unusual in feminist political philosophy because it focuses on developing countries. Feminist philosophy should focus more on the urgent needs and interests of women in developing countries, she says. This does not mean that feminist political philosophy should turn away from its traditional focus, like employment discrimination, domestic violence, sexual harassment, and reforms of rape laws, because these are central to women in the developing world as well as in Western countries, but feminist philosophy needs to include new topics in its agenda if they want to have a productive approach to the developing world. Topics like hunger and nutrition, literacy, land rights, employment outside the home, child marriage, and child labor needs to be addressed (2000: 7).

Feminist philosophy has been skeptical to universal normative approaches, but Nussbaum says that it is possible to have a feminist philosophy that is strongly universalist that does not need to be insensitive to differences, but committed to cross-cultural norms of justice, equality, and rights. She argues that universalism framed in terms of general human powers and their development is the best framework where we can locate our thoughts about difference (2000: 7).

Nussbaum says that some feminist philosophy, especially the type that is influenced by postmodernist literary theory, turns away from reality, which does not help us see or understand real women's lives better. She says that to identify the significant features that political theory needs to pay attention to, focus needs to be put on real cases and empirical facts (2000: 11).

The list of capabilities that she claims are central for human functioning include avoiding premature death, having good health, being able use ones senses, thoughts and imaginations, the ability to reason, the ability to play, the ability of having emotions, having the capability of affiliation, having bodily integrity, being able to live with concern for other species, and the ability to control one's environment, both political and material. (Nussbaum, 2000: 78-80). This list, as mentioned in Chapter

one (see 1.3.1), include both material needs, such as food and sheltering, and non-material needs, such as the feeling of empowerment, or being empowered (Grobakken, 2006: 207).

### **3.1.3 Summary**

Different approaches to gender and development have been presented, and we see that theorists have focused on gender and development differently. The Capability approach focuses on treating people as an end in themselves, not as tools for reaching other people's ends. Nussbaum emphasizes that to confront problems of poverty and development attention needs to be given to women's problems caused by their gender, and proposes a list of capabilities that should be met for humans to truly function. I will now look at microfinance as a development strategy to confront issues of poverty.

## **3.2 Microfinance as development strategy**

In the year 2000, the UN established eight international development goals called "Millennium Development Goals" (MDGs). All UN's member states, plus 23 international organizations, have agreed to reach these goals by the year 2015. These goals are:

- 1) Eradicating extreme poverty and hunger
- 2) Achieving universal primary education
- 3) Promoting gender equality and empowering women
- 4) Reducing child mortality rates
- 5) Improving maternal health
- 6) Combating HIV/AIDS, malaria, and other diseases
- 7) Ensuring environmental sustainability
- 8) Developing a global partnership for development (UN)<sup>8</sup>

The UN General Assembly declared 2005 the Year of Microcredit to highlight its importance in many of the MDG strategies. The 2005 World Summit Outcome Declaration states, "We recognize the need for access to financial services, in particular for the poor, including through microfinance and microcredit" (UN General Assembly). Also, UN Secretary-General, Kofi Annan, underlined the importance of microfinance:

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<sup>8</sup> [www.un.org/millenniumgoals/bkgd.shtml](http://www.un.org/millenniumgoals/bkgd.shtml) 27.09.13

“The International Year of Microcredit 2005 underscores the importance of microfinance as an integral part of our collective effort to meet the Millennium Developmental Goals. Sustainable access to microfinance helps alleviate poverty by generating income, creating jobs, allowing children to go to school, enabling families to obtain health care, and empowering people to make the choices that best serve their needs. The stark reality is that most poor people in the worlds still lack access to sustainable financial services, whether it is savings, credit or insurance. The great challenge before us is to address the constraints that exclude people from full participation in the financial sector” (quoted in Daley-Harris, 2005, cited from Shekh, 2006: 178).

Thus, microfinance is a well-known and acknowledged tool for development and poverty reduction, believed to increase poor people’s access to financial services, improve their well-being, and empower people to be able to make choices that fulfill their needs<sup>9</sup>.

### **3.2.1 Approaches to microfinance**

There are different approaches to how microfinance is done. The Grameen Bank’s solidarity group lending is most likely the best-known model for how microfinance services are carried out (Mersland and Strøm, 2012). Mersland and Strøm define the Grameen solidarity group lending as an approach that requires a group of around five people to self-form. These group members guarantee each other’s loans, but are not responsible for paying off other member’s loans. However, if a member does not repay, no further loans are available for the members. The members are required to attend weekly meetings, and prior to receiving loans, savings must be deposited. These groups then come together regularly in village “centers”, where loan officers collect loan repayments. Another approach used to carry out microfinancial services is the individual lending, which requires another type of collateral. In group loans, the joint liability serves as collateral, while in individual lending items with some type of value for the household, not value in itself, serves as collateral for the loan. This type of loan requires frequent and close contact with the individual lenders so that their credit provides them with products specifically needed for their business. In addition, there is also the progressive lending methodology, where an individual is granted a small loan amount the first time, and as the client fully repays the loan, a larger loan is granted to them. In addition to this, many MFIs require lenders to make saving deposits in an account in addition to the loan. These accounts are usually difficult to

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<sup>9</sup> Contributions in this field include: Mersland and Strøm (2008); Mayoux (2001)

make withdrawals from, and therefore serve as a type of collateral as well (Mersland and Strøm, 2012: 828-829). These are methods that the UN, and other microfinance promoters, believes are effective strategies in helping people out of poverty, reach empowerment and improve well-being (see 3.2).

### **3.2.2 Powerlessness: A dimension of poverty**

Susan Johnson and Ben Rogaly (1997) also underline the fact that microfinance has been acclaimed as effective means in poverty reduction. They say that if poverty is understood as low levels of annual income per household, then reducing poverty is to raise the average income levels. If one understands poverty as people making less than a set amount per year, then reducing poverty would be to get people to cross this set amount. Those with the aim of enabling people to cross this poverty line have focused on credit. However, they present a further dimension of poverty, which is often the focus of NGO interventions, namely powerlessness, whether this is in an absolute sense or in relation to others. Power relations are often determined by norms of expected behavior, and powerlessness can be experienced in different situations: within the households, differences of gender and age, within the communities, and more. If one defines poverty in terms of power relations, then microfinance intervention's impact should be seen as how it influences social relations and the circumstances that produce them. Johnson and Rogaly say that the financial interventions can have an impact on social relations through their economic effects. They say that evidence show that microfinancial intervention has empowered women and changed gender relations in the household and the community, in addition to increasing incomes (Johnson and Rogaly, 1997).

### **3.3 Microfinance's impact on women**

The impact of microfinance on women has been studied and debated by many researchers, and the attitude towards microfinance as development strategy varies<sup>10</sup>. In this section I will be discussing the empowerment impact on women involved in microfinance programs, based on previous studies, both qualitative and quantitative. This discussion takes up the assumptions of microfinance's empowering outcomes, counter-arguments to these assumptions, and evidence of empowering impact. First,

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<sup>10</sup> Contributions in this field include: Goetz and Sen Gupta (1994); Kabeer (2005)

however, it discusses the term ‘empowerment’, and how we are to understand this concept and the elements that this term includes.

### 3.3.1 Empowerment

The term ‘empowerment’ is frequently used in literature that promotes microfinancial interventions, but what is empowerment? Linda Mayoux defines empowerment as “the process through which women achieve equal rights, power and resources” (2003: 52). Another definition of ‘empowerment’ is Kabeer’s, who says that empowerment “refers to the expansion in people’s ability to make strategic life choices in a context where this ability was previously denied to them” (Kabeer, 2002 cited from Grobakken, 2006: 207). Empowerment signifies a change in a person’s ability to make life-influencing choices. If a person’s basic needs are not fulfilled, which is usually the case for poor people, they cannot make meaningful choices in their lives (Grobakken, 2006: 207). UNIFEM (United Nations Development Fund for Women) says that empowerment includes elements like “gaining the ability to generate choices and exercise bargaining power”, “developing a sense of self-worth, a belief in one’s ability to secure desired changes, and the right to control one’s life” (UNIFEM, 2002: 20). The definition of the term varies, but overall one can say that empowerment is concerned with change, choice, and power (Chester and Kuhn, 2002: 12).

A factor that is often included in empowerment definitions is improvement of self-perception. Gita Sen, for example, writes, “To be sustainable the empowerment process must alter both people’s self-perception and their control over their lives and their material environments” (1997: 2). She further says that being empowered means that one gains power and grows self-confidence and capability (1997: 6). As we can see, empowerment can be understood as an increased control and power over external resources, but it also includes increase in capabilities and improvement of self-perception, thus improvement of self-esteem and self-worth. This brings us back to Nussbaum, and her capabilities, who define non-material needs as crucial for human functioning (see 3.1.2). These non-material needs, like the ability of having emotions, the ability of affiliation, the ability to use senses, imagine, and think, are similar to what these definitions say about empowerment. Thus, I understand empowerment to include both the element of having control and power over external resources, but

also the element of having control and power over one's own thoughts and feelings and experience a sense of self-worth and self-esteem.

### **3.3.2 Microfinance's empowering impact**

It is assumed that letting women get access to credit will lead to multiple benefits relating to gender equality, poverty issues, household welfare, sustainable development programs, and women's empowerment. Cheston and Kuhn (2002) present different reasons for why women are being targeted in microfinancial programs. First of all, research shows that gender inequalities in developing societies hinder economic growth and development. Societies where gender inequality exists are often poorer, have slower economic growth, have weaker governance, and have lower standard of living. Evidence shows that improved gender equality is necessary for all development strategies. Gender and development strategies have often included microfinance, as this relates to both poverty reduction and women. A second reason for why women are targeted is because more women than men are poor. Women have a higher unemployment rate, and also make up the majority of the lower paid. Also, as most methods of measuring poverty focuses on households as a whole, it is likely that poverty experienced by women because of discrimination within the households is overlooked. And even though women are not always poorer than men, they often experience more vulnerability as they often have fewer rights than men do.

Microfinance can provide access to income-generating activities, thus reduce the vulnerability women experience to poverty, which again can be empowering if the financial security makes the women more confident and influential in households and in communities. Thirdly, it has been observed that women spend more of their income on their households, which means that when women are helped to increase their income, the welfare of the whole household is increased. Fourth, microfinancial programs target women because it is more efficient and sustainable for the programs. Women have higher repayment rates than men, and are often more cooperative. The fifth reason is that it is a human rights issue that women's access to financial resources is equal to men's. And finally, it is believed that microfinance is effective in the empowerment of women. Microfinance institutions help to promote gender equality. By putting money in the hands of the women, and allowing them to make their own money and contribute financially both in their households and in the communities, they become economically empowered. This will lead to increased self-



esteem, respect, and other forms of empowerment that benefit women (Chester and Kuhn, 2002).

Others support the idea of these benefits being assumed outcomes of microfinance as well, like we saw by the UN's standpoint section 3.2, but also other theorists. Linda Mayoux describes three different paradigms that together have resulted in the targeting of women in microfinance. These three paradigms are the financial self-sustainability paradigm, the poverty alleviation paradigm, and the feminist empowerment paradigm. The first of these paradigms sees access to credit as a measure for individual economic empowerment, which will lead to improved well-being and social and political empowerment in itself. The reason women are targeted here are because they are seen as more reliable to repay loans, which helps the program maintain their financial sustainability. The second paradigm, the poverty alleviation paradigm, sees microfinance as a starting point for improving household poverty and community development. Women are often seen as poorer than men, and it is assumed that they spend more of their money on the well-being of their families than men do, which makes women the main target in this paradigm as well. The feminist empowerment paradigm sees women's empowerment as an end in itself, and uses microfinance as a strategy to work towards gender equality. These three paradigms together show how women's empowerment is an assumed outcome of microfinancial interventions, and also why women are targeted in these programs (Mayoux, 1999: 961). Robin G. Isserles (2003) takes up the beliefs of microfinance's outcomes as well. She calls the microfinance concept a cure-all development program, and says that it is presented as a tool for developing gender equality and women's empowerment. This belief is emphasized by Kato and Kratzer (2013), who says that the microfinance programs are believed to have a positive impact on women's livelihood, their household members, increase women's self-confidence and self-esteem, and improve their status in the family.

Through its different approaches, microfinance has thus been seen as a development strategy meant to address and approach several issues, with the results being an improvement in women's well-being, as well as household and community well-being. Women are being targeted both because they are seen as poorer than men, more disempowered, and more vulnerable to economic difficulties, and because it is

assumed that the benefits women receive will also benefit those around her.

Microfinance has thus become a popular development strategy, as it is seen as an intervention that reaches many people and approaches many issues.

Mushumbusi Paul Kato and Jan Kratzer (2013) have done an impact study of female microfinance clients in Tanzania. Their study shows that there are significant differences between members and non-members of MFIs, and that those who are members have more control over savings and income generated from their businesses, are more influential in decision-making, are more self-efficient and have better self-esteem, have greater freedom of mobility, and the ability to join more activities outside their homes. They are more empowered compared to those who are not members of MFIs. When poor women are given access to microfinancial services, they are able to reach their economic potential and improve their authority in their homes. Women in Tanzania have traditionally had a lower position than men, they are not expected to influence decision-making, and the men are the heads of the household. The women involved in microfinance programs go from being disempowered to being able to exercise the rights they had previously been denied. Also, microfinance has opened up for women to gather and share their experiences and knowledge, and develop a network where they can help each other challenge the patriarchal norms and share their knowledge of the rights they have (Kato and Kratzer, 2013). This study confirms the assumed impacts of microfinance, and shows that by giving women access to credit they become more empowered and gain benefits they were previously without.

Kato and Kratzer's study agrees with previous studies done on the empowering effect of microfinance on women. Susy Cheston and Lisa Kuhn (2002) present an overview of earlier studies and say that even though there are not any indicators of empowerment that can be applied universally, there is evidence of change that is relevant and significant for empowerment across many different cultures. Some of these changes are increased participation in decision-making, higher status among women in households and communities, more political power and rights, and higher self-esteem. They say that most scholars see women's ability to make or influence life and future affecting decisions as one of the prime components of empowerment. A study in Nepal showed that many women experienced an increase in their decision-

making roles, and had a larger influence in decisions usually made by men. Another study found that when women controlled their loans by themselves, empowerment and well-being benefits increased significantly, but even if they did not control it themselves, just the act of bringing the credit into the household was enough to at least give the women some benefits. Change in self-confidence is also one of the most crucial changes for empowerment, and different studies show increases in self-confidence and self-esteem as changes that have occurred as a result of program interventions (Cheston and Kuhn, 2002). Also, Cheston and Kuhn note that previous research has shown that most women report improved relationships with their husbands and families, but that there is limited evidence of changes in gender roles within the households, and in some cases an increase in domestic violence has been revealed, though most often the opposite has been experienced. It has also been observed that women's status in the community has improved, and that women themselves feel they receive more respect from their families and communities than they did before getting involved in the programs (Cheston and Kuhn, 2002). Cheston and Kuhn's observations and Kato and Kratzer's study strengthens the belief of the assumed impacts of microfinance by showing that through giving women the ability to receive credit and contribute to household incomes, they gain authority, increase their self-esteem, have more influence, and gain higher status both within their families and within the community.

There are those, however, that are critical to whether it is realistic to assume that microfinance has these positive impacts. Isserles (2003) questions these assumptions and claims that the rhetoric used by microcredit promoters often hides the actual practice of the development programs. She says that the reasons why women are often targeted are mainly because of their higher repayment rates and because they are often more manageable than men. Microcredit programs often rate their success based on how high or low their repayment rates are, and as women usually repay loans more than men do, they are seen as less of a risk for microcredit programs and are therefore more desirable as loan takers. The programs' own success and sustainability is thus the main reason why women are targeted, not the positive impact the program can have on women's lives. Isserles also points out that even though women might be more reliable to repay loans, this might be because of their low social status in the society. They are more easily pressured and intimidated by loan officers, and their

high repayment rates might therefore be a consequence of low status and power. Also, since women are seen as more caring to their families, being more concerned with nutrition, health, education, and family planning than men, women are often burdened with more labor activities because they are responsible for the repayment of the loans. They are responsible for the income-generating activities in addition to their unpaid home labor, while the men's responsibilities remain unchanged (Isserles, 2003).

The loans women get are also often handed over to their husbands or other male relatives as soon as it is brought home. However, it is still the woman's responsibility to pay it back. In some cases, there has been an increase in domestic violence towards women in borrower households, because either the women refused to hand over their loans to male relatives, they challenged the way the men said the loans should be used, or the women's additional responsibilities towards the bank affected their abilities to accomplish their responsibilities at home, which caused punishment from husbands or other relatives. Microfinance might therefore reinforce the expected gender roles and stereotypes of both women and men that exist in traditional and patriarchal societies (Isserles, 2003).

Linda Mayoux (1999) joins Isserles in her hesitation of the assumed automatic improvements in women's empowerment caused by microfinance. She stresses the differences in contexts and says that drawing generalized conclusions on the impact of microfinance is difficult. Her own research from different countries in Africa shows that for some women in some contexts, microfinance can contribute to empowerment. However, for many women, the programs' effect on their economic and social empowerment is marginal, and even disempowering in some cases. There is a difference in household norms and variations between the relationships between wives and husbands, which makes it problematic to predict what kind of impact microfinance programs will have on the well-being of households. Her data also shows that much of the women's increased income or loans are spent on household consumption and children's welfare, or repayment of old debts. The women's responsibilities as guardians of their family limit their possibilities for investments and expanded economic activities, and will in the long run be unsustainable. The women become dependent on the loans for household consumptions, instead of helping them up and out of poverty and debt (Mayoux, 1999).

In addition to this, her evidence shows that the women's increased control over income often lead to the men withdrawing their contribution of income to the family's well-being, and spending their money on themselves. The women's income frees the men from their responsibilities. Also, some of her evidence shows that the women's increased income benefits the children. However, it is often the interests of the sons who are prioritized, as the daughters are employed as unpaid laborers to help their mothers. This pattern replicates the gender inequalities, which is not in accordance with the assumed impacts of microfinance on gender roles (Mayoux, 1999).

What we see here is an uncertainty of whether one can draw generalized conclusions to how microfinance affects women. Isserles critiques the rhetoric of microfinance promoters, and claims that the reality of microfinance's success is based on numbers, and not so much on actual impact. The assumed outcomes of microfinancial interventions are used as bait to promote the development strategy, while actual outcomes are overlooked and veiled by high repayment rates and program sustainability. Mayoux's uncertainty focuses on the overlooked difference in context, but does say that microfinance can have empowering effects in some cases.

Microfinance programs have the potential to contribute to the empowerment of women economically, socially, and politically. By giving women access to credit and savings, women have become successful entrepreneurs, increased their household income and well-being, and also contributed to changes in gender relations. This is not a given, however, and more focus needs to be put on empowerment attainment, rather than just assume that it is an outcome of access to credit and savings (Mayoux, 1999 and 2003).

Cheston and Kuhn (2002) present a case study, conducted in Ghana in 2001, on how participation in financial programs leads to transformation and empowerment. The results of this study show that women feel more respected and accepted in their communities because of their business improvements, which have caused the women to have more influence in the community and households. Also, the relationship with their spouses had either improved, or remained good, since the women joined the microfinance program. Relationships with extended family and in-laws had also improved, and the women were gaining more respect from them. The lessons learned from being part of the program had also enabled the women to look after their

children better and improve their relationships with them. The study also showed that several of the women began to advise others in business, family, health, and community matters, which shows an increase in self-confidence and respect from the community, as the women's advice is seen as valuable and useful (Cheston and Kuhn, 2002). The research clearly shows that the program has contributed to women's empowerment in many ways. However, the research also revealed other outcomes. Gender stereotypes and expectations remained unchanged in many ways. For example, the men still tended to have the last say when discussing major decisions, and many of the men interviewed in the study expressed satisfaction over the fact that their wives were continuing to perform their traditional duties as a wife and mother, in addition to their income-generating activities. Also, none of the men expressed a view that women could organize and lead other men, only other women. This shows that the women are still expected to obey to the traditional gender roles, as well as pursuing the non-traditional role as businesswomen (Cheston and Kuhn, 2002). This last observation correlates to Isserles' and Mayoux's point that microfinance does not necessarily change gender relations and gender stereotypes, and challenges the assumption that microfinance will have an impact on this area. Mayoux, like mentioned, emphasizes that programs need to focus on empowerment, rather than see it as an automatic consequence. She claims that men need to participate in these programs, as well as women, for changes to occur. She says that microfinance programs need to develop new strategies to become more effective in their contribution to women's empowerment, where they target both men and women. Without focusing on change in gender relations microfinance's empowering potential will not be reached (Mayoux, 1999 and 2003).

Thus, we see that studies show that women experience empowerment through the involvement in microfinancial programs in different ways. They increase their influence in decision-making, receive respect from family members and their community, and increase their self-esteem. These are consequences that microfinance promoters and practitioners believe are likely when giving women access to credit and savings. However, the issue of gender relations has been less focused on, which is being criticized. All of the researchers presented above believe that microfinance has the *potential* to contribute to empowerment, but the lack of focus on change in gender relations reduces the empowering effect of the financial interventions. Those who

criticize the lack of focus on gender relations can use the definition of sustainable development above (see section 3.1.1) as an argumentation for their critique. It is difficult to predict whether giving women access to credit and savings will have an empowering effect on later generations or not, if the gender roles remain unchanged or reinforced. One can for example envisage that where women experience that the loans brought with it additional labor to what was already expected of her as a mother and wife, future generations might end up with unrealistic or extreme expectations of what women are able to conduct. Not only will the women be expected to manage their unpaid household responsibilities, but they will also be expected to contribute to the household's economy. The expectations could turn into requirements, and thereby make women unable to make the choice of wanting to go into business development because it is no longer their choice, but rather a fact that she is supposed to. If this is the case, then what was once seen as giving women the opportunity to fulfill their economic potential and increase their decision-making possibilities could turn into a burden for future generations of women. This does not mean that all women who get involved in microfinance programs feel that the loan has given them additional and unattainable labor, but some women have experienced this as a consequence, and the possibility for future generations to be negatively affected by this is present. Isserles' critique and Mayoux's concern are thus important to reflect upon, as they point out that microfinance does not necessarily work as a "cure-all" development strategy when important factors like gender relations are overlooked.

On the other hand, the studies that show positive effects of microfinance must not be swept aside. The evidence of women's feelings of higher self-esteem and self-worth is important to note. With Nussbaum's focus on treating people as an end in themselves in mind, one must not forget to focus on the needs of women here and now, and not use them as means to meet the needs of future generations. Most of the women in both Chester and Kuhn's and Kato and Kratzer's studies expressed improved well-being and self-esteem, and even though Cheston and Kuhn note that most studies are done based on women's perception of how others treat and see them, which could be affected by their own increased self-esteem and self-confidence, this is a sign of empowerment in itself.

### 3.3.3 Self-esteem's importance

How the different researchers define 'empowerment' vary to an extent, but they all include improvement in self-esteem, self-worth, or self-confidence as an element. But why is improved self-esteem so important? Nathaniel Branden, an acknowledged pioneer in the self-esteem movement, defines self-esteem in his book *Self-Esteem at Work* (1998) by saying that it is "the disposition to experience yourself as being competent to cope with the basic challenges of life and of being worthy of happiness" (1998: 24). Self-efficacy and self-respect are the two components of self-esteem, where self-efficacy is when you have confidence in your ability to think, and thereby learn, make appropriate choices and decisions, and deal with change in an effective way. Self-respect is the feeling that success, achievement, fulfillment, and happiness are right and natural for you. He claims that self-esteem is a crucial psychological need, and that our life and well-being depend on this. Your self-esteem level has consequences for all the aspects of your existence, for example how you behave in the workplace, how much you are likely to achieve, how you interact with your spouse, children and friends, and what level of personal happiness you achieve. Healthy self-esteem relates to traits like rationality, creativity, independence, and kindness, while poor self-esteem relates with the opposite (Branden, 1998).

He also says that self-esteem is tied to the ability to deal with other people in ways that are satisfying for both yourself and them. The actions or behaviors that build self-esteem are also those that express self-esteem. If a person lives self-responsibly, he or she will build self-esteem, but also with self-esteem a person will live more self-responsibly. Being responsible for your own happiness makes dependence and passivity undesirable. This also applies to living purposefully. A person nurtures his or her self-esteem by living purposefully, as well as living purposefully expresses self-esteem. Being confident increases the desire to achieve something. The author compares this claim to achievement in workplaces. If healthy self-esteem can produce successful work, then work can produce better self-esteem. Work can thus be a tool for personal development (Branden, 1998).

What we can draw from these claims of the importance of self-esteem, or self-confidence, is that how women see themselves, their self-perception, is crucial in working towards empowerment and well-being. If women do not see themselves as



capable of thinking, learning, and making right decisions, and do not feel like they are worthy of success, happiness, or achievement, then empowerment will be difficult to realize. Many of the studies show that an increase of self-esteem has been a consequence of microfinancial involvement, and the women's self-perception is visible through how they describe their business success, changes in relationships with their husbands, children, other family members, and society, and changes in their own influence in decision-making processes. Further, according to Branden, healthy self-esteem is related to independence, but also the ability to deal with other people in ways that are satisfying for both parts. If microfinance is going to have a positive impact on women's self-esteem, then the women should feel able to take care of themselves and trust their own judgments, while at the same time treat their spouses and other relatives and friends in ways that are beneficial and satisfying for both her and them. Good self-esteem is then beneficial for others as well as the person itself, and thereby makes microfinance as a development strategy treat women as an end in themselves, at the same time as it is a method for reaching sustainable development as it affects those around them. How the women perceive themselves is an important element to notice for development programs that are working towards women's empowerment. Focus on women's self-perception can make development programs more beneficial for those involved, as it influences all aspects of their existence. Giving women access to credit and savings can, according to previous studies, enhance their ability to improve their self-respect and self-efficacy, and influence their self-perception.

### **3.4 Summary**

In this chapter, I have discussed various approaches to the issue of how microfinance influences women. Through several studies we see that women have been empowered through getting access to financial services, and improved their own and their family's well-being. Despite observations of the involvement in these services having marginal or disempowering impact, the potential of microfinance being an empowering development strategy is a widespread belief among development practitioners and theorists. Rating the success of microfinance programs should not be based on high or low repayment rates, but there should be a focus on the actual impact on the lives on those involved. What does access to credit and savings actually do to

the lives of those who gain it? How do they feel, and what changes do they experience as a result? Women have to be treated as ends in themselves, and their value and worth needs to be measured in their own terms. Focus on women's own experience and thoughts about themselves and their abilities will say more about the empowering effect of microfinance than repayment rates and income increase alone.

For this reason, I have chosen to focus my own research on the self-perception of those involved in microfinance. The next chapter will explain the method I used to conduct my study, before my own findings and analysis will be presented in Chapter five.

## Chapter 4: Method

For this thesis, a case study design has been used to answer the research question. A case study design is a detailed and intensive analysis of a single case and it is often associated with a study done on a location, such as a community or organization (Bryman, 2008: 52-53). The case in this study is female microcredit clients in Ganja, Azerbaijan. The study was done by conducting 18 semi-structured interviews with women who either had been, or currently were, clients in Viator Microcredit bank in Ganja. These interviews were done to answer the research question about how women involved in this microfinance program perceive the relationship between their self-perception and their involvement.

In this chapter, I will first give a more thorough description of the research design that has been chosen to complete this study. Then, I will explain the research method I used, and also how money and time had an infliction on my data gathering. Next, I will give a detailed description of the procedure of the research, namely an overview of the interviews that were conducted, and how I transcribed and coded my data. Following this, a section about the ethical questions that were raised during my study will be presented. Then, a section about the weaknesses and strengths of my data will be given, followed by a section about the reliability and validity of my study. The last section of this chapter will give an overview of what analytical approach I used when I analyzed the gathered data.

### 4.1 Research design

As noted above, I found that the best way for me to find an answer to my research question was to do a case study on female clients in Viator. In a case study, the case is an object of interest in its own right, and the researcher wants to give an in-depth clarification of it (Bryman, 2008: 54). In this thesis, the case being researched is the women involved in microfinance, as a group. My area of interest is to find out how these women articulate and understand their own self-perception. In case studies, the most common use of the word “case” associates the study with a certain location, and further an intensive study of this setting (Bryman, 2008: 53). My research was done in Ganja, Azerbaijan, but the focus of the study was on the women, not the location

itself. The study is a qualitative case study, with an inductive approach to the relationship between theory and research, meaning that theory is generated out of the research that I have conducted (Bryman, 2008: 694). I am concerned with revealing unique features of the case, in my case the features of the self-perception of female microcredit clients, and accordingly it has an idiographic character.

To answer my research question, I needed to gather data that would give me insight to what the self-perception of this group of women was. The process of choosing these samples for my research will be described in the next section. The type of data I was interested in collecting was the women's own view of themselves. I wanted to know how they felt about themselves, how they felt others viewed them, and whether or not they felt like the loan they had received had changed any of these feelings. The data should tell me if a conclusion could be drawn to whether or not microcredit loans had an impact on women's self-perception, and if it did, whether the impact changed the self-perception in a positive or negative direction.

#### **4.2 Research method**

To gather the data I needed to answer my research question, I had to choose a research method. Qualitative researchers are committed to viewing events and the social world through the eyes of the people being studied. The social world must be understood from the perspective of those being studied, and not view those subjects as incapable of having their own reflections of this world (Bryman 2008: 385). The qualitative study is influenced by the epistemological position of interpretivism. This means that the researcher is interested in understanding human behavior, rather than explaining it (Bryman 2008: 15). As my research is a qualitative study on women's self-perception, I needed to choose a method that would give me insight to these women's point of view. My choice then fell on interviewing these women.

Interviewing is probably the most used method in qualitative research, much because of its flexibility (Bryman p. 436). Even though interviewing, transcribing and analyzing the transcriptions takes time, it is a fruitful method when the researchers interest concerns peoples own interpretations, experiences, and perceptions.

#### **4.2.1 Semi-structured interviews**

There are different types of interviews, but for my thesis I chose to use the in-depth semi-structured interview. The semi-structured interview typically refers to a context where the researcher has a number of questions they want answers to, but also opens up the possibility to vary the order of these questions. The questions asked are more general than they would be in a structured interview, and this type of interview also opens up for asking different questions than planned as a result of getting responses from the interviewee that the researcher finds significant or interesting (Bryman 2008: 196). The researcher often constructs an interview guide, which contains the questions he or she wants an answer to. However, the researcher is free to move away from the guide and ask other questions, but in the end of the interview, all the questions or topics will have been covered. The process is flexible, and the emphasis is on what the interviewee sees as important when explaining and understanding the different topics being talked about (Bryman 2008: 438).

When starting my research, I had a fairly clear focus on what I wanted to study. Also, since I wanted to interview more than one person, I saw that I needed some structure in order to be able to see similarities between variables from the different interviews. Conducting semi-structured interviews then seemed like the best choice for gathering my data, as this would let me cover the topics I was interested in, while also opening up the possibility for the interviewees to give me information about what they thought was important, in addition to answering my questions.

#### **4.2.2 Interview guide**

In preparation for the interviews, I made an interview guide (see Appendix 1) to help me remember the areas that needed to be covered. This contained a series of questions that I had formulated that would help me answer my research question. The questions were open, so that the interviewee would be able to answer truthfully without me leading them into giving me the answers that I want.

My interview guide consists of five parts. The first part is information about the interviewee. This is information about their name, age, marital status and occupation (work). The second part of the guide is about their work, their feelings around being accepted as clients in the bank, and their accomplishments because of the loan. The third part is general questions about how the loan has changed their lives. Part four

focuses on the women's own feelings about themselves, and how this has changed since they got the loan. Part five focuses on the women's relationships to their husband, children, and society, and how these have changed since the loan was granted to them.

The questions I asked were chosen because, as the women answered these questions, their thoughts and feelings about how others view and value them would be revealed. These thoughts mirror the image they have of themselves, which then would reveal their self-perception. They would tell me what had changed, if anything had changed, and whether the loan they received had anything to do with these changes.

#### **4.2.3 Translator**

Considering I was doing my study in Azerbaijan, I needed a translator to help me with my interviews. Most Azeris do not speak English, and I do not speak Azeri, so I needed someone to translate my questions into Azeri, and then translate the interviewee's responses back into English to me. My translator was a 26-year-old Viator employee, and she was aware of the purpose of my study and knew the topics I was to cover in my interviews.

#### **4.2.4 Sampling**

The sample selection that was done was affected by the restrictions put on me by time and language barriers. My criteria for sampling were that the women were, or had been, microcredit clients in Viator, but I needed the employees in Viator to help me get in touch with these women. The reason for this was, first of all, that I needed someone who spoke Azeri to ask them if they wanted to be interviewed, and second of all because they knew who the clients were. My translator was, as mentioned earlier, employed at the Viator headquarters in Ganja, and was the one who helped me getting in touch with most of these clients. My sampling selection was thus 'convenience samples' (Bryman p. 458). However, most of these samples were randomly chosen at the Ganja branch office. The interviews done there were not planned ahead, but the women were asked when they came to the branch office if they were willing to be interviewed. There were a few other interviews that the credit officers at the branch office planned for me a little ahead of time, but these women were also randomly and conveniently chosen because they were credit clients the officers had planned to visit and check up on, on the days I was in Ganja. The number

of interviews conducted was a result of the time I had available in Ganja, and the observation that the interviewees were, after a while, giving me the same, or similar, responses previous interviewees had given me.

#### **4.2.5 Recording**

Qualitative researchers are often interested in not just *what* people say, but also *how* they say it (Bryman, 2008: 451). Also, it is convenient in an interview situation to be able to talk to the interviewee without having to take notes on everything that is being said, as this can easily become a distraction. However, since I was using a translator in my interviews, the *way* the women answered my questions were lost in translation. Having recorded my interviews turned out to be very useful as I could conduct several interviews a day without having to spend much time after each interview taking notes to not forget what had been said. This way I could transcribe the interviews when I came back from Azerbaijan, and spend my time there doing interviews.

#### **4.2.6 Money and time's infliction on data gathering**

There are different factors that had an infliction on my data gathering. First of all, because I am a student with a part time job, my stay in Ganja was limited to two and a half weeks. Staying longer would be too expensive for me, and I had to return to Norway and my job there. If I had the opportunity to stay in Ganja longer, I might have been able to conduct even more interviews, or contact the interviewees that I found most helpful and ask even more questions and get a deeper insight in their feelings and thoughts. This, however, was not possible for me in the time I had available.

My time available also had an impact on my choice of interviewees. There had been a misunderstanding in the planning of my trip, as I thought the employees of Viator had contacted women previous to my visit and asked if they were willing to participate in my research. When I arrived, however, it turned out that they had meant that we were to contact the women as they came to the bank and ask for their participation while they were there without any planning ahead. This resulted in some of the women having limited time during the interviews, and some had to leave before I had been able to ask all my questions. Their time limit also made me unable to take the women to a quiet place outside the bank to talk to them, because they had other responsibilities they had to look to, so most of my interviews were conducted at the

bank. However, not all of my interviews were conducted there, as I got to visit some of my interviewees at their work place or at home. These interviews were usually longer, but as credit officers and drivers accompanied me in getting to these women, I had to take their time into account as well. They had jobs they had to get back to, and could not spend all their time waiting for me.

Another infliction time had on my data gathering was my translator's availability. She worked full time, and had to carry out her responsibilities at work as well as help me in my interviews. This meant that she was not always available for translating, and we had to work out a schedule around her regular work schedule so she could be able to do both.

Being on a budget also limited my possibilities for hiring a well-trained translator. The woman who helped me was not a professional interpreter, but had learned English through school. She did not have a lot of training when it came to translating in an interview context, but because of my limited budget, and also the time limit I had, I was unable to find an affordable and experienced translator to help me. I will discuss how these factors inflicted my study in the section about weaknesses and strengths of my material later in this chapter.

### **4.3 Description of procedure**

Prior to my arrival in Ganja, January 28<sup>th</sup> 2013, I had had email contact with employees at Viator Headquarters office and asked if they would help me get in touch with women I could interview for my research. They were willing to help me, and said that they would arrange meetings for me so I could conduct the interviews and gather my material. Like I mentioned earlier, however, there was a misunderstanding as I thought these meetings would be arranged and planned ahead of time, but they had meant that when I arrived we would find women at the Ganja branch office and ask for the women's participation then.

As noted above, my translator was the one who helped me come in contact with the women I interviewed. We had had a meeting previous to my interviews where I described and explained what I was interested in asking about, and who I wanted to



interview. We had ten days available for conducting interviews, and I was eager to get as many interviews as I could on these days. The interviews were done in different places, but most of them were done at the Ganja branch office, where clients were in and out all day applying for loans and paying back loans. She took me there, and the plan was that she would ask female clients if they would be willing to participate in my research. She explained to them who I was and what the intention of my study was, and they decided whether they wanted to be interviewed or not. Most of the women were positive to participate, while others did not have the time to sit through the interview and could therefore not help me.

I waited while my translator asked random women who came into the bank if they were willing to answer some questions, and she then referred the ones who said yes to me. I introduced myself and thanked them for wanting to help me, and explained about my project. I then asked if they thought it would be all right if I recorded the interview, and assured them that their names would be anonymous and I was the only one who would have the recordings. All women, except one, agreed to record the conversation.

#### **4.3.1 Description of interviews**

The Ganja branch office was a busy place with many clients and credit officers. The way the office was set up was with two large rooms, where credit officers had their own desks and clients sat with them and had conversations with them. Because of this setup, it was pretty noisy as there were about 8-12 people in both rooms most of the time. There was no place where I could take my interviewees for a quiet conversation, but I got to borrow a desk in the corner of the quietest of the rooms, where we went through with twelve of the eighteen interviews.

Interviewing at the bank was challenging, because of all the things going on around us. Clients were there, talking to credit officers, credit officers were talking amongst themselves about work and other things and would sometimes interrupt our interviews by talking to my translator, which made her lose focus on what we were doing, and some of the women did not have time to sit through the whole interview, but had to excuse themselves and leave halfway through. There was also noise from the streets outside. The traffic in Ganja is not the most peaceful I have experienced, and since the

windows at the office opened up right towards the street, there was honking and yelling and loud car noises that sometimes made it difficult to have a relaxed conversation. However, I had to accept that this was the option I had and make the best out of it, and I noticed that most of the women I interviewed under these circumstances had their focus on me despite all the noise and interruptions.

Some of the credit officers at the bank were going to visit some of the female clients and check up on their progress, and had asked my translator if I would like to go with them to see what these businesses looked like, and interview the women. This allowed me to get an understanding of what these women invested their money in, leave the office, and do interviews in places where the women were more at home and could show me the things they were proud of producing.

The first of these interviews was done at a woman's hair salon (Interview 6). The salon consisted of one room, about 15m<sup>2</sup>, with a chair for clients to sit in. There were shelves on the wall with hair products, and a small couch and table where people could sit and wait. The walls were concrete, and the room was fairly dark, but neat and clean, and smelled of different hair products. The credit officer talked to her first, and then my translator asked if she would be willing to be interviewed. She agreed, but seemed a bit uninterested and did not really say a whole lot. The interview did not last long, but some of the information she gave me was useful.

The second interview I did outside the office was at a woman's house (Interview 8). She had a farming business, and she had shown me her animals and the shed she kept them in previous to the interview. The shed was pretty shabby and had a strong smell to it, but it was big and held a lot of cattle. She had bought this shed together with a few other people, and they had divided the space between each other so that they could all have their share of cattle. We went into her house, where she lived with her sons and their families, and sat in the living room, which was pretty big, but there was not a lot of furniture there. I asked her the questions I had prepared, and she gave me some interesting answers, and seemed eager to tell me about the improvement of her business.

The next place the credit officers took me to was to a woman's café and shop. The interview was done outside her business on a bench, and the woman was very talkative and proud to show me what she had done. There was a lot of space outside her café where you could sit and enjoy coffee or tea, and walk around on a pathway on the grass, and it was neat, clean and quiet. She was very eager to tell me about what she did and how the loan had helped her, and pointed to the things she had been able to buy and make to improve her business.

I was also taken to two other shops where women worked and sold different things. The first store was fairly big, where the women sold everything from fruit and other food items to toys and hygiene products (Interview 10). It was a little cluttered, as the items for sale were placed just about everywhere, but it was still clean and welcoming. The store was located close to the city center, and had big windows so that people could see through them, and see what the woman had for sale. We sat down in a small room connecting to the store, and the woman was energetic and told me about what the loan had enabled her to do, how the store had grown, and how her life had improved because of it.

The other store I got to see was a small shop, also very close to the city center. Here, a young woman sold handmade crafts and paintings. The store was maybe 8m<sup>2</sup>, at the most, and the walls had shelves with the different items she and her sister had made. The interview was crowded, as we were five people in the small room at the same time. The woman who owned the business was quiet, and crocheted while we were talking, but she told me about the improvements and impact the loan had had on her life, and proudly showed me the things she made.

The last interview I got to do outside the bank was at another woman's house. She also had a kind of farming business, and I got to see the outside of the shed her animals stayed in, which she and her husband had been able to build because of the loan. We walked up some steep steps to get to the door to her house, and had the interview inside her kitchen. The kitchen was a fairly large room with almost no furniture, other than a refrigerator and some cabinets. The woman was sick, but did not seem to mind being interviewed. We sat on wooden chairs by the door, and she told me about her business and how the loan had affected her and her family.

The length of the interviews varied. I had thought, previous to the interviews, that they would take about 20-30 minutes each, but they turned out to go by faster than expected. Of course, since some of the interviews were interrupted halfway through, they lasted shorter than those where I was able to ask all my questions. The result was that the interviews took between as little as four minutes and up to 25 minutes. The longer the interviews, the more information I got, but even though some of the interviews were short, the women told me interesting things that I felt were useful in the study I was doing.

#### **4.3.2 Transcribing recordings and coding transcriptions**

As I had recorded my interviews, I used the time when I was not able to do interviews to transcribe the recordings. Because I had a translator, I was not able to transfer the *way* the women had responded onto paper, but I transcribed my own questions and the translated responses I got. With all the interviews transcribed, I was able to code what the women had said into different categories, which helped me in my analyzing process, and which I will describe later in this chapter. However, because of language barriers and difficulties with translation, much of the interviews include mispronouncing and repeating of words. Because of this, I have “cleaned up” the quotes I have used in my analysis chapter, by removing unnecessary and misplaced words, and corrected severe mistakes in sentence structures. I have made sure that this has not had an impact on the actual answers, however, and should not have an impact on the analysis itself.

#### **4.4 Ethical questions raised**

When I planned my research, I had to consider the ethical issues that could come up during my study. Doing interviews and gathering data from these women could cause problems, which I had to do my best to avoid. In-depth interviews gather personal information about individuals, about their personal feelings and reflections, and their thoughts about others. Letting this information into the hands of the wrong people could have unwanted consequences for the interview subjects.

First of all, I had to consider how far I was going to go when asking these women personal questions about their feelings and their economy. How much could I expect

them to tell me, and how much should I encourage them to tell me? I had to consider the consequences these women might face if too much information was revealed. I did not want to cause any nervousness among the interviewees by leading them into giving me information they might regret, and thus had to let them tell me the things they wanted to tell me, and not force them to give additional information. My study might have become even more comprehensive and fruitful if I got this information, but I believe it would be unethical to gather information that could cause anxiety among the interviewees. They should leave the interview confident that the information that was given would not hurt them later. The weaknesses this could bring into the research are discussed in section 4.5.1 later in the chapter.

This brings me to the ethical issue of protecting my research subjects. It should not be possible to trace the information that was given back to the individuals, and they should be certain of that. The informants are to stay anonymous, and the material should be presented in a way that does not make it possible to identify the different individuals. The interview records should only be accessible to the researcher, and the informants should not be apprehensive about what is going to happen to it. As I was using a translator, the information that was given was also received by a third person. For this reason, the translator signed a contract that said she was obliged to protect the anonymity and confidentiality of the informants, and that the translator was not to store any of the material (see Appendix 3).

Another ethical question in-depth interviews can raise, is the question of whether the study causes any harm to the interviewees as a group. Could my study result in harm to the reputations or social standings of Azeri women involved in microfinance? As a researcher, I wanted to understand the feelings and thoughts these women had, but it is difficult to predict the future consequences reporting this type of data might have for the women as a group. I have sought to create trust between my informants and I, and produce a safe environment by informing them of the purpose of my research and their anonymity in the project.

Last, but definitely not least, the ethical issue of telling the truth is important in the research. Previous to my material gathering, I had thoughts and expectations of what I was going to find out, and it is important to not let these assumptions get in the way of

listening to the women and interpreting their answers. The conclusions of my study should be a truthful presentation that the women could relate to, not an interpretation of the material that supported my assumptions and expectations. If this were the case, then the research would not be valid as truthful and representative.

#### **4.5 Strengths and weaknesses of the material**

Through my data gathering, I noticed both strength and weaknesses of the material. I will begin this section by going through the weaknesses that might have an infliction on the results of this study, and then present the strengths.

##### **4.5.1 Weaknesses**

There are some decisions I made when choosing research method and research design that resulted in weaknesses in my material. First of all, when deciding to do a case study on women in Azerbaijan, I did not have a choice but to hire a translator to help me. Like I mentioned earlier, the woman I hired was not a professional translator, and there is a chance that what some of the interviewees said could have been slightly changed through translation. Her lack of English vocabulary could have made the responses I received through her lose meaning, and reduce the variations in answers I got. Also, her translation could have inflicted the way my questions were asked, and might have ended up leading the women into answers, which was unintentional from my side. This could affect my analysis of the material in that I might have lost important differences and nuances between the women, which again could affect the conclusion of my study.

Another factor that could have weakened my material is the context of which most of my interviews took place. At the bank, credit officers were present in the room during most of my interviews. Also, at some of the interviews done outside the bank, credit officers accompanied me during my conversation with the women. I fear that this could have affected the way the women described their business improvements, as the credit officers are hired to ensure that the loans are well spent and invested in resources that will improve the businesses and increase the income of the borrowers. The women might feel that if their businesses were not going well, then the bank would be hesitant about giving them a new loan when they applied next time. Thus, they say that there is improvement, when there really is not.

In the description of my procedure, I wrote about the misunderstanding when it came to planning and arranging the interviews. The fact that the women were not prepared to meet me and talk to me might have made them unsure or confused about what I was doing, and might have limited the answers they gave me. If they had known that I wanted to talk to them, and had set aside time in their schedule, the interviews might have been longer and more nuanced, and could have made my material more substantial. This also applies to the contexts my interviews were conducted in. The noise and interruptions could have disturbed the women's thoughts, and limited their answers.

#### **4.5.2 Strengths**

Despite these weaknesses, my data gathering resulted in useful and important material. First of all, I ensured that all my interviewees were informed of their anonymity in this research. This means that if there was any insecurity about how this research would affect them later, they were sure that the information they gave would not be traced back to them. The importance of this security was discussed above, in the section about ethical questions. Keeping the informants anonymous strengthens my material, as the women were able to tell me whatever they felt was important and true, without having to worry about later consequences.

My informants were also aware that I was not a representative from Viator, NHE, or Normisjon, but a student from Norway working on a project about microfinance and women involved. If I had been conducting a study on behalf of these organizations, the women might have felt the need to either exaggerate their benefits from their involvement caused by fear of being seen as unsuitable clients, or understate their benefits if they thought this might increase their loan amounts and assistance from bank employees. It is difficult to know whether this would happen or not, but I believe that the fact that I was conducting this project independently strengthens the validity of my material.

I wrote about the weaknesses of having credit officers present during the interviews could have caused, but this could also be strength in my data. Since the credit officers knew the credit history of these women, the women were not able to exaggerate or lie

about the improvement they had had in their businesses. The credit officers would have known if what they were telling was not true, and probably would have said something if the women were giving me answers that they knew were false. So even though I preferred to conduct interviews without the credit officers present, it might have made my data more trustworthy in this sense.

In addition to this, some of my interviews were done at the actual businesses the women ran. This increases the trustworthiness of their answers about their businesses, as I was able to actually see what they looked like. I could see their animals and animal sheds, the café, the shops, and also some of the women's homes. The women could show me exactly what they had done with the loans, and I could get a better understanding of how they and their families lived, which would be helpful when analyzing their answers later. Also, it helped me visualize the descriptions the women I interviewed at the office gave me, and increased my ability to interpret what they meant by the things they said.

My informants were of different ages and in different life situations, which makes my material broad. My group of informants represents women in different situations, where some were married, some widowed, some divorced, and some single. Some had young children, some had adult children, and some did not have children. The material might have been different if, for example, all the women were between 30 and 40, all married, and all had young children. The fact that my material has been gathered from women in different life situations strengthens the material, as the common denominator between them is the microfinancial involvement, which is the essential factor of my research.

By conducting semi-structured interviews, I believe that the women were able to answer truthfully and bring up what they felt was important and relevant. I was able to go through the themes I was interested in, while at the same time let my informants talk freely and steer the conversation to what they felt was significant. Since my interest in this project was to give the women a voice, and hear what they had to say, this strengthens my material as I have let the women tell me their thoughts and feelings about their involvement in microfinance.



All in all, I believe that despite the weaknesses I have presented, the strengths of my material make the data I have gathered representative for the case I have studied. Through semi-structured interviewing, the women's thoughts and feelings were revealed, which was exactly what I wanted to study. Below, I will discuss the criteria of reliability and validity for research, and whether, and how, my study answers to these criteria.

#### **4.6 Reliability and validity**

There are criteria of research in terms of reliability and validity. Reliability refers to whether the results of a study are trustworthy and repeatable (Bryman, 2008: 149). Validity refers to whether what was being measured actually was measured, and if one can draw valid conclusions from what has been studied (Bryman, 2008: 151). My study, which is a qualitative study, is difficult to replicate. Semi-structured interviews include follow-up questions that are based on interviewee's responses, and repeating the interviews may lead to different formulations by the interviewees and different follow-up questions by the researcher. This may lower the reliability of my research, but as I believe that conducting this research without using semi-structured interviews would result in less depth in my material, I feel that this was more important than ensuring high reliability. I have, however, described the process of how my study has been conducted thoroughly (see 4.2 and 4.3), to ensure that the reader knows how I approached my research problem, and thus be able to conduct a relatively similar study.

When it comes to the validity of my study, I believe that the questions I asked and the answers I received in my interviews really reflect what I was studying, namely the self-perception of my informants. Bryman distinguishes between two types of validity, namely internal and external validity (2008: 376). External validity refers to whether findings can be generalized across social settings, which often proves to be difficult for qualitative research, as they often engage in case studies and use small samples (2008: 376-377). This applies to my research, as it is a case study done on a small sample of women in Azerbaijan. However, internal validity refers to whether there is a match between what the researcher has observed and the theoretical ideas that are developed out of this observation (2008: 376). I believe that the data I have

gathered, and the analysis of this data, matches the final conclusion of my thesis, which thus ensures internal validity of my research.

#### **4.7 Overview of the analytical approach**

The following chapter is the analysis of my gathered data. My analysis approach is hermeneutic thematic. I coded the answers into different categories, which are: Business, household and family relations, role in society, and personal feelings. My analysis has thus been done within these four categories, where I used Nathaniel Branden's (1994 and 1998) self-esteem theory to interpret what my informants told me about their self-perception within these four spheres of their daily lives, in light of the loans they had been granted by the Microcredit bank. His theory told me what to look for in their answers that would give me an indication of how to evaluate whether they have high or low self-esteem levels, and how they perceived themselves in relation to others and themselves. The analysis chapter is thus divided up into five parts, where the first four parts are the four categories noted above, and the fifth part is a summary of the entire analysis.

## Chapter 5: Analysis

I have analyzed the material by categorizing the women's answers into four different themes. For my analysis, I will use these themes to see what this can tell us about the women's self-perception. These themes were chosen to give the reader a clear and categorized overview of my data, and to uncover the elements that can tell me something about the women's self-perception.

The first theme is *Business*. I want to know how they felt the first time they walked into the bank to ask for money, and how they felt about being able to manage the loan. Also, I want to know how the women describe the development of their business, what possibilities the loans they were granted gave them in the buildup of their business, and what they feel is the biggest change the business building has caused in their lives.

The next theme is *Household and family relations*. This is also related to how the loans have changed their lives, but in this part I ask explicitly about their relationship to certain people, while in the previous theme I let them express what they thought was most important. This theme covers the area of the women's relationship to her husband, which again takes up the question of decision-making in the household. I want to know if the women feel like their husbands treat and see them differently since they got the loan, and if the decision-making process has changed since they started their business building. Also, it covers the relationship between the women and their children. I focus on the women's role as a mother, and whether they feel like their children treat and see them differently because of their business and contributing income.

Thirdly, I have the theme of *Women's role in society*. Here, I look at how the women describe their place in society, and whether they feel like their business has changed their role in society in any way. I want to know how they feel society has responded to their involvement in the microfinance program and their business development.

The fourth, and last, theme is *Personal feelings*. In my interviews, I have asked questions about whether they feel differently about themselves because of the loan

they have been granted, and the accomplishments they have had. Here, I focus on how the women describe themselves.

These four themes together will give information about how the women see themselves, but also how they feel others see them. The themes address different spheres of a person's life: the private sphere of their work situation and household situation, the public sphere of society placement, and the personal sphere of self-description. To get a clear picture of their self-perception it was important to get an understanding of all of these elements, as they are all related to what is being studied.

This chapter will consist of an analysis of these themes, in the order presented above. The four parts will contain a presentation of the women's answers to the interview questions that regard these themes, and a discussion of these answers. A summary of the answers will be presented at the end of each theme that gives an overview of what the women has expressed about their self-perception.

A lot of the responses I got from the research participants were similar to each other, but there were also some differences between their answers. In the next sections of the chapter I will go through their answers thematically and analyze the answers to see how the interviewees feel about the relationship between microfinance involvement and their own self-perception. The first theme is *Business*.

## **5.1 Business**

This theme consists of three different parts. The first is *Applying for loans*, the second is *Business improvement*, and the third is *Personal and social change*. I want to know how the women feel about the process they have been through, and also what changes that have occurred in their lives they feel are the most significant, as a result of the loan and business building process. The section will end with a summary of what the three parts tell me about the women's self-perception.

### **5.1.1 Applying for loans**

The purpose of asking the women about how they felt when applying for loans for the first time was to find out how they would describe the feeling of having to ask the bank for money and ensure the bank employees that they would be able to pay back

with interest. I am interested in finding out whether they had any doubts about being granted the loan or being able to pay back, or if they were sure that they would be accepted and sure that their business would enable them to make enough money to pay what they owed. What I am looking for here is an indication of how the women felt about themselves and their abilities at the starting point of the loan process.

The term ‘worry’ comes up in many of the women’s answers, but there are three different types of worry that are being described. The first is worry about being granted a loan, the second is worry about paying back the loan, and the third is worry about the consequences not paying back might have. These three types of worry relate to different aspects of insecurity among the women. First, some of the women I talked to said that they were worried when they went to ask the bank for a loan. Most of the women who said this were more worried about actually getting the loan, but not really worried about being able to pay the money back. Interviewee 11, for example, said:

To pay back, it’s not, it wasn’t a problem for us, but we doubted a little bit if they would give it or not, because the business is not so popular, especially in Ganja. That’s why I thought that maybe they will not give me, because they might ask ‘what will your income be’, and ‘how can you pay back’. (Interview 11)

This woman expressed a worry about the questions the credit officers would ask her, previous to giving her a loan. They might want to know how much money she was planning on making, and how she expected to be able to pay back the loan with this income, and since her business might not be very popular, these questions concerned her, even though she further noted that “I was sure that I will pay back, but what will the credit officers think” (Interview 11). Her worry was based on being able to convince and assure the bank that she was an eligible loan taker.

Another women expressed a similar concern about the questions the bank officers would ask her: “I was interested and worried about what they would ask me, which questions, because the people, most people in our country, they worry a little bit about the interviewing. ‘Why does she ask me this, why does he ask me this?’” (Interview 3). The interview situation was what she was worried about, because she did not know what questions she would have to answer.

I understand these answers to mean that when the women are going to ask for a loan, they have to present themselves as trustworthy, responsible, and able to manage the loan by making enough money from their businesses to repay the loan they are given. The fact that some of the women describe themselves as being worried about this could represent a lack of confidence in one or more of these qualities or abilities, but this would then affect their confidence in being able to repay the loan. If the women are sure of their trustworthiness, responsibility, and ability to manage a loan, then asking for it should not have been anything to worry about, unless the lack of confidence relates to their ability to represent themselves as having these qualities and abilities. Their worry is then about their own ability to show their qualities, rather than actually having them. This worry could also be caused by the patriarchal mentality present in Azerbaijan (see 2.2), which could influence the women's certainty of being able to convince the banks that they are able to manage a business, as they after all are women. An experience of apprehension when applying for loans is present, but it does not necessarily mean that the women had low levels of self-esteem at the time. Like the women said, they were not sure what questions they would be asked by the bank, and not knowing could cause nervousness and unease, not because they thought they were lacking the necessary requirements needed to be loan takers, but because they were about to face a situation where someone else were in control of the outcome. Branden (1998) writes about facing problems or challenges, and how this is affected by a person's self-esteem. He says that with a confident mind, the chances are higher of persevering the challenges, and even though you might not always succeed, you succeed more often than you fail. With a doubt in your own abilities, chances are higher for giving up or not giving your best effort, and you will fail more often than you succeed. Your self-esteem generates a self-fulfilling prophecy (1998: 27). These women, though worried when facing the challenge of asking for loans, did not see it as an impossible task to face the credit officers and ask for what they wanted, because if they did they would not have gone through with it. It is therefore not possible to claim that low self-esteem levels caused the worry they had previous to their loan grants.

There were other women though, who were not worried about getting the loan. Interviewee 5 said that "it was normal for me, because I was sure in myself that I will pay back" (Interview 5), and Interviewee 7 said that she was a hundred percent sure

that she would get the credit she asked for (Interview 7). Interviewee 18 was sure as well. She was, however, worried about paying back the loan, because she was not sure how good her perfume business would go since she started it at a time when the economic situation was difficult for a lot of people (Interview 18). Another woman said that she was very optimistic when she came and took the loan, and she was sure that her business would do well, and had big ambitions about improving and expanding her store (Interview 10). All of these women had a confident attitude when applying for loans, even the one who could not say for sure that her business would be successful. Their confidence was shown through their expression of strong belief that the credit officers would see them as eligible loan takers.

Those who were worried about paying back the loan described the second type of worry. Interviewee 13, for example, said that she “was a little bit worried, because how will my business do, can I pay back or not” (Interview 13). She, and others who had similar answers, expressed an uncertainty about their abilities to build a business that would give them enough income to manage the repayment. I believe that this uncertainty points to a lack of confidence in their actual abilities. The women are dependent on being able to repay the loan if they would like to get a new and larger loan later, and they are responsible for making this happen. The women may not have much experience from business managing, and making investments to build a business is risky. However, what Branden says about self-esteem’s impact on facing challenges (1998: 27, as noted above) can be applied here as well. Despite the women’s worry about being able to repay their loans, they still took a chance and tried, and none of the women said that they had failed. What Branden says does not mean that those with high levels of self-esteem always succeed and those with low levels of self-esteem always fail (1998: 27), but one cannot draw the conclusion that the women who were worried about being able to pay back had low self-esteem because of their worry. Branden’s words increase the assumption that the women had enough confidence to at least try to make a profitable business, despite their worries of failing. Interviewee 18 said, for example, that the economic situation was difficult for many people, which could make her business have low profit, as people may not prioritize perfume shopping when money is tight (Interview 18). Her concern for repayment was therefore based on the economic situation of her customers, not her own abilities.

The third type of worry that was described was a worry of what the consequences of not being able to pay back the loan might be. Interviewee 17 said, “I was really afraid. I was afraid that I couldn’t pay” because “I saw people before that couldn’t pay, and they have sold things which they had to give to the bank to keep, and they were very sad, and I was very afraid that maybe it will happen to me” (Interview 17). It seemed to me that having to manage a loan was frightening, and that she was not sure that her business would be good enough for her to pay back. This could have had some bad consequences for her, as she explained. She expressed uncertainty about her own abilities to achieve the necessary success of her business to avoid unpaid debts.

Interviewee 17 said that she had seen other people who ended up unable to repay their loan, and they had to sell things and give things to the bank in order to make up for the unpaid loan, which was hard for them, and she was really afraid that this might happen to her as well. However, despite her fear, she still tried. Branden says that the “first law of self-esteem” (1998: 42) is that you should be aware. He says that it is not irrational to feel the need to pull back from what is frightening, but with a well-developed sense of reality, you realize that sometimes fear must not have the last word. You need to do things that scare you (1998: 42). This woman explained her fear of the consequences of failing, and knew that reality was that she might have to face these consequences, but she proceeded nonetheless. She further said that “now I am not afraid. I’m taking loans and paying back, every time” (Interview 17). Her situation can also be related to what Branden says about facing challenges with a confident mind (1998: 27). Her awareness of the possible outcomes did not prevent her from trying, and her success eliminated the fear next time she went to get a loan. It might be what Branden calls self-esteem’s self-fulfilling prophecy (1998: 27).

Some of the women expressed a certainty when it came to being able to manage their loan. Interviewee 5, for example, said, “I was sure in myself that I will pay back” (Interview 5) and in Interview 11, the woman said, “to pay back...it wasn’t a problem” (Interview 11). There were other woman who said the same, and they seemed sure about themselves and their abilities to make a business that would bring in enough income to manage these loans.



What I am claiming here is not that these women all had high levels of self-esteem when they got involved in the microfinance program, but I am saying that one cannot necessarily make the conclusion that they had low self-esteem because of their worries. Chances are that these worries are a sign of healthy self-esteem, as they are aware of the reality of possible failure. However, not all the women expressed a feeling of worry and fear. Some women said that applying for the loans was a simple task, because they were sure they would be accepted as clients. Some of these women explained that they were sure they would get it because they knew that they would be able to pay back, while others did not really give a reason to why they knew they would be accepted. It seems like these women had enough self-respect (Branden, 1998) to believe that achievement and success was natural for them, and enough confidence to believe they make appropriate choices and decisions. There was no doubt in the women's minds that the bank would accept them, as Interviewee 7 pointed out by saying she was one hundred percent sure of being granted the loan. Based on this, it seems like their levels of self-esteem were high enough not to hinder their thoughts about their own eligibility. However, one can question whether this confidence was a type of denial or avoidance of their self-doubts and fears, but since my questions addressed feelings around an event that happened years ago, it seems unlikely that the women would exaggerate their confidence at the time. None of the women said that they had failed or ended up with more debt than they could handle, so exaggerating their confidence would be unnecessary.

Asking about the women's feelings previous to being given credit let me know a little about their self-esteem going into the loan process. Some women had experienced apprehension, while others were secure and confident. Ranking the women's self-esteem levels by this question alone, however, is difficult, as apprehension does not necessarily mean low self-esteem, but could be a sign of healthy reality awareness. What is worth noticing is the fact that all the women went through the loan application process, and even though they experienced the process in different ways it seemed like they were all aware of the responsibility this gave them, and what they would have to do to fulfill these responsibilities.

### 5.1.2 Business improvement

I want to find out how the women describe and present their businesses, and whether they feel like the loan has helped them to improve it. I asked what they have accomplished with the loan, and if their business is doing well. The women had many different businesses. Some of them were in the agriculture business, where they had animals. Others had shops where they sold food and other items. There were also some that were in the trading business, where they bought and sold clothes, or they had a sewing business where they sold things they had sewn. Another had a hair salon, one had a medical service as she was a doctor, one was an English teacher, and one sold perfumes, but did not have her own store. Most of them had started their businesses before they got their first loan, but had used the loan to improve their business. As my focus in this thesis is the women's feelings towards themselves and their achievements, whether or not their businesses actually are successful and economically beneficial is not important to me. It is their own view that is important, and whether they feel like they are doing something productive and valuable, so when analyzing their answers to these questions my focus has not been on the actual improvement and development of their businesses, but rather on their own description and presentation of it.

The answers to whether, and how, their business had improved because of the loans did not vary a lot among the women. However, some of the answers were more descriptive than others, and some of the women portrayed a more positive attitude towards the development of their business than others, even though none of the women expressed any particular form of negativity per se. The difference between the answers was rather how moderate the women were in describing the improvement and development of their businesses.

Some of the women did not really give a description of how their business had developed, but said that it gradually had grown (Interview 3, 4, 15, and 17). Interviewee 4 said "nothing happened special from first time...but gradually" (Interview 4). She had not experienced a quick expansion of her business, but over time her farming business had increased and done better. Many of the other interviewees gave the same response, saying that the loan made them able to gradually increase the size and qualities of their stores or animal sheds, or improve the

stores' item selection. One of the women who had a store described the development of her business by saying:

When I started the business, it was a very small business, in a small place like this (points to the little room we are standing in). But when I began to take credit, I gradually made it bigger and bigger, and got more food. You know, when the shop becomes bigger we need more food to sell. And income also became better. (Interview 10)

In these cases, the loan did not have an immediate effect on their business' expansion, but helped the women expand it little by little, and thus gradually improve their income.

There were a few of the women who gave a more thorough description of how they had used the loans to expand and improve their businesses. One of the women who had a sewing business said, "First I got more material, like needles and special things, like pearls for example. You know, to make beautiful things. I started by giving the things as presents, and the people became interested in that, and became my clients" (Interview 1). She described a creative approach to developing her business, and said that when she started her sewing business, she would give things away for free to increase the interest of her items, which then would make people willing to pay for the things she made later.

Another woman described the development of her agricultural business by saying:

I had these animals, but when I first applied here and got the loan, I began to increase the number. I bought more cattle, cows and sheep, and you know, they have babies and they grow up. Because I got the loan, I began to increase the number. First time, for example, I bought one cow, the next time I got, for example, five sheep, and the third time I bought, for example, two cows. Like this. (Interview 2)

The woman who was a doctor and had a medical service used the loan to reconstruct her study to make it more comfortable for her clients. She explained that when people go to see a doctor, this is what they think:

When everything is clean, everything is beautiful, and everything is comfortable, of course they will go to that hospital the next time. It is the same with me. If the clients are increasing, income will of course be better, and my name will also become famous because of all the people. 'Who is she', people will ask.' Oh, she's a doctor, she served us'. (Interview 7)

It seems to me that these women had planned how the loans would help them increase the number of clients and the quality of their businesses, and that they were satisfied

with the results it had given. They did not seem disappointed by the fact that the economic situation did not change to the better at once, but happy about the gradual increase of income and clients over time. The woman who described her medical office said that she had been able to reconstruct and make the place better for her clients, and that people would see her as a good and well-known doctor. Her ambitions for her own business were high, as she expected her name to be “famous” and her client number to increase, which indicates that she believes in her own abilities to accomplish this.

There were also some women who gave me a description of how their business was affected by the seasonal context. Interviewee 12 told me a story about how she used to work in a factory during the time Azerbaijan was incorporated in the Soviet Union, but after Azerbaijan regained its independence things changed, and the loan had helped her build a business on her own:

I worked in a carpet factory in Ganja, and I worked there a long time. After the Soviet Union, the factory was destroyed, and I began to make this business. When I came here and took the loan, I bought one cow, and sold the cow's milk. By selling this cow's milk, I bought another cow. But when I began to take more loans, it was very much expenses keeping cows and feeding them, so I began to sell all the cows, and bought sheep. During the winter, and also in the summertime, we must feed the cows. But we have mountains where the sheep can eat, and this way having sheep is more useful for us. Having sheep is helping the income too, because of the Azeri Satisfaction Holiday. Prices for sheep increase during this time, and we can sell our sheep expensively and increase our income. So I sold all my sheep during this holiday, and now I can take a new loan and buy more sheep, and as spring is coming I can feed the sheep without any expenses. (Interview 12)

This woman explained to me that she started her business with cows, but understood that changing to sheep would be more economical, as she would be able to feed them without any expenses. She also factored in the Azeri Holiday in her business, as she knew that she could make more money if she sold her sheep during this time than she would if she sold them at any other time of the year.

Another woman who also factored in yearly events was Interviewee 14, who had a trading business. When I asked whether her business was going well, she answered by saying that:

As the holiday is coming, woman's day on March 8<sup>th</sup>, everybody will buy something for their woman or for their sister and mother, and I hope that I will have good sales. That's why I need money now, so I can go to Baku and buy a lot of things, bring them back and sell them here. In Baku they have special markets where they sell a lot of things from other countries, for

example Turkey and Russia, and I am able to buy a package of certain items instead of buying just one at a time. (Interview 14)

This woman knew that her sales most likely would go up during the time before Woman's day, and needed to get a loan now so that she could buy more items and get ready for this occasion. Those who told me about the seasonal context's importance of business management showed that they had knowledge and understanding of how businesses were impacted by external factors, which they wanted to tell me about. Their pride was shown through their description of how they planned their business strategies, and how this paid off in the long run.

There were a few of the women who expressed that their business had not increased a whole lot during their loan periods. Interviewee 6, who had a hair salon, said she had used the loan to reconstruct her salon and buy new things. She said that the number of clients had increased, but not fast. However, she said, it was gradually getting better (Interview 6). Interviewee 13 said her agricultural business was going normal, not very good but not that bad either, but because she had used a lot of money on her daughters, her expenses were high. She had been able to increase her business some though, and it was moving in the right direction (Interview 13). Even though these businesses had not improved immediately, they did see that it would take time for it to progress.

It is difficult to draw any conclusion of the women's self-esteem from these business descriptions. Branden says that high self-esteem makes achievement easier and more likely, but it does not mean that all people who achieve great things have high self-esteem (1998: 27). What I can say about these answers is, however, that the women see an improvement in their own businesses, and that pride and agency are traits they convey through their own descriptions.

### **5.1.3 Personal and social change**

This part lets me know what the women feel is the most important change the loan has made in their lives. My questions were formulated in a way that let them answer the first thing they felt had changed since the loan. I usually also had a follow up question where I asked whether the loan had changed their relationship with anyone. Section 5.2 and 5.3 of this chapter takes up more specific relationships, like those to their husbands, children and society, but I am interested in finding out their immediate

thoughts when asking about relationships with others in general. This means that some of the answers that are presented in this part could be relevant in the later sections, but the answers discussed here were what the women themselves brought up as important changes.

The answers to these questions brought up different ways of how the women had experienced changes in their lives since the loan. The answers varied, but there were no negative changes that were brought forward by the women. From their responses, one can see that the economic change that has happened is the most important one, which is not surprising since the loan gave them the opportunity to increase their income. However, what the women said the consequences of this economic change were is what I thought was interesting. From their answers we see four different changes the women described. The first is improvement in well-being, the second is grown interest in the field they work within, the third is the feeling of acknowledgement, and the fourth is the feeling of independence.

First of all, there were those who described improvements in their own well-being. Interviewee 10 told me what the loan had enabled her to do:

I had problems with my eyes, but by making this business and taking this loan, I now have good income, and I used this money to operate my eyes, and now I can see very well. This is the biggest change, because I began to see very well, but before I didn't have any sight. And of course life changed, and I now have a very good house. I used the income to make my house more comfortable for myself and my lifestyle, and I can buy new things. (Interview 10)

She had been able to seek a doctor, who could help her with her eyesight, which was an important improvement for her. Without the money, she would still be nearly blind, but this was not a problem anymore. Also, she was able to buy new things for her house, which made it more comfortable for her. Other women also said that being able to improve their living situation had been the most important change the loan had caused, like Interviewee 8 who said, "Everything is going well because of my income. The situation of my living lifestyle is getting better and better, gradually, day-by-day, since I got the credit" (Interview 8). The loan contributed to improving the women's living situation and allows them to continue improving it.

Those who told me that their lifestyles had improved, by either mentioning medical improvements or household improvements, saw this as an important change the increasing income had made. Whether this had an effect on their feelings about themselves and their worth was not expressed clearly, but I consider the thought that being able to improve their own lifestyle and their health could have had a positive effect. Being able to make their home better for themselves and their family could increase their feelings of self-importance, as they are also making life better for others. Also, better health can result in the ability to work harder and not have to count on others for help, which can increase the feeling of independence and self-worth. Again, this is not something the women clearly expressed, but an assumption of what the effects of such changes can have.

Another woman brought up another change in her life that the loan had contributed to making, which brings us to the second type of change:

When I began to do this business, it helped me economically. Of course gradually, not suddenly. It was interesting for me, and day-by-day I became more interested in sewing more and more, and learn, and earn more money. I became more interested in this business.  
(Interview 1)

What I gain from this answer is that because she was able to make a business out of her sewing, she was eager to learn more about it and continue making things for people. Her interest in the field had grown as her business had grown. Increased interest in the field of your business could be a result of gained self-confidence in that what you are doing for a living is important and meaningful. The woman who mentioned this as a change the loan had caused seemed happy and satisfied with her business and her ability to make other people happy by making things they wanted. Her eagerness to learn more about the field she was involved in correlates to what Branden says about self-efficacy, namely that it is “confidence in your ability to learn” (1998: 24). By saying that her business was gradually improving, and her interest in the field was growing, she expressed a confidence in her own mind and her abilities to make appropriate choices and decisions that would improve her work.

The third change is the feeling of acknowledgement. There were those who mentioned that they had become “famous” since they were able to develop their

business. One woman said, “When the number of clients went up, the income, of course, became better. My name becomes famous because of all the people. ‘Who is she?’ someone will say, and people will answer, ‘oh, she’s a doctor, she served us’” (Interview 7). Another said, “The biggest change is that we made this shop. Even though it’s too small it is so close to the city center, and this will make us more famous because people come and are interested in buying things” (Interview 11). These women expressed a feeling of acknowledgement from others because of the services they offered through their business, and the response they had gotten. Their businesses had given them the opportunity to let people know who they are, and what they do, and make a name for themselves.

As these women said that they had become more “famous” through the business development process, one can assume that the responses they have gotten from others are positive. One can assume that by being acknowledged and getting positive responses, self-esteem can increase as they get confirmation on that what they are doing is good and important. Branden reinforces this assumption by saying that some of the conditions that raise people’s self-esteem, or hold on to those who have high self-esteem, in work organizations are namely those that recognize and acknowledge individual talents and achievements (1998: 67). Making people feel like their contributions are worth something, and giving feedback that focuses on people’s strengths are conditions that Branden encourages company managements to focus on, because it contributes to raising people’s self-esteem and brings out the best in them (1998: 67-68). It is therefore natural to think that getting positive feedback and acknowledgement from customers and other people will have the same effect on the women I talked to, namely that it will encourage them and make them feel like they are doing something important and creditworthy, which again will benefit their self-esteem level.

The most direct answer that was given to how feelings about themselves had changed was by the women that said they felt more independent now that they were making their own money and managing their own business. Interviewee 9 said, “I don’t need to take money for food from other people. I can stand on my own” (Interview 9). Interview 17 expressed the same by saying, “The first and last example is that I don’t depend on anyone. I’m independent” (Interview 17). The loans had had the effect of



giving the women the ability to take care of themselves and not ask other people for help or favors. Independence is one of the traits Branden says correlates with healthy self-esteem (1998: 27), and one can therefore assume that the feeling of independence that these women have experienced as a result of their accomplishments are signs of an increase in self-esteem. They express that this feeling was something they did not have before, but that this is a change they have experienced, so assuming that their self-esteem level has increased is natural.

As I continued the interview with follow-up questions of whether the loans had had an effect on their relationship with anyone, the women had different responses. There were three different ways the women answered. The first is that their relationships had not changed, the second is that their business had resulted in an expansion in their number of relations, and the third is a change in what they were able to do for other people.

First, many of the women said that being granted the money and developing a business had not had an effect on their relationships with anyone. Some did not explain much, but just said things like “no, nothing changed” (Interview 16), “everything is normal” (Interview 4), or “it doesn’t change any relationship” (Interview 13). Others, however, gave a more descriptive answer to why their relationships had not changed as a result of the loan. Interviewee 9, for example, said:

It never changed my relationship with others, and people do not act different towards me. I try to be the same simple woman, because I might have money today, but I might lose it tomorrow, and therefore I should not let the money change my relationship with anyone. I must act the same to other people, and they act the same towards me. (Interview 9)

Also, Interviewee 10 answered:

It is good that I don’t have to ask anyone else for money. I do not have any relationships like that, because I know that I can get money from Viator. If I borrow money from friends then maybe I would not be able to pay back, and that would affect our relationship. But because I don’t have to do this, my relationship doesn’t change any. My relationship with others didn’t change. (Interview 10)

These women had not experienced that the money affected their relationship with anyone, because they would not let it. I found it interesting that quite a few of the women were quick to say that their relationships had not changed at all. It seemed like they feared that by asking this question, I insinuated that having more money would

make them treat others differently or change their own character, which they then denied. Also, some pointed out that people do not treat them any differently because they have stayed the same person they were before they were able to make the business and earn money.

It seems to me like these women were concerned with staying themselves and not changing the reality of who they are, which is what Branden calls “self-assertiveness” (1998: 34). He says that the practice of self-assertiveness is essential in self-esteem building, and it means that you stay true to yourself, treat your values with respect, and not fake the reality of who you are (1998: 34). These women were pretty clear on the fact that they had not, and would not, change their character or be treated, or treat others, any differently than what they had done previous to their loans. They were aware of the fact that their economic situation could change, as one of the women said “I might have money today, but I might lose it tomorrow” (Interview 9). It was therefore important for them not to let the money define them, but to stay the same person they always had been.

There were some women, however, who described how being granted the loan had had an effect on their relationship with others. They said that going through this process had let them get to know more people, and this way their relationships were affected, which brings us to the second type of answer presented above. Interviewee 14, for example, answered, “When my income is increasing, it is because I have more clients. I have better relationships because I talk to and know more and more clients, and this way my relationship with others is affected” (Interview 14). Interviewee 11’s answer to the question of whether her relationship to others had been affected was, “Of course a lot of people come here and I talk to them, and through this shop they began to know me” (Interview 11). The change they had experienced was that they had gained new relationships to new people, but they did not say anything about changes in the relationships that already existed before they got the loan.

The third type of answer that was given to this question was that they were now able to help others, whether it was their family or other people. Examples of how the women felt they helped people were:

I began to help others. Before, they might want something but I had to tell them I couldn't sew it because I did not have the material, but after taking the loan I could buy extra materials and make good things, which is what they wanted. (Interview 5)

I help other people to get loan from here. I told them that it was a good organization, their prices and their interests are good, and I took them here to take the loan. (Interview 2)

My income has affected my life in that I can give education, I can make wedding party, and I can help my family right now, for example by feeding them, because I have good income. (Interview 16)

My income let me buy some gold things for my daughter in law, make wedding party for my son, and right now I will again increase my business, and with this income I will try to give education to my grandchildren. (Interview 12)

Their responses indicate that their relationships to others have improved as they express that they are more important and have a bigger influence in other people's lives, through helping them in three different ways. First, they can give customers what they want and need, second, they can guide them to the bank to get the same financial help they have received, and third, they can give their family what they need and want and make them happy, whether this is through giving them education, wedding parties, or food.

The different types of help that was described above can be analyzed in different ways. First, the woman who said that she was able to help people by producing the things they asked for express the feeling that what she does is valuable and needed. This is also one of the conditions that Branden presents as important for work organizations when raising employee's self-esteem, namely to make people believe and be proud of what they do, and that it is genuinely useful and worth doing (1998: 69). This can be transferred to this case by saying that the woman express a feeling of being useful and important, which can result in self-esteem increase. The second type of help that was described was by the woman who said that she was able to guide other people to get a loan from the bank, like she had done herself. She wishes to see others accomplish the same that she has done, and wants to help them on their way there. Branden writes, "Generosity toward the achievements of others is emblematic of self-esteem" (1998: 31), and it seems like this woman does not want to use her own accomplishments to assert herself over others, but rather help them to achieve the same. This is a sign of good self-esteem, because she is open and honest, and believes that her thoughts and actions are valuable, and she wishes to transfer her experiences onto others so they are able to experience the same. The third type of help that was

mentioned is being able to give their families what they need and want. The women who described this type of help said that being able to do things for their family was the most significant affect their income had had on their lives. This shows how important their families are to the women, because they wish to spend their money on their children and grandchildren rather than themselves. Education and weddings are things the women feel their children should have, and being able to give them this is highly valued. The women did not explicitly express that they felt more important or more valued by their family members because of their higher income, but one can assume that the opportunities they receive because of their income can make them feel this way.

In total, the women seemed to have experienced a positive change in their lives due to the business development. Their economy has changed for the better, and they are able to improve their lifestyles, homes and health. Also, they have become better known in the community because of what they do, and experience acknowledgement for their work. However, their relationships to others has not changed much, according to themselves, because they do not treat people any different now than they did before, except when they are able to help people in whatever way they might need. These questions gave me insight in what impact the women feel the loan has had on their lives. Whether or not these changes the loan has caused has made them feel better about themselves or increased their self-esteem is difficult to say for sure, but one can assume that when one is able to help others and get positive responses for the work you do, the feelings one has about oneself improves.

#### **5.1.4 Summary**

The three parts all say something about how the women perceive themselves. The first part told us that the women seemed to be aware of reality, and considered the consequences they might have to face if they failed, but still had the confidence to try their best despite fear and worry. The second part showed how the women described their own development process, and how they told about their own abilities. They seemed proud to tell me about the reasons behind their decisions, and why they choose to do the things they do to improve their businesses. The third part gave information about how the women felt their lives had changed as a result of their loan and income increase, which was improvement in their well-being, a feeling of

independence, acknowledgement from others, and an increase in their abilities to do things for others.

To summarize section 5.1, I can say that the women describe a change. They tell me about how their situation is different now than it was previous to their loans. This includes changes in their economic situation, which means that they are now able to buy and do more things for themselves and others. Their answers show that they see themselves as capable and qualified. I cannot claim that their capabilities and qualifications are something they have attained because of the loan, but the fact that they are eager to tell me about it could be understood as pride and acknowledgement of their own abilities. They might have felt capable and qualified before the loan as well, so whether these feelings are part of the change that has occurred is difficult to say. Nonetheless, they express these feelings now.

The change that was described also includes changes in how they feel about themselves. They describe themselves as independent, important, and acknowledged, which they express is something they did not identify themselves as before. The discussions in the different parts of the chapter have shown what Branden (1998) says about these different feelings and how they relate to people's self-esteem. My analysis of their answers, using Branden's self-esteem theory, shows that in the private work sphere of these women's lives, they show signs of healthy, and maybe even high, self-esteem, which again can be assumed to lead to positive self-perception.

## **5.2 Household and Family Relations**

In the Household and Family Relations section, I focus on the women's relationship with their husbands and with their children. I want to know if they have experienced changes in the relationships, and if so, what kind of change. Section 5.2 is divided into two parts, where the first is *Relationship with husband and decision-making processes in the household*, and the second is *Relationship with children*. I have included decision-making processes in the household in the title of the first part because I believe that even though this may be understood as a part of the relationship between spouses, it is important to emphasize. The reason for this is the gender norms that are present in Azerbaijan (see 2.2), and I am curious to whether the opportunity

these women have to contribute to household incomes changes these processes. At the end of the section, I will again summarize what the women's answers have told me about their self-perception through questions about their households and family relations.

### **5.2.1 Relationship with husband and decision-making processes in the household**

Not all the women were married, but the ones who were had different answers to how their relationships to their husbands had changed due to their loans. The questions I asked focused on whether there had been a change since the loan was granted, and whether the discussions, if there were any, about important decisions had changed since then, and how the loan had affected their relationship. The purpose of asking about these relationships is to find out whether the women feel like their importance in the relationship has increased, and also if they feel like their opinions and thoughts are received and considered differently now than before by their husbands.

The different types of answers that were given expressed both a feeling of change and of continuity. One of the types of answers they gave me was that since they got the loan and started their business, their relationship to their husband had not changed. But how the relationship was between them and their husband was described differently.

The first type of relationship that was described was that of the "typical Azeri family", where the women said that their relationship with their husband was characterized by the traditional Azeri thought of how families should be. Interviewee 4 said, "Of course we have some discussions about the economic situation, but it is not like we have problems like 'why are you not making any money?' or anything like that. It helps us give education to our children" (Interview 4). I further asked whether the decision-making process had changed, and she responded by saying, "My husband makes the decisions in the family, but it is typical Azeri mentality that the husband must do this. Sometimes we make them together, especially my husband" (Interview 4). I asked her whether this had changed after the loan, and she answered, "This did not change after I got the loan. My husband says, 'I make the decisions, you make the business'. We both have economical responsibility over the family, and discuss economical questions" (Interview 4). Interviewee 13 also mentioned the

“Azeri culture” in her answers. She said that her and her husband’s relationship is good, and that they live together and help each other, and that their financial situation is good. Her husband is the one who makes the important decisions, but it has always been that way. She explained that this is normal Azeri culture. He listens to her and respects her ideas, but he makes the important decisions. This goes for all decisions in all situations, not just economic decisions, and explained again that this was normal for all Azeri families (Interview 13).

These answers describe a mentality in the Azeri people that the husband should be the head of the family and the decision maker, and have the last say when discussing important matters. Even though the wife contributes economically, the husband is still the one who has the authority to decide when and what decisions are to be made. These descriptions of the family can be compared to how authors have described the Azeri family before (see 2.2). Other answers that were given support this mentality, even though the “typical Azeri culture” was not mentioned. Interviewee 16 said that:

My husband makes the decisions. If something is wrong, I say that “maybe it’s good to do this” and he will agree with me. He agrees, but he makes the decision. Sometimes we make decisions together. He understands that “maybe she is right”. It was like this before I started my business, so it has always been like this. (Interview 16)

This answer tells me that the husband is the leader, but he will consider his wife’s opinions and suggestions, but in the end it is up to him what will be done. This is not based on whether the wife has economic contributions to the family or not, but it is the way their marriage works.

This shows me that there is, at least among some, a thought of how there is a “proper” way for a family to function in Azerbaijan. The typical Azeri family is to be led by the authority of the husband. The husband has the last say when making decisions, and does not have to consult with his wife when doing so. He does not have to ask her for permission to do what he wants, but has the right to do what he wants to and what he thinks is right. Those who pointed out this mentality said that this had not changed after they got the loans. An assumption one can make from this is that the “rank order” of the members of a family is not decided by income or economic contribution, but by a traditional thought of the man naturally being ranked higher in a marriage, and in the decision-making process, than the woman. This, however, does not mean

that the woman is powerless or does not have the right to voice her opinion, or that the husband necessarily ignores her views, but that in the end, the husband has the last word. One can also assume that those who answered that the husband is in charge of the family, without mentioning the “typical Azeri family”, are also affected by this mentality, even though they did not specifically refer to it. Like mentioned, we see this mentality present in literature about the Azeri family life, as was presented in Chapter 2.

Another type of relationship that was described was the one where the husband and wife had equal authority.

My husband always agrees to what I do, respects me and helps me. He did this before I got the loan too. I told him I needed things to make my study better, and different things like medicines, and other things for my medical services. He agreed, and of course helped me, and encouraged me. (Interview 7)

She further said that that when they were making important decisions “we both have the last say. We respect each other; I respect him and he respects me” (Interview 7), and explained that it had always been like this. What I gain from this is that they have a relationship based on mutual respect for each other, and equal authority. The husband is not the dominant part of the relationship, but they both have the same influence when making decisions. This mutual respect for each other has been the same ever since they got married.

A third kind of relationship between the husband and the wife that was expressed was one where the wife had the most influence in the decision-making.

I<sup>11</sup>: Of course my husband is proud of me, and his income is also in my hand. All the income, as I am cashier of this family, is given to me. I know what expenses we have and I take care of them. When it comes to the decisions, I am the one who makes them.

R: Did you do that before you got the business too, or did that change?

I: It has been like this since we started our family. I am a very organized woman, and when we got married I said that my word comes first, I will make the decisions. (Interview 10)

Interviewee 12 described her and her husband’s decision making similarly to Interviewee 10, by saying:

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<sup>11</sup> I = Informant, R = Researcher



I: I am the one who has the last say when making important decisions.

R: Was it like this before you got the loan too?

I: There was an interesting situation in our family, because when we got married and started our family, my husband was an officer in the army, and I had to make decisions because he was not at home. All the responsibility was on me, and he trusts me to make many decisions during this time, because he did not stay at home. (Interview 12)

These women presented their own role as authoritative in the relationship to their husbands. They have, since day one, had the responsibility for their families and the decisions that are being made. Their husbands trust them to make these decisions, and encourage them to do so.

Those who told me that their relationships to their husband *had* changed described what these changes had been. One of these changes had to do with the husband's attitude towards his wife's decision-making.

I: Before, there was not good income, which affected my relationship to my husband. Right now it's normal. I earn money and it's ok.

R: How did it affect your relationship when you didn't have an income?

I: My husband is a painter and paints houses. His job is seasonable, you know. In the winter, there is not any reconstruction of houses, but during the summer season, work will be good. So in these situations, when he could not work, I might want to buy something for my child or for myself, and he would say, "what can I do, we have no money" and we would begin to argue. But right now I don't ask him. If he doesn't have money, I have money myself. I have my own money, and I can buy things for my child and for myself.

R: So when you and your husband are making decisions, who has the last say?

I: Some decisions, some important decisions, he makes, but sometimes I do too, and he respects my decisions and he agrees with them. For example, I earn money and I said that I will pay for an English teacher for my child, and he agreed. He said he did not want to pay for it, but I said I have enough money and I will pay. He said okay, if you want you can pay. In situations like this, I make the decisions. And he respects them, and respects my opinion.

R: Has the decision making changed since you started your business?

I: In this way, the decision-making has changed, because I now get paid. I couldn't do this before.

R: So do you feel like your husband has more respect for you now than he did before?

I: Right now my husband respects me more, because I earn money, and make my life and our family's economical situation better than before. (Interview 14)

This woman describes an improvement in her relationship to her husband as a result of the loan and her business. There used to be arguments between her and her husband because of economy problems, but ever since she was able to make her own

money, this has not been a big issue anymore. She says that she is now able to make decisions on her own, because she does not have to count on him to be economically responsible for the decisions she makes. He respects her opinions and she decides what she wants to do. There were others also who underlined the changes in arguments between her and her husband:

I: Everything is good with my husband. When there was not enough money, this affected our relationship. Before, sometimes we would argue or something, but not right now.

R: So you argued more before you got the loan than after?

I: Yes

R: What about important decisions? Who makes the important decisions in your family?

I: My husband

R: Does he make every decision, or do you have the right to say your opinion?

I: If something is wrong I can say that “it’s good to do this” and he agrees with me. He agrees, but he makes the decisions. Sometimes we make them together, because he understands that maybe I am right.

R: Did this change after you started your business?

I: It was like this before the business (Interview 16)

This woman’s answer tells me that the economic situation they were in before the loan caused arguments, and affected their relationship. However, the loan has changed this and everything is good now. Her husband still makes the important decisions, but listens to her, which he always has.

I want to address the fact that the loan opened up for some women to have a larger influence on the economic decisions done in the families. Interviewee 14 gave an example of this when she told that now that she makes money she is able to give her child education, while before she could not, because her husband would not pay for a teacher. The money opens up opportunities for her to make decisions without having to count on her husband. From what was said, it could seem like the money she makes is hers to distribute however she wants, and what his income goes to is up to him. She said that her husband makes important decisions, but she sometimes does too, but from the looks of her example of how this decision-making is done, her decisions do not affect her husband directly. An assumption one may be able to make from this is that the husband is still the authority of the family, as she states that he makes

important decisions, but she now has the chance to make additional decisions on her own when it comes to what she wants to spend her money on. One can ask whether the nature of the decision-making between them really has changed, or if the loan just opened up the possibility for the wife to make choices regardless of her husband.

A change in the relationship that was presented by the women was how arguments between the wives and the husbands had decreased. Having economy problems can cause disagreements and frustration, but the women said that when they started earning money, this was not as big of a problem as it used to be. Some explained that the husband would get angry with them when they asked for money or guilt them for not having an income, but this was no longer a topic now that they had their business. The loans had enabled the couples to reduce their topics of argumentation, which led to a better relationship between them.

For some, the loan had not had an effect on the couple's relationship, but this did not seem like a disappointment to those women who told me this. Whether the husband was the one in charge of the decision-making, the wife was, or in the cases where the husband and wife had mutual authority, the loan had not reversed or given anyone a different role in the family. The women seemed satisfied with their husbands, and expressed happiness around how they respected each other and loved each other. The relationships differed, where some women had more authority in some marriages than others, while the mentality of the "typical Azeri family" was presented as a well-known mentality among the Azeri people. The changes in the relationships due to the loan had to do with how the couples argued less over economy issues now than they had done previously. Less arguing and more opportunities can have positive effects on relationships, which can lead to more openness and respect for each other. The loans have had a positive effect on married couple's relationships, as the additional incomes have increased their possibilities for agreement and making different choices.

The questions I asked helped me answer my research question by telling me how the women see themselves in light of their relationship to their husband. They expressed happiness and contentment, and some expressed an improvement in respect given to them by their husband due to their business improvements and additional income. Branden (1998) writes about self-esteem's impact on relationships with others, and

says that with higher self-esteem, you are more able to form healthy and beneficial relationships. Also, with good self-esteem, communication is more likely to be honest and open, and with a security of your own value, you convey respect and good will towards people you face. He says that feeling inadequate and worthless can make you bring fear and aggression into relationships (1998: 28-29). These women did not express a feeling of fear or hostility in their relationships with their husband, but rather a feeling of respect, love, and satisfaction. Counting on Branden, this is a sign of good self-esteem.

### **5.2.2 Relationship with children**

Nearly all of the women I interviewed were mothers, and I wanted to know how they felt about their role as a mother to these children. Some had adult children, while others had younger children. My questions focused on whether they felt like their children treated them differently, or if their relationships to them had changed, since they were granted the loans. Also, I wanted to know if they felt their role as a mother had changed any because of this. These questions let me know how the women feel about themselves as mothers, and whether they felt like they had more opportunities and abilities to be a better mom with the income they now had.

The interviewees described their relationships with their children differently. Some said that they had experienced changes, while others said that things had stayed the same. The changes they described differed, as some focused on what they were able to give their children, while others focused on how their children's attitude towards them had changed. There were some, however, that explained that money do not, and should not, affect the mother-child relationship, even though the money lets them support their children financially. Many of the women mentioned their grandchildren, and it seemed like their relationship with them was of the same importance as the one with their own children.

The women who said that they were able to give their children more now than before mostly talked about giving their children and grandchildren good education, but there were also other things mentioned. Interviewee 9 gave me this answer:

R: What about your children? Do you feel like your role as a mother has changed?

I: I have four grandchildren, and if I didn't have good income, I couldn't look after them. But I have paid for a good teacher to prepare them, give them good lessons, and I also buy everything for them and spend money on making their life very perfect. And it is all thanks to Viator, to the loan I took from Viator.

R: So by being able to buy all these things and give them this perfect life, do you feel more important to them, than you would have if you didn't get the loan?

I: It doesn't affect it. The loan, the money, it has never affected my life and the relationship with my children. (Interview 9)

Here, the woman expresses that the loan has enabled her grandchildren to get an education, and have what she calls a "perfect life", but the relationship itself has been unaffected. It seems to me like this woman does not feel like money has an infliction on feelings towards one another, but rather has a positive influence on their opportunities in life. Another woman told me how her increased income had let her give her children something that would prevent them to run into problems later in life:

R: Has your relationship with your children changed any? Do you feel like your role as a mother has changed?

I: Two of my children have gotten an operation, because their eyes were problematic, like mine. And I give them education. Because I have a normal life, I can give them education.

R: So it has made you become a better mom, in a way?

I: Yes. I like this life, because I can give them education and I can help my children. And maybe, if I couldn't do the operation, maybe in the future my children will ask me "why didn't you do it? If you were a good mom you would have tried to do something and take us to get an operation". But right now, I have, and I have my business and I make good income, and I've taken this money to get my children the operation. (Interview 10)

This woman also said that the money has enabled her to put her children through school, but her main focus was on the fact that she had prevented her children to have problems with their eyesight later in life. She said that if she had not done this, her children might have confronted her with it later, and told her that by not doing it she had not been a good mother. This had been avoided, however, and she expressed to me a feeling of fulfilling her role as a mother and giving her children what they need. She did not express any change in their feelings toward each other, however, only that she had been able to prevent any accusations later in life for not being the mother she should have been. The woman who conducted medical services also expressed this feeling of fulfilling her mother-role. She said:

R: What about your children? Do they act differently towards you?

I: Everything is normal. I am a very strong mom. They don't act differently towards me, because their interest is also that my income is increasing.

R: So you didn't feel any change in the role as a mother?

I: I thought maybe that when I was getting more clients, I would not have time to prepare meals, and my children would say "mom, why don't you make us any meals". But I get up at six o'clock and make all things, and prepare everything, all meals, and then I serve my clients. (Interview 7)

She had thought that her business might take up the time she needed to do the things she was supposed to do for her family, but she had avoided this by changing her routines and making sure that her responsibilities towards her family were fulfilled before she focused on her job. She even referred to herself as a "strong mom", which shows me that she feels like she is doing what she can, and needs to do, for her children. Her children do not treat her any differently than they did before, but everything is normal. It seems like these women do not feel that money affects feelings, but opens up opportunities.

Interviewee 18 explained that a being a mother has two sides to it:

I: When I began to earn money, of course the relationship began to change, because they wanted to buy something, and I could give them money. They feel like these things are important. "If our mom doesn't buy something, she doesn't love us", for example.

R: So you feel more important in your children's life when you are able to give them money?

I: It is more important to protect them morally. Of course, the financial situation affects the relationship between my children and me, but I try to make it equal. When I had no business, I couldn't support them financially. But I tried to support them morally. When I had no business, no income, this side was empty. But when I had a business, it was equal. The moral support is not enough for the children.

R: Do you feel like your role as a mother was filled, because you got both sides?

I: Yes, of course. The two sides, it is important for me. (Interview 18)

This woman explains that without money, a mother is still able to support her children morally, but to fulfill her responsibilities as a mother one should be able to support them financially as well. She expressed a feeling of fulfillment because of the opportunities the loan gave her. A mother's job is not accomplished unless one is able to support them both morally and financially.

When I asked Interviewee 14 whether she felt like her role as a mother had changed because of the loan, she answered:

I: Of course. I can go to Baku and buy things cheaper than in Ganja for my child. Before, I couldn't buy everything he wanted. But now I can buy everything for him. I don't feel that it is so important to be able to buy something for my child, in terms of the relationship, but it makes me happy that when I buy these things, my child is happier than before.

R: So do you feel like you can be a better mom?

I: I can pay for education. I can give good education to my child. If I don't have good income, I couldn't pay for an extra teacher. Now I can help my child with education, because education is important, and important to me also. In this way, the income has affected my relationship with my child. (Interview 14)

She also expressed that being able to buy things for her child does not necessarily affect the relationship between her and her child, but it makes her happy to be able to do so. She did not say much about how her child sees her, or if there has been a change here, but she explained that she is able to give her child things that are important, like education. She feels happy because she can afford to give him things, because she sees that this makes him happy.

What we see from these types of answers is not a feeling of change in the children's feelings towards their mothers, but a change in what the mothers feel they are able to do for their children. Those who did say something about their children having a different attitude towards them were the ones who I asked direct questions, using words like respect, appreciation, and love. For example, in Interview 16, my questions and her answers were as follows:

R: Do you feel like your role as a mother has changed?

I: Of course. If there is good income, I can help my family. I can give education to my children, and of course it affects my relationship to my children.

R: Do you feel like a better mom because you can do this?

I: Of course. If there is not a good economical situation, I couldn't be good. You know, the life rules are like this. We love our children, we respect them, we try to help them, but when there isn't any good income and we do not have enough money, of course it gradually affected the relationship to my children. Right now, of course, it is better than before.

R: Do you feel like your children love you more, because you can do this, or is it the same?

I: They were children before, they couldn't understand the situation, but of course right now I have enough money, and of course they will love me more than before. (Interview 16)

She did not say much about her children's feelings towards her, other than that low income has an effect on the relationship between children and parents. Without income, there are limited opportunities for what the parents are able to do for their children. She did say that her children will love her more now that she is able to give them what they want and need, but explained that her children were too young to understand the economic situation before, so whether this answer really portrays the actual feelings of her children is difficult to confirm. However, she does express that the action of giving her children these things is a lovable action, and that she expects this action to create feelings of love towards her from her children.

I asked another woman whether she felt like her son respects her more or looks up to her more than he would have if she did not have her business, and she then said, "he appreciates me" (Interview 17). She did not explain much further, but had earlier in the interview said that having money makes her child's life better, because she is able to give him more things. She was a single mother, and the child did not have a father to depend on, so her increasing income made him appreciate her more than he would have done if she did not have her business. She did not say that her child respected her more or had changed his view about her, but he was thankful for having a mother who could provide the things he needed (Interview 17).

What I can draw from the answers that were given is that the women do not necessarily feel that their children treat or see them differently than they would have if they were in a different economic situation than they are today. When being asked about their relationships with their children, some women said that money do not have an effect on whether or not the children respect or love them. Some said that the children either understood that the economic situation was difficult, or the children were too young to understand economy at all and were therefore oblivious to the situation. How their children see them, or treat them, is not based on how much money they have. On the other hand, the mothers expressed feelings of happiness, fulfillment, and satisfaction over their abilities to give their children more and support them financially. Even though their children may not show any different feelings towards them because of their money, the women themselves know that their income is giving them the opportunity to provide their children, and grandchildren, with a better life. Education, food, and medical help are things the women say they are able



to help their children with, and some of them said that if they were not able to give them these things, their children might blame them for it later. Now, however, they do not have to worry about being confronted later for not having contributed to the well-being of their children, because they are able to fulfill their responsibilities towards their children.

What these feelings of fulfillment and satisfaction might say about the women's self-esteem is that having enough income to support their children the way they want to increases their feelings of self-respect. The women express that they have the knowledge of what is best for their children, what they deserve, what they need, and that giving them this is what a mother is expected to do. Like the woman with the medical service said, she was worried about not having the time to prepare food for her children, but with some planning and change of routines she was able to make sure her children got what they needed, or the woman who had made sure her children got the medical attention they needed to prevent them from running into problems later in life. Many said that the relationship was "normal" in their family, and between them and their children. Things were the way they were supposed to be, and they were able to manage their responsibilities as a mother the way they were supposed to. The woman who said that being a mother has two sides to it, both a moral and a financial side, gave a good explanation of what role finances play in the mothering role. The feeling of fulfillment and accomplishment was portrayed, as she explained that one is dependent on both sides to be the mother one is supposed to be. Branden's explanation of self-respect includes the experience of fulfillment, achievement, and happiness (1998), which is what the women expressed through their answers. One can assume that through these expressions the women portray a feeling of self-respect, since they are saying that they are able to fulfill their responsibilities, and experience happiness through giving their children what they need and want.

Even though I questioned whether those who said they felt more loved and appreciated by their children would have formulated their answers differently if I had asked my questions differently, one can use these answers as validation of this assumption. The fact that they believe their actions and abilities are lovable and appreciative shows that they feel they are doing something right and important for

their children, and that it makes them confident that their own decisions and choice making is good.

### 5.2.3 Summary

Section 5.2 told us about how the women perceive themselves in their relation to their children and their husbands. The answers they gave about their relationship with their husbands indicate that they are satisfied with the situation they are in. Even though the women described different types of relationships, none of them seemed to feel suppressed or disrespected. They expressed both the feeling of loving their husband, and the feeling of being loved by their husband. Most of the women told me that the relationship to their husband had not changed because of the loan and their income, while some said that there was a change in that they now had fewer topics to argue about. However, even though the argumentation has decreased, it did not seem like their feelings towards one another had changed any. The loan had just opened up opportunities for the spouses so that the economy did not cause as many problems and disagreements as it had done earlier.

When it comes to their relationship to their children, many of the women stressed the fact that money does not have an effect on how children see their mothers. The women expressed happiness about being able to do and buy more for their children, but said that being able to do this does not affect how their children see them or treat them. The response they have received from their children has thus not changed any because of the loan. However, the women are aware of what opportunities the loan has given them in caring for their children, and express feelings of fulfillment, satisfaction, and self-respect. Many of them said that they feel like a better mother because they are able to give their children things they need and want, like education and medical care. They see the importance of their role as a mother, and know that without the money they now have attained, their children might have had to face difficult consequences later in life.

What these answers has told me about the women's self-perception is that they express a feeling of being loved, both by their husbands and by their children, and feelings of importance, fulfillment, and significance. They are able to contribute to their children's well-being, and do the things they feel a mother is supposed to do for

their children. What the women expressed to me relates to what Branden (1998) says about self-respect and self-esteem's impact on relationships. By listening to the women tell me about their family relations, it seems like the women feel like their role in the family is significant and appreciated, and that they are able to fulfill their responsibilities towards their family. Their self-perception seems to be characterized by these feelings.

### **5.3 Women's role in society**

My questions about society's response to the women's business management are asked to get an understanding of how the women see themselves in the public sphere. I ask whether they feel society treats them differently, and how they feel they contribute to society with the business they are doing. How the women responded differed, as some have had more positive experiences to how society has acted towards them than others.

#### **5.3.1 Society's response to business building**

The responses the women feel they have received from the society, that being friends, neighbors, customers, or others, are different. Also, how the women responded back to these is different as well. First of all, some women said that because of their sudden access to money, through their loan, some people have become suspicious to how they have been able to generate larger income than before. Interviewee 4 said:

I: When I started doing this business, they became interested in how I started. "Where did you get the loan?" In Azerbaijan, it is like this. If you do something, people become interested in it. They say "oh, you did not have so much money, how did you get the money?" And I told them, I took a loan.

R: They're asking because they want to do the same thing you did?

I: There are some kinds of people who wanted to start a business, but there are other kinds of people that are interested in how. "Oh, she was poor, how did she get the money? She is richer than she was before".

R: How does that feel? Is it a good feeling?

I: When someone ask me for help, and ask how did you get the loan and everything, I help them. I give them direction to get a loan. But when people are interested in how I got the money or something, I feel inside that they are not so good. I don't care about them. It is gossip. How I got the loan, why did I need the loan, things like this, it doesn't matter to me what they say. The feelings are normal. I meet the gossip, and things are normal. (Interview 4)

What it seems like this woman is saying is that some people ask her for guidance and help, so they can get a loan like she has, and start their own business. However, there

are also some people who like to gossip, and talk about her, and ask critical questions to what she has done. They do not show a genuine interest in what she has accomplished, but rather talk about her behind her back. She said that she does not care about these people, because gossip is normal, and she ignores those who do not wish her well, or those who are maybe even jealous of her accomplishments.

Other women said that people have been critical to their abilities to manage a business in the early stages of their business building. Interviewee 11 said:

Society, the people, doubted what we were able to do. But right now we proved that we can make things, we can show our talents, because my sister also paint these pictures, and right now, the people around us they think, “yes of course, they are so talented people” and we are proud of this. We can sell and also show our talents. (Interview 11)

She is saying that the people around her have been doubtful of whether she was good enough and talented enough to make things that would actually sell. But she has proven them wrong, and is proud of this. Also, Interviewee 15’s answer was similar to this, as she told me that when she opened her shop and got her loan, people were critical to her and said that she would never be able to pay back the loan or make a living out of the store. She has proven them wrong now, because the business is going well and she is paying back what she owes. Those who were critical to her changed their minds about her and her abilities (Interview 15). Interviewee 18 also said:

When you prove yourself personally, like “I can do this, I am strong, I can make this business”, people began to think I was not that weak. They thought I was weak. They thought “how can she do this, they are hungry, they don’t have any money, they don’t want to work”, and things like that. But when I started my business, their opinion about me changed. (Interview 18)

These women expressed a change in how society saw them. They had not been convinced that these women would be able to manage a business and make an income, but the women had not let this stop them from doing it, and they had proved the people wrong. They now say that society sees them as talented and strong women. How the women feel society has responded to them gives an indication of how the women see themselves. The answers they gave me shows different responses, where some women described suspicion and maybe even jealousy, criticism, but also approval and admiration. Being met with suspicion and jealousy can be difficult, as one might feel that accomplishment and success is not something one is worthy of. If people do not believe that you have earned the privilege to be able to develop your

own business and improve your own and your family's well-being, then you might end up believing this yourself. Branden writes, "the greatest barrier to success is the feeling that you are not a person to whom success is possible or appropriate" (1998: 29). However, the woman who said that she had experienced gossiping and suspicious questioning said that she did not care what these people said. She helped those who were genuinely interested and asked for her advice, but she overlooked those people who seemed like they did not have good intentions. The answer she gave me did not say that she let the negativity get to her and make her believe that it was inappropriate for her to improve her living situation, but she focused on those who asked for her advice and ignored the others. As has been revealed earlier in this chapter, self-respect includes the belief that success and achievement is right for you, and not letting others tell you otherwise is a sign of respecting yourself and your rights for happiness.

Being met with criticism or doubt can be difficult. Many of the women said that when they had first started their business, people had doubted their abilities to be able to repay their loans and build a sustainable business. These women, however, said that they had proven the doubters wrong by showing them that they *were* able to do this, and had done this. They said that the people had changed their minds about them and what they were able to do. They expressed a feeling of satisfaction when explaining how they had shown their talents and abilities despite other people's judgments.

Interviewee 10 explained that the society no longer sees her as a woman.

R: Do you feel more important to anyone now, than you did before?

I: Yes, right now everybody around here knows. I am an example for other families, because I am a woman who has made a business, and improved this business. I have good income, and everybody comes to my shop and knows me.

R: Do you feel like society has a different view of you now than before?

I: Yes. Before making this business, people thought I was a very calm person, but after, when I started making and improving this business, they began to think "oh, she's a business lady, she's such a strong woman", and after this, of course, the view of the society changed. I don't see myself as a woman in society, I feel like I am a man, because I do business and I am going somewhere. This is not normal Azeri mentality, or in Ganja. That is why the society says, "oh, she's not a woman, she has the character of a man". (Interview 10)

She sees herself as an example for others, as she has done something that, according to her, is unusual for women to do. She said that Azeris do not think about women as business makers, because this is usually a man's job. She has done it, however, and people now see that she is strong, and has a man's character. The answer tells me that

she feels acknowledged for her work from the society. She explained that earlier, people thought of her as a calm woman, which in the context I understand to mean that people thought of her as somewhat weak, but now they see her as a strong businesswoman and compares her to men. She explained this transformation of people's view of her enthusiastically, and she seemed proud and grateful for this comparison. In terms of her self-esteem, she expresses a feeling of acknowledgement and strength, and sees herself as someone other people look up to. My reaction to this answer, however, is that she expresses happiness about being compared to someone with a higher "rank" than her, namely men. She said that it is not normal for Azeri minds to see women as qualified business makers, and the fact that the society acknowledges her abilities to be a successful business maker puts her in the same position men are in. This observation underpins what was said in section 5.2.3 about the "typical Azeri family" and the authority of the men, and also what ADB (2005) writes about gendered stereotypes and attitudes, as presented in Chapter 2. Women are understood to have certain qualities, and, as this woman tells us, when a woman shows that she has different qualities than those they are believed to have, the qualities are understood as male qualities, not additional qualities a female might possess or acquire. The fact that this woman sees it as positive to be identified with male qualities could be interpreted in a way that proves that female qualities are of lower value and importance, and her proudness comes from being identified as something she obviously is not, namely a man. She has "overcome" the lower standards of being a woman, and has proven that she can do the things men do, which seems like she, and society, thinks are better and more valuable.

Even though she is the only of my interviewees who said this, it is worth paying attention to. The woman tells us that it is not normal in Azerbaijan for women to manage businesses (which agrees with the literature presented earlier, see 2.2), and a reason for this is because women are given certain qualities, which business managing and income generating activities does not fall under. If this is the case, then the other interviewee's pride and happiness about being successful in their businesses and proving people wrong is understandable. I am not saying that if this mentality was nonexistent, then the women would not be proud of their accomplishments, but if the women have the mentality that they are less capable than men, then the feeling when acquiring these capabilities might add extra pride and happiness, and become a self-

esteem boost. I question, however, whether it is “true” self-esteem, as they appreciate qualities of themselves that they were not intentionally “supposed” to have, but qualities that they believe belongs to someone else, in this case men. Branden talks about something he calls “pseudo-self-esteem”, and explains it by saying that one might unconsciously organize one’s life around the effort to protect a self-esteem one does not have (1998: 25). This woman’s enthusiasm about having male qualities might be an attempt to higher her thoughts about herself by putting herself in a different category than other women; a category of higher rank. She quotes people, and says that they say, “she’s not a woman, she has the character of a man” (Interview 10). She also says that she does not see herself as a woman in society, she sees herself as a man. What I am getting from this is that she replaces what she is with something she feels is better. The fact is, though, that she *is* a woman, not a man. Her answer seems to mean that she does not appreciate what she *is*, but appreciates being identified as something else, something better, and something more valuable than she is.

Branden identifies the practice of self-acceptance as one of six essentials when building self-esteem. He defines this practice as “The willingness to own, experience, and take responsibility for your thoughts, feelings, and actions, without evasion, denial, or disowning – and also without self-repudiation” (1998: 33). My evaluation of her answer is that she does not take ownership of her own actions, because she does not give herself credit for the qualities she has and the accomplishments she has achieved. She gives credit to male qualities, and does not identify her accomplishments as female qualities. She portrays a high level of self-esteem by seeing herself as something she feels is good, important, and valuable, but I am hesitant about the healthiness of her self-esteem, as she does not express that she, as who she really *is*, is entitled her own capabilities and accomplishments. It could, of course, be that her formulation is just a figure of speech, similar to descriptions like “she is quiet as a mouse” or “she is wise as an owl”. It is not certain that she had thought through her formulations carefully, and meant that she, as a woman with certain qualities, was not good enough. However, if it was just a figure of speech and the similes she used is a normal way to describe strength and accomplishment, it tells us something about the man’s position in the Azeri society, which takes us back to my previous statements about the man’s higher rank. This means that the woman is not

satisfied with her status as a woman, and appreciates being associated with male qualities, and/or that society as a whole sees women as having fewer capabilities than men, which is shown through the integration of this opinion in the woman's choice of words.

I feel it is important to add, however, that even if women are perceived as lower ranked than men in society, this does not necessarily mean that they have lower thoughts about themselves. If the mentality among Azeris is characterized by a belief that women and men have different qualities and abilities, then women do not necessarily have low self-esteem. Some people might argue that women are suppressed and underestimated in patriarchal societies, but if the women in such a society believe themselves that it is a natural gender division, then how they feel about themselves and see themselves in the society is based on this mentality. They may not feel overlooked or undervalued, even though people from different types of societies say that they are. Whether or not one should focus on changing societies that have these gendered stereotypes is another discussion, which will not be taken up here. What I am claiming, however, is that when trying to see how people perceive themselves and what characterizes their self-esteem one has to listen to what the people in focus are actually saying. This woman, who said that she feels like a man in society, is expressing a feeling of satisfaction and happiness about her own capabilities and qualifications, and it is *her* feelings that are interesting and in focus here.

There were some women who did not say much about how society had responded to them, but rather told me something about how they felt their job put them in a special position in the society. Interviewee 9, for example, said:

I feel that I am one of the main persons for society and for my nation, because I help people. I have money, and I don't need other people's money. Sometimes, if a very poor person comes and wants to buy something, but they don't have any money, I give some food from my shop for free. I think I am, and can be one of the important persons for society, and I help and do all these beautiful things, and serve people, and welcome them. This is important for me.  
(Interview 9)

She expressed a feeling of importance and significance, because she saw herself in a position where she was able to help people, make them feel welcome, and be generous to those less fortunate. Also, she mentioned that she does not have to depend



on other people to help her, which make her able to help others. She did not say anything about how people treat her, but only something about how she can treat others. Other women said similar things, like Interviewee 7 who said, “I feel more useful for the society” (Interview 7), and Interviewee 8 who said, “We sell meat, milk, and everything that comes from the farm. Like this, we help society” (Interview 8). Their focus was on what they were doing for society, rather than how society sees them.

One woman gave me an answer that did not express a change in people’s view of her, but it gave an indication that she feels she is fulfilling her duties as a citizen. I asked if she felt society acted differently towards her because of her higher income, and she said:

This business has helped more to me and my family. I can live normally, I can pay for my expenses, like gas and electricity, and things like that. I am paying for electricity and gas to the government, the communal expenses, and I am a good subscriber for the government. I pay them, and give them the money for gas and electricity. I think it is for the society, and it affects the society good, because I have income and I can pay my dues, as I am a borrower of the government’s electricity, gas, water, and everything. (Interview 13)

By giving me this answer, it seems like the woman felt it was important that she was contributing to the society like she was supposed to. Because of her higher income, she was able to fulfill the responsibilities she had towards the government, which again had a positive effect on the society as a whole. I asked her whether she felt more important to society because she was able to make more money, and she said:

I am useful because I have this business. I sell my cow’s milk, and feed them, and sell good cows for factories so they can become sausage or something like that, or I sell them in markets, special animal markets. I feel, I hope, that I am useful for the society because I do these things. (Interview 13)

She said that her business contributes to the society, because her farming feeds other people. She did not say anything about being respected or getting other types of responses by the society because of her job, but her answer indicates that she feels that what she is doing is useful and significant.

These women focused on how they can help people, how they contribute to people’s needs, and how they fulfill the responsibilities they have towards the government. This shows that they feel that what they are doing is meaningful and significant. Having the ability to deal with other people in a way that is satisfying for both them

and for you is, according to Branden, closely tied to self-esteem. He calls it interpersonal competence (1998: 28). These women told me that their accomplishments were beneficial for both themselves and for others, because it enabled them to contribute to other people's well-being, and at the same time their contribution made themselves feel good and important.

### **5.3.2 Summary**

This section lets us know how the women perceive themselves as a member of a society. These women express feelings of being significant and helpful to others through their work. The loans have enabled them to help others, contribute to society's needs, and fulfill their responsibilities as citizens. In addition, some of the women express satisfaction through overcoming critique and skepticism towards them from other people. These feelings point to good self-esteem, as the women feel that what they are doing is good and useful. However, my analysis included a discussion of how women are perceived in the Azeri society. It seems like women have a lower rank than men in the society, which is an assumption reinforced by much of the previous literature about the Azeri society (see 2.2). I would not say, though, that this necessarily has an effect on the women's self-esteem. The women's feelings about themselves much be understood based on the context of their living situation, and it is their own words that can give an understanding of how they really feel.

These women have told me that their position in the society has somewhat changed because the loan has opened up opportunities for them to be involved in other people's lives, both direct, through helping and advising, but also indirect, by providing society with food and fulfilling responsibilities as citizens. They have also told me that they feel important and significant, acknowledged, and that they are setting examples for other people through their achievements. Based on what the women said, one could assume that their self-esteem level in a setting of society is good.

### **5.4 Personal feelings**

The last theme of my analysis is about the women's feelings about themselves and their accomplishments. As the other themes told me about their feelings towards their work situation, and their feelings around different relationships, this theme lets me

know how the women describe changes in themselves, and their abilities. I wonder if their view of themselves has changed because of the loan, and also how they feel about their business and their lives. The formulations of my questions differed some depending on previous answers the women gave me, but the answers they gave me provided an understanding of how the women's overall feelings about themselves were. I asked how the women felt differently about themselves or whether their view of themselves had changed, and also, in some cases, I asked if they were proud of, or happy about, themselves and their accomplishments.

#### **5.4.1 Feelings about themselves**

The answers the women gave me were mostly positive, and the words the women used to answer the questions about how they felt about themselves gives the indication that they are satisfied and content with themselves and their lives. The words that were used were, among others, independent, responsible, proud, and happy.

A lot of the women said that because of their loans they had become independent. This have been brought up earlier as well (see section 5.1.3), when the women were asked about what changes the loans had had on their lives. I asked Interviewee 6 if she was happier now than before she got the loan, to which she answered “yes, I am, because I don't ask for money from anyone. I have money myself, and I have my own income” (Interview 6). Also, Interviewee 8 was asked if she was proud of her business and her life, to which she responded, “I am proud, of course, and proud of my business, because I don't have to go to any place or house that gives me money for bread” (Interview 8). Not having to ask anyone for charity, or help, is portrayed by the women as a positive experience, which makes them happy and proud of themselves. The fact that they explain their pride and happiness by saying that it is because of their independence underlines the importance of being able to provide for themselves. As mentioned in section 5.1.3, independence is a trait that Branden (1998) claims is part of healthy self-esteem. Also, he writes about the practice of self-responsibility as essential when building self-esteem, which he explains to be the understanding of human beings moving from dependency to independence, and from non-responsibility towards personal accountability (1998:34). Having to count on others for charity and help does not necessarily mean that one is not responsible, but

the economic situation might make it the only option. However, these women have found a way to avoid asking for charity, and instead they have taken on the responsibility of managing a loan and making their own money. Hearing them say that they have become independent indicates that they are feeling responsible and accountable for their own actions, which they are proud and happy about.

Many of the women answered yes when I asked them if they were proud of their business and what they had been able to do. Even though none of the women used the word “proud” to describe their feelings about themselves before I used in my question, they had expressed pride through answers to other questions (see section 5.1.2). In Branden’s book, *The Six Pillars of Self-Esteem* (1994), he writes about pride and says, “Pride is the emotional reward of achievement. It is not a vice to be overcome but a value to be attained” (1994: 40). He says that pride relates to the feeling of pleasure in ourselves based on our accomplishments and actions, and real pride does not have anything to do with bragging or arrogant behavior (1994: 40-41). Being proud does not mean that we do not see that we have flaws or are imperfect, but it means that we can be proud of our accomplishments and actions despite our shortcomings, and rather acknowledge them. We are aware of reality, and with the knowledge of our errors and flaws we can reward ourselves for our actions and accomplishments (1994: 41). Branden stresses that all achievements does not necessarily lead to pride, because neither pride, nor self-esteem, can be achieved by accomplishments that do not reflect who we truly are. If your actions, accomplishments, or goals are chosen or achieved without your own true values and judgments behind them, then the feeling of pride is difficult to realize. Living by your own mind and values, and believing in your own judgments, is crucial to truly being proud of your own accomplishments and being able to enjoy them (1994: 41-42). Many of the women I talked to explained their pride by saying that they are more independent, they have income and the economic situation is normal. It seems like the work itself is not what they are proud of, but it is the consequences of the work that gives them pride. They are proud because they do not have to be a burden to others, but they can take care of themselves. If this is what they value and honestly wish to achieve, then their pride in having achieved this should be understood as genuine and real.

Some women also used other ways to describe how they felt about themselves. Interviewee 2 said, “at first, I had doubt that I would be able to do this, but right now I’m sure in myself that I can do this” (Interview 2). Interviewee 14’s response was very similar to this, as she said, “before, I had no thoughts about myself being able to do something, but right now, yea, I can feel in myself that ‘oh, I can do this business’” (Interview 14). I asked if this meant that she was surer about herself, to which she responded, “Of course I am sure of myself, because I took the loan, and I’m sure that I will and can pay back, because I have my business, and I earn money. I have income and I can pay back. I’m sure of that” (Interview 14). Interviewee 17 was pretty clear in her answer when I asked if she had felt a change in herself. She said, “I believe in myself” (Interview 17). These answers, and those like them that were given in other interviews, indicate that the women have attained confidence through their business development. They are aware of their abilities, and believe that these abilities have importance and are meaningful. Having confidence in your abilities to think, act, and make the right choices and decisions is what Bandura defines self-efficacy as, which again is one of the two components of self-esteem (1998). These women express that self-efficacy is something they have gained through the loan and business building processes, as they say that they are confident that they are able to manage and improve their loans and businesses.

One of the women that I talked to gave me a different answer than the others. I asked if she felt a change in how she felt about herself, and she said that she felt important to society and for her family. She gave an example of how she sold her items cheaper than other stores, and by doing this she felt more useful. Other stores increased their prices for personal gain, while she did not. She said that she did not only think about herself, but thought about others. She knew that when her income was low, it was difficult for her to buy things, and this also applies to others. By doing this, she was important for other people (Interview 18). It seems to me like this woman’s focus was on how she was able to do good things for other people, and how she had empathy for those who did not have money to buy whatever they wanted. She knew what it was like not to afford things, and because of this she felt important because she was able to see what other people’s needs were, not just her own. What she describes is a caring nature, where other people’s needs are just as important as her own. Bandura says that it is more likely to find empathy, compassion, and benevolence among those

who have high self-esteem than those with low self-esteem (1994: 48). This woman's answer indicates that she is in possession of these qualities and, based on Branden's claim, she is then more likely to have high self-esteem than low self-esteem. She expresses a care for other people, an understanding of their situation, and does what she can to help them.

#### **5.4.2 Summary**

Overall, the women seem to have experienced a positive change in their feelings about themselves. The words independent, proud, confident, and caring, sums up their answers to how they feel about themselves. These are all part of what characterizes high self-esteem, according to Branden, and one can therefore assume that these women perceive themselves as valuable and worthy. That some of the women describe a compassionate and empathetic nature, as they care about others well-being, can be used as a confirmation that it is real self-esteem, and not a need to boast, brag, or drag other people down to higher their own thoughts about themselves. They express a desire to help other people, and use their own accomplishments as a way to achieve this desire.

#### **5.5 Summary**

The term "self-perception" was defined in Chapter 1 as "the idea that you have about the kind of person you are" (Merriam-Websters dictionary). The women that were interviewed gave me insight through their answers to how they see themselves and what they feel about themselves, their abilities, and their roles in their families and the society. The four spheres I focused on in my questioning cover most of the women's everyday lives, and gave an understanding of how they feel about themselves on a regular basis. Using Nathaniel Branden's self-esteem theory, I have compared their answers to his descriptions of signs of high and low levels of self-esteem, and through this method I have revealed some indications of how these women perceive themselves.

The overall impression of the women's self-perception is characterized by their positive feelings of independence, acknowledgement, importance, and confidence. These traits were described many times by the different women, and present in all four spheres that were asked about. It is difficult for me to claim that the microcredit

loans they have received is the single reason these women describe these traits as something they are in possession of, as there might have been other circumstances and occurrences that could have had an impact on the women as well during the time period of the loan process. However, it is important to notice that many of the women described a change in their situation, and they include these changes in themselves as part of the change, as a result of the loan they received. Whether or not the loan actually is the only cause of these changes is not my concern here. It is the fact that the women themselves experience, feel, and describe a change in themselves and their lives that is of interest.

The feeling of being independent was brought up by many of the women (see 5.1.4 and 5.4.2). Being able to take care of themselves, and not having to ask anyone for help or charity seemed like an important element in their thoughts about themselves. They believe in their own abilities and judgments, and make choices on their own that contribute to an improvement in their well-being. They express an awareness of reality, and knowledge of what the consequences of different actions will be, and make choices based on this knowledge. Of course, they are aware of the fact that the loan in itself has been helpful in their accomplishments, but they are able to manage this loan and use it in a profitable manner. They have taken on the responsibility of paying back the loan, and attained the feeling of independence through fulfilling this responsibility. They describe themselves as being able to take care of themselves and take care of their families without depending on other's influence or interference.

Being acknowledged was also brought up multiple times through the interviews. The women describe themselves as setting an example for others, and appreciated by their children, husbands, and society as a whole (see 5.2.3 and 5.3.2). They see how the loan's results, that being higher income, enables them to do things for their family and other people, and the people's response gives them the feeling of doing something good. The feeling of being acknowledged causes the feeling of importance as well. Many of the women describe how they are able to give their children what they need and want, and contribute to their well-being. Even though their children do not treat them any different because of their improved economy, they know that it plays an important role in their children's lives. In terms of the society, the women see that their contributions have an impact on other people. They provide food, clothes, and

other things people want, and they fulfill their responsibilities towards the government. Some women also expressed empathy and compassion towards other people, which they are able to act upon by helping those they see needs help (see 5.4.2).

The women also expressed confidence through the interviews (see 5.4.2). They described their business development, and how things had improved. Also, some said that they advised others to contact Viator and apply for loans as well, so that others could accomplish the same things they had. When they told me about their relationships to their husbands, most of them said that their husbands respect them and value their opinions. Even though the decision making process varied among the different women's relationships, none of the women seemed to feel like they were underestimated or overlooked. They showed confidence in how they were able to voice their opinions and bring their thoughts into the decisions, even among those who said their husbands had the final say. Also, the women said that the loan had made them believe in themselves. They believe that their abilities and their judgments are good and valuable, and that they themselves are valuable.

The 18 interviews that were conducted gave me an understanding of how women involved in microfinance perceive themselves. They see themselves as strong, confident, and independent women, who contribute to the well-being of others as well as themselves, who are important to their families and to the society, who fulfill their responsibilities as mothers and wives, and as someone who is capable of achievement without achieving at the expense of others. The women say that the microcredit loan they have received has been an important contribution in their lives, because without it, they may not have been able to achieve what they now have.



## Chapter 6: Conclusion

The research problem that has been in focus in this thesis is: What is the relationship between women's participation in microfinance programs and their self-perception? To find an answer to this problem, I formulated a research question, namely: How do women involved in a microfinance program in Ganja, Azerbaijan perceive the relationship between their self-perception and their involvement in microfinance? What I wanted to find out was what the women said about the relationship, and how they feel that the microcredit loans have had an impact on them. My focus has been on giving the women a voice, and to find out whether or not they feel that the microcredit loan has had consequences for them, other than economic.

### 6.1 Methodological and theoretical approach to research problem

To find an answer to my research problem, I chose to do a qualitative case study on female microcredit clients in Ganja, Azerbaijan. I have conducted in-depth semi-structured interviews to let the women inform me of what they think is important and what they feel. Through recording the interviews and transcribing them afterwards, I ended up with data that helped me find out what the relationship between their participation in a microfinance program and their self-perception is. I analyzed this data, and saw the women's answers in light of Nathaniel Branden's self-esteem theory. Their answers were categorized into four categories that represent four spheres of the women's daily lives. Through conducting a qualitative case study using semi-structured interviews, and analyzing my data using a self-esteem theory, I got an understanding of how the women perceive themselves through their involvement in microfinance.

To make this research relevant in the field of women and development, I have chosen to look at my findings in light of Martha C. Nussbaum's Capability Approach, which was presented in Chapter 3. I have used earlier researches done on microfinances impact on women to underline the connection between Nussbaum's capabilities and empowerment, more specifically self-esteem improvement. Section 6.3 of this chapter will give a presentation of how my study contributes to the field, and how it relates to Nussbaum's theory.

## 6.2 Findings in analysis

As section 5.5 revealed in the previous chapter, my data shows that the women feel that microcredit has had a positive impact on their self-perception. By looking at the women's answers in light of Branden's self-esteem theory, I have concluded that the women have a positive self-perception. They describe feelings of independence, acknowledgement, importance, and confidence, all which Branden characterizes as signs of positive self-esteem. These women told me that microfinance had a lot to do with this change in feelings about themselves. The loan had enabled them to become independent, and had given them the opportunity to do things that made them acknowledged and important. They had become confident that they were able to make good and beneficial decisions, and felt that their contribution to society and their families was appreciated.

I cannot use my data to conclude that the microfinance program these women are involved in have had the effect of increasing the level of these women's self-esteem, or improved their self-perception. However, I can use it to show that the women *themselves* feel that the loans they have received have had a positive impact on them. During my interviews, the loan was always the focus of my questions. Their answers were given with the loan in mind, and they explained to me how they felt the loan had affected their feelings and their relationships. It seems like the loan has had an empowering effect on the women, in the sense that they feel that the loan has had an impact on their feelings about themselves and that they believe in themselves more after they were granted the loan than previously. The way I use the term "empowering" here does not include all of the elements in different definitions of the term (see 3.3), but it is meant to mean that the women have felt an increase in their self-esteem and self-worth, which is usually included as a part of empowerment.

These findings in the analysis give the impression that microfinance can have empowering effects on women, at least according to the women themselves. The next section will show how this finding contributes to the field of women and development by looking at it in light of Martha Nussbaum's Capability approach.

### 6.3 Relevance for development theory

Nussbaum argues for an approach to development that focuses on human capabilities and treating each person as an end in themselves, not as a tool for the end of others. Her idea is that one should focus on human capabilities, which is what people are able to do and to be, and she has a list of universal central human capabilities that can be met by all people, despite differences in culture and mindsets. The list is not meant to be understood as definite, as some parts of it might be specified further to agree with local beliefs and circumstances (2000: 77). To contribute to Nussbaum's approach to development strategies, my study shows that some of the capabilities she claims should be met are similar to what these women describe as results of their microfinance involvement.

The women described to me that they are in control of their lives, and that they feel worthy and significant in the roles they have as mothers, wives, and members of a society. Nussbaum's Capability approach seems to cover quite well much of what these women focus on, and describe. The women told me that they are able to love, care for, and support others, as well as themselves. They socialize with other people, and have compassion and empathy towards others. They are able to plan their own life, and reflect upon what they think is right and good. They think and use their mind to reason and make decisions they think are right and valuable, and find their own life meaningful and worthy. They say that they feel respected and that they are treated with dignity. These are capabilities Nussbaum claims are needed for all people.

If we look back at Chapter 3 and studies done on microfinance's impact on women, we see that what Kato and Kratzer (2013), and also Cheston and Kuhn (2002), found out through their research was that women experience empowerment through involvement in microfinance. They found that women experience an increase in self-efficacy, self-esteem, authority in the household, improved relationships, and also higher status in the community, as a result of involvement in microfinance programs (see 3.3). Their findings, like mine, correspond with Nussbaum's capabilities. However, Isserles (2003) and Mayoux (1999 and 2003) are critical to this assumed outcome of involvement in microfinance, and say that for many women, this involvement has led, or can lead, to disempowerment, increase in domestic violence, and continued gender inequality. Mayoux (1999) stresses differences in cultures and

household norms, and says that one cannot draw generalized conclusions of results of microfinance, but that in some cases it can have empowering effects (see 3.3). In these cases, Nussbaum's capabilities are not reached, but rather defied.

In the field of women and development, Nussbaum claims that the Capability approach should be seen as an approach that addresses problems women face around the world and treats each person as an end. It could seem like microfinance is a development strategy that can be used in her approach. According to women I have interviewed, their quality of life has increased and their self-perception has improved. They feel that their needs are fulfilled, and that they can contribute to the well-being of others, and they say that microcredit loans have contributed to accomplish this. However, one cannot ignore what Mayoux and Isserles say about microfinance's possible disempowering effects by thinking that increase in self-esteem and self-respect is the only possible outcome of involvement in microfinance. I agree with Nussbaum's theory about treating each person as an end, and not as an end for others. Each person must have their own needs met, or capabilities reached, for their own sake, not for the sake of others. As Isserles says, if microfinancial programs ignore the outcomes of their interventions, and only focus on their own sustainability and repayment rates, many women could experience difficulties and challenges as a result of being granted loans (see 3.3). However, my study, Chester and Kuhn's study, and Kato and Kratzer's study show that many women experience improvement in their life quality.

It seems, like Mayoux (1999) says, that for some women in some contexts, microfinance can contribute to empowerment, at least in the sense that women improve their self-esteem and self-worth. This brings me back to Branden's claim that self-esteem is an important psychological need. He says that our lives and our well-being are dependent on the two components of self-esteem, namely self-respect and self-efficacy (1998). Your self-esteem level has consequences for all the aspects of your life, and also what level of personal happiness you are able to reach (1998: 26). With Branden's words in mind, my study indicates that focusing on women's self-esteem is crucial in development work, as one is working towards increasing women's well-being and quality of life. This is implicit in Nussbaum's Capability approach, but needs to be made more explicit and emphasized more strongly. My

study shows that microfinance can play an important positive role for women in the fields of business development, household and family relations, societal roles, and personal feelings. This does not mean that self-esteem should be the only focus of development strategies, but that to work towards development one should frame the self-perception of those targeted in these programs, as the self-esteem level is fundamental in improvement of life quality and well-being.

#### **6.4 Conclusion**

So, what is the relationship between women's participation in microfinance programs and their self-perception? By using Branden's self-esteem theory, my research tells me that women involved in Viator Microcredit Bank in Ganja, Azerbaijan has improved their self-perception through this involvement, and feel more independent, acknowledged, important, and confident, because they have been able to build a business, generate income, and contribute to the well-being of their families and the society. However, that this study can be used to make a generalized conclusion about the relationship between microfinance and women's self-perception is doubtful, as earlier studies show that results vary. What I can say, though, is that women in Ganja, Azerbaijan were given a voice in this matter and their point of view was in focus, through my research. They are the targets of these development programs, and it is therefore important to hear what they have to say, how they feel, and how they experience the involvement. I call for further research that can contribute to making a generalized conclusion that women involved in microfinance feel an improvement in their self-perception, as mine indicates that this is the case. I have, through this thesis, sought to bring attention to self-perception as an important factor in improvement of well-being and life quality, and invite more researchers to dedicate time to study this further.

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## Appendix 1: Interview guide

### INTERVIEW GUIDE

Research question: What is the relationship between women's participation in microfinance programs and their self-perception?

#### Interview

##### *Information*

1. Information about interviewee
  - a. Name
  - b. Age
  - c. Marital status
  - d. Children – age
  - e. Education
  - f. Position of work

##### *Project/Work*

2. What is your project?
3. How did it make you feel when you were accepted as a client in Viator?
4. What have you accomplished because of the micro credit loan?

##### *In general*

5. How do you experience your involvement in Viator?
6. Can you give examples of how it has changed your life?
7. Can you explain how it has changed your relations with others?

##### *Own feelings*

1. How do you feel different now, after you were accepted as a customer, than you did before?
  - a. Are you proud of what you have accomplished, and why?
  - b. How has your importance to husband/family/society changed?
  - c. Are you happy about yourself? If so, why?
  - d. How has your view of yourself changed because of this?

##### *Relationship with coworkers*

2. How has the relationship between you and your coworkers changed?
  - a. How do you feel your coworkers respect you now?
  - b. How does your coworkers rely on you and your decisions now?

##### *Relationship with society*

3. How has the relationship between you and society changed?
  - a. How do you feel society responds to you as responsible for additional income to your family?

##### *Relationship with children*

4. How has the relationship between you and your children changed?
  - a. In what way do you feel a change in how your children respect you after you gained economical responsibility for the family?

##### *Relationship with husband*

5. How has the relationship between you and your husband changed since you got the loan?
  - a. How do you and your husband make important decisions in the family?

- b. How have discussions about important issues changed, since you got the loan and started your project?
- c. How is the economical responsibility in the family handled now that you make money?
- d. Do you feel like you and your husband are equal?

## Appendix 2: Information letter

### **Request to participate in an interview in connection to a master's thesis**

I am a master student in Religion, Society and Global Issues at MF Norwegian School of Theology in Oslo, and I am now working on my master's thesis. The theme of my project is women and microfinance, and I want to investigate how women view the relationship between micro credit and their self-esteem in Azerbaijan.

To find out about this, I would like to interview about 10 women that are customers in Viator Microcredit. The questions I will ask will be about the women's relationship to their husbands and children (if they have any), coworkers, society, and how they feel about themselves, and if they feel like there has been a change in these relationships since they became customers in Viator.

I will use a tape-recorder and take notes during the interviews. The interview will take about an hour, and the time and place for it will be agreed upon.

The interview is voluntary, and if you feel like withdrawing from the interview at any time, you may do that without having to give an explanation as to why.

The information I gather will be confidential, and no one will be recognizable in the final result of the project. The information will be anonymous and all the recordings will be deleted when the project is finished, which will be within May 2014.

If there is anything you have a question about you can call me at +47 40 63 75 91, or send me an email to [elisabeth121289@hotmail.com](mailto:elisabeth121289@hotmail.com). You can also contact my supervisor Kjetil Fretheim at MF Norwegian School of Theology at [Kjetil.Fretheim@mf.no](mailto:Kjetil.Fretheim@mf.no).

This project has been reported to Personvernombudet for forskning (Data Protection Official for Research), Norsk samfunnsvitenskapelig datatjeneste (NSD).

Sincerely,  
Elisabeth Løsnesløyken  
Kirkeveien 108a  
0361 Oslo  
Norway

## Appendix 3: Agreement on interpretation

### AGREEMENT ON INTERPRETATION

BETWEEN

..... (interpreter)

AND

..... (master student at MF  
Norwegian School of Theology)

#### AIM

This agreement regulates the rights and duties of the interpreter with regard to use of interview material registered as part of the master thesis project:

.....

#### INTERPRETER'S DUTIES

The interpreter is obliged to protect the anonymity and confidentiality of informants and the material.

The master student stores the interview material. The interpreter shall not store interview material.

Place: .....

Date: .....

.....

Interpreter

Master student  
(MF Norwegian School of Theology)