

## Role of Microcredit Programs for Sustainable Women Empowerment in Bangladesh: A Case Study of Rural Mother Center in Magura District

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### ABSTRACT

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As a strategy for empowering women and reducing poverty, microcredit programs (MCPs) have received much attention in Bangladesh. This study aims to investigate MCPs' contributions to advancing women in Magura District, Bangladesh, through the Rural Mother Center (RMC) program. Women face significant social and economic barriers for many reasons, especially in rural areas. Interviews, focus group discussions, and participant observations with female RMC recipients were used to gather data through a qualitative research method. Magura district was chosen as a case study because it is representative of the socio-economic challenges rural women face in Bangladesh. This study highlighted the unique experiences and outcomes of women engaged in the RMC program in a challenging socio-economic context, focusing on the Magura District. The results show women have established and grown their enterprises with the help of the RMC program, increasing their income and empowering them financially.

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### 1. Introduction

Small loans or microcredit initiatives are practical for alleviating poverty across developing countries (Hasan et al., 2019). Most microcredit recipients are women from the poorest segments of the community (Porter, 2016). Financing for women is a win-win option for financial stability and poverty alleviation (Sutter et al., 2019). Lenders view women as lower credit risks because they are more inclined to respond to peer pressure and less likely to take on loans (Cowling et al., 2019). In the 1990s, as the link between microcredit and empowerment began to be seriously explored, it sparked a heated debate in the microcredit literature (Islam, 2016). On the positive side, lending to women helps improve their situation and financial stability (Manzur, 2017). On the negative side, it is seen that the money is mainly controlled by the husband to be

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used as his repayments, and if the wife resists, it is reported that most of them are the victims of domestic violence (Robinson et al., 2021). As studies suggest both positive and negative impacts of microcredit, researchers unanimously agree that microcredit helps restore the financial stability of women and their family members (Akter et al., 2020). Lending money to women is found to develop household income. It is also associated with other benefits, such as a healthier lifestyle, improved children's education, increased labor market activity, and others (Mostafa, 2020).

Many Bangladeshi women are empowered by NGOs, especially the Bangladesh Rural Advancement Committee (BRAC) and the Grameen Bank. They operate their modest companies today and successfully provide for their families (Chowdhury & Somani, 2020). Microcredit is a program in developing nations that offers modest loans to the severely poor, enabling them to participate in activities that improve their quality of life and hold them all equally accountable. Microcredit significantly influences women's empowerment, which is essential for a nation's sustainable development. Microcredit is crucial for women's empowerment, which is key to sustainable development. With women making up half of Bangladesh's population, national growth requires the empowerment of both genders. Gender inequality remains an obstacle, especially in household decision-making, limiting women's potential (Alam, 2015). The microcredit initiative is a 'game-changer' for women in society, enabling them to become financially independent and engage in self-employment (Sharif, 2020; Parvin & Alam, 2016).

This study contributes to addressing the following research questions to understand the impact of microcredits on female empowerment and small business growth in rural areas by investigating:

RQ1: How is the microcredit (RMC) program capable of empowering women in household decision-making?

RQ2: What impact does the microcredit (RMC) program have on a family's socio-economic position?

## 2. Literature Review

### 2.1 The Significance of Microcredit Programs in Bangladesh

Microfinance activities have significantly reduced poverty and are motivated to empower poor community members, especially women, in Bangladesh. Microcredit entry and practical assistance can help people experiencing poverty reduce their expenses, better manage their risks, and achieve a higher standard of living (Karim et al., 2012). Microcredit funding is crucial for empowering rural women and improving their economic situation. Microfinance significantly

increases lenders' household earnings and the acquisition of private assets (Al-Shami et al., 2017). Microcredit initiatives have introduced unique management and business practices through deposit mobilization, loan repayment, and women's empowerment, but their impact on poverty alleviation remains uncertain. Its activities are known as the Rural Mother Center (RMC). It commenced its activities in 1985. In the Magura district, there are 64 mother centers, and the total amount invested in them is around 2,062,500. Later, the social service office reinvested 12,350,900 in these centers. These mother centers have targeted 64 villages as their field to finance and empower impoverished rural women. The targeted population in these areas or domains is 2,227. The disadvantaged people in these areas are receiving financial assistance from these organizations. They are being empowered across various sectors, and their income sources significantly improve their family's socio-economic condition and status. Since they began their activities in 1985, they have provided 5,000 tk in microcredit loans to primary-level participants. Later, that microcredit participant receives a larger microcredit loan. However, these organizations now provide 30,000 tk at the start of their microcredit participation. There are 36 Union Parishads in the Magura district. In all unions, Parishad, the Social Service Office regulates the microcredit organization and its programs.

**Table 1**

*The RMC in Magura District*

<b>Rural Mother Center (RMC)</b>	
Start of Activities	1985
Total Number of Mother Centers	64
Principal Investment Amount	2,062,500
Reinvestment Amount	12,350,900
Target Village	64
Target Population	2,227

Source: Created by the Authors.

These programs award minor credits to people who lack access to traditional banking services, helping them launch or expand small businesses and improve their financial situation. After joining the microcredit program, participants' economic well-being significantly improved as measured by expenditure and earnings. The strategy consequences are that the administration should enhance a good business environment (Bhuiya et al., 2016). Women make up more than 90% of microcredit participants in Bangladesh. Assessing why the loan trend is increasing among women could give a window into women's empowerment. Labor supply, personal wealth, and family planning are significant determinants of increased loan use among impoverished rural people. Microfinance

initiatives increased debt levels in underprivileged communities, exacerbating financial, socio-economic, and environmental threats and risks (Banerjee & Jackson, 2017).

## 2.2 The Influence of Microcredit Initiatives on Rural Women's Empowerment

Microcredit initiatives that provide funding and financial services can have an optimistic impact on empowering impoverished rural women. Akhter et al.'s research suggests that microcredit providers are investigating how to develop a comprehensive methodology for women's empowerment in Bangladesh (Akhter et al., 2020; Alam et al., 2024). Microcredit initiatives can help rural women build financial knowledge, enabling them to make astute financial and organizational decisions. Micro-finance plays an essential role in achieving Bangladesh's advancement objectives. It affects the quality of livelihood and raises life quality (Ali & Hatta, 2012). Women entrepreneurs strengthen their managerial skills through a separate education program (Nazmul, 2014). Microfinance programs that empower rural women through entrepreneurship can help break the cycle of poverty and improve the living standards of women, their spouses, and their children.

**Table 2**

*List of Microcredit Institutions in Magura*

Sl	Name
1	ASA
2	BRAC
3	Uddipan
4	Palli Progoti Shahayak Samity
5	Ad-Din Welfare Center
6	ARS Bangladesh
7	BASCO Foundation
8	ROVA Foundation
9	Jagorani Chakra Foundation
10	Wave Foundation
11	Faith in Action
12	PROSHIKA

Source: Created by the Authors.

Microcredit initiatives and other economic determinants positively impact women's empowerment, with factors such as earnings, household size, and self-help team meetings having a supportive effect (Lavoori & Paramanik, 2014). Microcredit can also help women build credit reports and open the door to larger loans. Microcredit can help reduce poverty and disparities by empowering

women through economic participation, especially among women in underprivileged social groups. Women spend their NGO-provided financial aid on the small garment industry, raising and selling cows, goats, chickens, and ducks, and on food such as milk and eggs, as well as in the small agricultural sector. In 2016, the active participation of women in Bangladesh's financial industry increased to 35.8 percent, with a strong reputation for effective loan payback operations. The empowerment of women enables numerous opportunities for women, such as protecting them from physical and mental abuse at the hands of their families, empowering them in decision-making, allowing them to participate in a nation's development, assisting their family in living an ordinary life, and providing their children with education (Mia & Chandran, 2016). Women are more self-sufficient and can make decisions after obtaining and using microfinance. Kapali et al. (2016) examine the impact of microfinance on economic empowerment in rural areas of Punjab State. Microfinance has significantly improved the earnings of female participants, increasing their involvement in household decision-making. Microfinance initiatives, a Bangladeshi development approach, have become a motto and a mythical panacea for all the poor's ills, such as poverty, starvation, illiteracy, and helplessness. The founders of BRAC and Grameen Bank have received international acclaim for designing, implementing, and promoting microfinance services (Farazi et al., 2014).

### 2.3 The Impact of Microcredit Programs on Women's Decision-making Process

While studying microcredit programs for people with low incomes in rural areas, Professor Muhammed Yunus established Grameen Bank in 1976. The Grameen Bank functions effectively via 2,567 branches in 81,386 rural regions of Bangladesh. Through these branches, 8.39 million individuals actively participate in lending programs, most of whom are women (about 97 percent) (Bhuiyan et al., 2017). Microfinance can significantly improve women's empowerment. Women require, desire, and benefit from loans and other economic products. Increasing women's financial safety and commitment to their communities and families also helps their empowerment (Mudaliar & Mathur, 2015). Women can benefit from loans by starting and expanding small companies. Yogendrarajah and Semasinghe (2015) investigate the influence of microcredit services on women's empowerment in Sri Lanka. More than just loan services are needed to help entrepreneurs develop. Policy suggestions are made to promote microcredit services. Empowering women through microcredit-based income-generating projects represents a new development paradigm (Alam et al., 2023).

As small loans are distributed to a broader range of recipients, it becomes increasingly complex to track everyone's actions. Keeping this in mind, current

research is needed to understand recipients' behavior so the organization can determine their behavior patterns after the loan is provided. This research identifies the activities and concerns of women in Bangladesh's Magura area and evaluates the effectiveness and efficiency of microcredit service programs. Even though microcredit programs in the grand scheme empower most beneficiary women, a significant minority of beneficiaries fail as intended (Battaglia et al., 2021). In certain instances, the beneficiary's sustainability is not achieved (Akhter & Cheng, 2020). This research addresses these concerns and recommends that relevant stakeholders improve their performance and develop a healthy small-rural-business ecosystem, which ultimately helps revitalize the country's SME sector.

### 3. Research Method

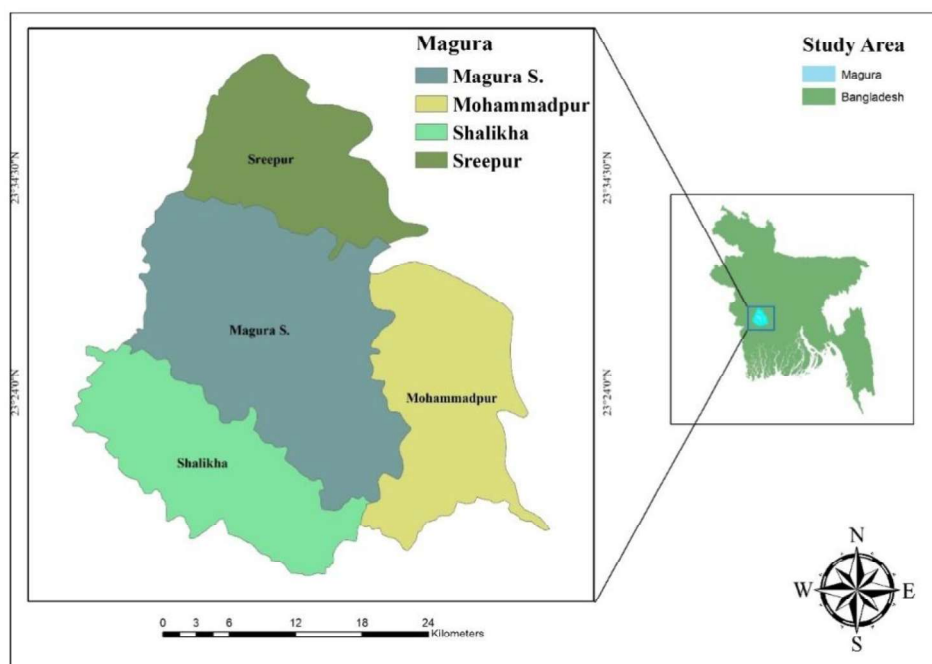
This research used a qualitative approach. Qualitative data was gathered within the theoretical framework to better understand Bangladesh's context for the microcredit program's scope, initiatives, and the challenges that impede the advancement of rural women in the country. This study used a multiple-case study approach and semi-structured questionnaires to collect primary data from participants. A detailed questionnaire was developed and filled out by the respondents. The sample size was selected at random to ensure that both demand-side and supply-side participants were included. NVIVO was used to analyze the data obtained from these surveys. This research employed a non-probability purposive sampling technique, in which the researchers selected the sample items based on their judgment. The study adopted the qualitative case study approach, and the sampling framework was as follows, as per the geographic location:

- a) Microcredit recipients of the selected study area: 40 participants
- b) Government and non-government stakeholders: 10 participants (FGDs and KIIs)

The data were collected from the Magura district of the Khulna division. Researchers adopted random purposive sampling among microcredit recipients to avoid sampling bias and to ensure adherence to ethical principles. All participants were asked for consent to participate in the survey, and respondents' information was kept confidential. Magura was chosen as the study area because previous research indicated that Khulna has the highest level of entrepreneurial activity in the country after Dhaka. The location was deliberately chosen to examine the impact of small loan programs in the mentioned area. This study used qualitative data analysis and a random purposive sampling methodology to identify themes on the selected topic and compile results from interviews, FGDs, KIIs, and survey responses (Figure 1).

**Figure 1**

*Detailed Study Area*



Source: Created by the Authors.

#### 4. Findings

##### 4.1 Rural Mother Care (RMC) Microcredit Initiatives on Women’s Empowerment

##### 4.1.1 RMC Microcredit Initiatives on Empowering Women

The interviews were analyzed, and several important themes emerged (Table 3).

**Table 3**

*Thematic Analysis of RMC Microcredit Initiatives on Women’s Empowerment*

Themes	Key Findings
Economic Empowerment	RMC microcredit initiatives aim to help impoverished women become self-sufficient and decision-makers. Participants in RMC microcredit programs experienced increased potential earnings and improved economic conditions.

	<p>Women use RMC microcredit funds to start or expand businesses, such as rearing chickens and ducks or establishing cattle and vegetable farms.</p> <p>The income generated by RMC's microcredit initiatives supports families' financial needs, including children's education and business capital for spouses.</p>
Access to Microcredit	<p>RMC's microcredit programs allow women to access funds without collateral or assets.</p> <p>Women face limited loan amounts and delays in loan sanctions in some microcredit programs.</p> <p>Skill-based training opportunities are lacking in specific microcredit initiatives.</p>
Social Empowerment	<p>RMC's microcredit initiatives enhance women's autonomy and contribute to their self-esteem and self-confidence.</p> <p>Women participating in RMC's microcredit programs encounter fewer gender-based obstacles and have more involvement in household decision-making.</p> <p>Participation in RMC's microcredit programs enables women to contribute to improving the economic condition of their families and communities.</p>
Socio-economic Impact	<p>RMC's microcredit programs positively contribute to the country's GDP and socio-economic conditions by providing women with opportunities for financial independence.</p> <p>RMC's microcredit initiatives support the development of new enterprises and the expansion of existing ones, leading to economic growth and self-sufficiency.</p>

Source: Created by the Authors.

Rural Mother Center's microfinance program aims to help impoverished women become self-sufficient and decision-makers. However, microcredit participants from Rural Mother Center (RMC) face issues in microcredit programs, such as delayed loan sanctions, low loan amounts, and a shortage of skill-based training. One participant said in the interview that she credited 5,000 BDT at the beginning of her microcredit participation and later 25,000 BDT. With financing from the Rural Mother Center (RMC), she started rearing chickens and ducks. With her income, she is covering her kids' educational expenses and helping her

spouse provide capital for his business. Women can finance through RMC’s microcredit institutions without providing collateral or assets. Consequently, they are actively involved in these initiatives, which also increase our country’s GDP and socio-economic conditions.

4.1.2 RMC’s Microcredit Initiatives in the Women’s Decision-Making Process

RMC’s microfinance is reported to enhance women’s financial security and commitment to their communities, and to increase their decision-making power. It assists in establishing and expanding businesses and promotes policy services that improve microcredit services. Since these initiatives help ensure gender equality in society, they can easily play a prominent role or have a voice in decision-making. Since RMC’s microfinance provides women with funds, women’s social status has developed. Therefore, they receive priority in decision-making within their families and communities. In rural areas of Bangladesh, higher-status individuals are decision-makers in most fields. Since women are improving their social status by participating in these programs, they are gradually becoming community decision-makers.

4.2 The Effectiveness of RMC’s Microcredit Program in Reducing Poverty.

4.2.1 RMC Microcredit Programs in Reducing Poverty

The interviews were analyzed, and several important themes emerged (Table 4).

**Table 4**

*Thematic Analysis of Microcredit Programs in Reducing Poverty*

Themes	Key Findings
Effectiveness of Microcredit in Poverty Reduction	<p>RMC’s microcredit programs are practical tools for reducing poverty and empowering impoverished rural women.</p> <p>RMC’s microcredit initiatives provide microloans to lower-income individuals, primarily women, for self-employment and poverty reduction.</p> <p>Participants utilize microcredit funds to start businesses and create income-generating activities.</p> <p>Small businesses and cattle farms established through microcredit contribute to increased earnings and improved socio-economic conditions.</p>

Source: Created by the Authors.

Microcredit initiatives are a potential tool for reducing poverty and empowering impoverished rural women. These programs boost social standing, quality education, independence, and democratic engagement. Microcredit initiatives

provide microloans to lower-income people, primarily women, for self-employment and to reduce poverty. RMC's microcredit initiatives are helping develop their participants. They always think about how to establish their participants.

#### 4.2.2 RMC's Microcredit Program for Small Business and Savings Activities

As in previous findings, this section identified a few themes from the interviews (Table 5).

**Table 5**

*Thematic Analysis of Microcredit for Small Businesses and Savings*

Themes	Key Findings
Microcredit programs for small businesses and savings activities	<p>Rural Mother Center offers loans to small businesses, enabling them to expand and increase their customer base.</p> <p>RMC Microcredit participants engage in savings activities to improve their economic conditions.</p> <p>RMC Microcredit initiatives provide entrepreneurs with training and guidance, resulting in successful businesses and improved financial situations.</p> <p>RMC Microcredit funds are used to start grocery stores and cultivate land, thereby increasing income and improving socio-economic status.</p>

Source: Created by the Authors.

RMC's microcredits offer loans to small businesses to expand their business activities. They also allow small business owners to increase their customer base and advance their activities. Their earnings have increased as their business has expanded. They are moving to savings activities and improving their economic conditions. It might be said that RMC's microcredit initiatives help impoverished rural women empower themselves and save their surplus. In a word, RMC microcredit programs and initiatives help impoverished rural women empower themselves by starting small businesses. It is so effective in assisting them to improve their socio-economic status. Microfinance institutions help participants avoid high interest rates charged by landlords or non-professional lenders. RMC's microcredit initiatives offer microloans to small and cottage businesses, enabling them to expand and increase their customer

base, while providing training and advice. RMC's microcredits meet the public interest directly and indirectly. They offer participants the option to save their extra income for the future.

## **5. Discussion**

### **5.1 Rural Mother Center (RMC) Microcredit Initiatives for Empowering Women**

Bangladesh is one of the most densely populated countries in the world. The development of Bangladesh depends on the socio-economic improvement of its population. Microcredit has played a significant role in empowering women in Bangladesh. Through enhanced employment, microfinancing, and small biz ventures, Bangladeshi women are moving closer to economic independence, but they still deal with misconduct, gender bias, and poor working environments (Zafarullah & Nawaz, 2019). Microcredit has given women in a nation where they have historically had few credit facilities and financial incentives a way to become financially independent and improve their lives. Microfinance programs help many of Bangladesh's poor; however, outcomes differ depending on economic variables, gender, professional expertise, family status, and political factors (Karim et al., 2012). The success of Grameen Bank, founded by Muhammad Yunus in 1983, is one of the most notable examples of microcredit's impact on women in Bangladesh. Millions of underprivileged Bangladeshi women have benefited from small loans from Grameen Bank, enabling them to launch new businesses and achieve financial independence. Grameen Bank specializes in giving small debts to rural Bangladeshi women and other underprivileged individuals. More financial organizations are adopting this model, thereby increasing the poor's reliance on such projects. Microfinance programs are frequently viewed as the answer to world hunger and as a means of empowering marginalized groups, but Bangladesh offers a critical academic assessment of these initiatives (Bibars, 2012). Overall, microfinance programs have positively impacted women's empowerment by providing them with financial resources, increasing their self-respect and self-confidence, and enhancing their social position and their ability to participate in decision-making processes. While these programs are not without their obstacles and restrictions, they are a helpful tool for uplifting women and advancing gender equality in many regions of the world (Basharat & Alam, 2024).

### **5.2 Rural Mother Center's Initiatives in the Decision-Making Process**

Microcredit programs have been shown to improve women's socio-economic status and decision-making capacity. Offering microcredit participants the tools they need to launch and manage their enterprises would enable them to positively impact their neighborhoods and participate more actively in local public decision-making. Microcredit favors women's livelihoods and empowerment,

with lenders earning more and owning more properties than non-borrowers (Fafona et al., 2015). Microcredit programs increase gender equality by giving women the tools they need to remain financially solvent and to have more sway over decisions that affect both their homes and their communities. The impact of microcredit on women's authority on household expenditure is constrained by variability and dependence (Duvendack et al., 2014). This increased control over financial resources allows borrowers to make more strategic decisions about their businesses and finances. BRAC participants were more financially empowered than non-BRAC participants, as they received more microfinance services and participated in more income-generating activities (Sultan et al., 2010).

Furthermore, Bangladesh's financial literacy has increased because of microcredit. To qualify for many microcredit programs, borrowers must complete financial management and business development programs, which equip them with the skills and knowledge to make wise financial decisions. These have benefited the borrowers and helped Bangladesh's population become more financially literate.

### 5.3 Rural Mother Center's (RMC) Microcredit Programs in Reducing Poverty

Microfinance has been found to significantly reduce poverty, especially in developing nations. Microloans are modest loans made to low-income individuals to help them build or expand a small business. The largest non-governmental organization in Bangladesh, BRAC, works to reduce poverty by offering microfinance services and appropriate mentoring to landless and marginal lenders with less than definite measure property to raise their living standards (Mahmud et al., 2014). Microcredit reduces poverty by accounting for earnings, job opportunities, rising prices, and education (Félix et al., 2019). Although microfinance does not help people overcome poverty, it does reduce the threats and risks associated with it (Shetty, 2013). In many situations, these firms can also offer residents job possibilities, which helps further eradicate poverty. Women are usually more willing to invest their success in their households' well-being, enhancing their and their kids' access to healthcare and education. Despite Bangladesh's low socio-economic productivity, microfinance remains popular among borrowers because it gives them access to social and political power (Molla & Alam, 2019). Microfinance can help build stronger community resilience by promoting self-sufficiency and entrepreneurship. Microfinance encourages people to invest more in their education, but initiatives that aim only to increase involvement in microfinance services might not be successful (Kandulu et al., 2020). In Bangladesh, microfinance is the primary tool for helping people in poverty increase their incomes, but more needs to be done to support the extremely poor in rural areas

(Khan & Ali, 2014). These programs have limitations and challenges; only some people should use them. Although microcredit has helped reduce poverty, many low-income people still lack access to financial services (Sardar et al., 2012). Therefore, microcredit is a crucial weapon in the battle against women's poverty, since it provides women with greater economic means and opportunities. By giving women access to financial sectors, these programs can help them escape poverty and encourage sustainable development.

#### 5.4 RMC's Microcredit Programs for Small Business and Savings Activities

Microcredit incentives have been shown to positively affect women's empowerment in various ways. The term "microcredit initiative" refers to low-interest loans made to individuals to help them start or grow a small business. Although microfinance supports and provides services at the subsistence and survival levels of the economy, its capacity to assist microenterprises is constrained by its systematic delivery model (Alam et al., 2012). Microcredit initiatives give women economic capacity they would not otherwise have, which empowers them. Microcredit helps women-owned businesses grow, but microfinance service program guidelines must be evaluated (Ouma et al., 2013). Microfinance is a form of entrepreneurship that can lead to high-value entrepreneurs who reduce social isolation and joblessness (Roabalo, 2015). Initiatives using microcredit positively impact several critical dimensions of sustainable development. Since women are more inclined to return their earnings to their family's health and education, these businesses may help expand healthcare opportunities. The microcredit model was incorporated into the monetary inclusion movement due to its rapid shift from a successful development intervention to a failure (Bateman, 2018). Some gender-based barriers to women's access to economic opportunities and services have been reduced thanks to microcredit programs in Bangladesh. MFIs in Bangladesh have evolved from credit to flexible savings, but must be regulated to ensure the security of people's savings (Dowla et al., 2003). Women receive microcredit at significantly lower interest rates than men do. MFIs and microfinance service regulations support the development of small enterprises and the socio-economic system (Hossain et al., 2018). By enhancing women's economic opportunities and welfare, these initiatives have contributed to the nation's growth and advancement. Therefore, Bangladesh has significantly benefited from microcredit as a strategy to support small enterprises and combat poverty (Basharat & Alam, 2024). Undoubtedly, the microcredit industry in Bangladesh has dramatically improved the livelihoods of many Bangladeshis, despite specific critiques of the sector, such as concerns about excessive interest rates.

### 5.5 Recommendations

The impact of Rural Mother Center's (RMC) microfinance program has significantly improved rural women's socio-economic status and enabled sustainable women's empowerment. These policy recommendations align with the Department of Social Services (DSS) recommendations to make the Rural Mother Center's (RMC) microcredit initiatives more efficient and more impactful in advancing women's empowerment and reducing poverty sustainably.

First, while RMC's microfinance has made considerable strides in engaging underprivileged groups, more can be done. RMC's microcredit providers should focus on the individual level and engage with non-governmental organizations and other relevant institutions to reach more impoverished people, provide financial services in hard-to-reach areas, and serve those who are genuinely disadvantaged.

Second, RMC's microfinance service providers should broaden their offerings to include insurance, deposits, financial knowledge, and modest loans. These can help reduce the risk of over and boost lenders' financial security. Thus, it will ensure a more diversified offering from the DSS and RMC, which will significantly contribute to more active, diverse economic activity, eventually resulting in sustainable empowerment of women and fewer burdens from a socio-economic perspective.

Third, RMC's microfinance service should ensure that its activities, especially charges and repayment terms, are transparent and accountable. They should also provide consumers with clear, straightforward loan terms and conditions, given that rural women are unaware of them. Thus, when women are clear about what they are getting and the terms and conditions, they will be more aware, and this clarity from the RMC would encourage more women to enroll in their microfinance programs.

Fourth, RMC microcredit services should prioritize social impacts over financial returns by assessing the outcomes of their initiatives. They should evaluate the effectiveness of their programs in alleviating poverty, empowering women, and promoting sustainable economic growth. In this way, the impact of rural women on their society will be increased, and sustainable women's empowerment will be ensured.

Finally, Rural Mother Center's microcredit initiative efforts in Bangladesh can play an essential role in supporting sustainable economic advancement, poverty alleviation, and access to monetary services. RMC's microcredit program can contribute more to the country's sustainable improvement by expanding access, broadening offerings, strengthening integrity and accountability, focusing on

social impacts, fostering creativity, and strengthening legislation and monitoring.

## **6. Conclusion**

Microfinance schemes have played an essential part in Bangladesh's socio-economic growth. Millions of poor and disadvantaged people, particularly women, have gained access to banking services, including small loans, deposits, and insurance. These efforts allow them to grow small companies, boost their earnings, and build a better life. Microfinance initiatives have also promoted financial intermediation, economic mobility, and women's empowerment by granting them greater authority over their monetary resources and judicial power within their households and societies. Furthermore, microcredit efforts have had a knock-on effect, encouraging economic growth, providing jobs, and contributing to poverty alleviation. Again, there have been allegations of excessive interest rates by some microfinance service providers and the risk of over-indebtedness among borrowers. Microcredit schemes must be appropriately regulated, transparent, and responsible to minimize exploitation and defend the interests of the most vulnerable borrowers. Despite some setbacks, the overall effect of microfinance service projects in Bangladesh has been immensely favorable. They continue to play an essential role in fostering macroeconomic expansion, poverty alleviation, and long-term prosperity in the country.

## **Statements and Declarations**

### **Ethical Statement**

This research manuscript is the Author's original work, which has not been submitted elsewhere for publication.

### **Availability of Data and Materials**

Due to the need to protect and preserve respondent confidentiality, the data sets developed or analyzed during the current study are not accessible to the public. Still, they are available upon reasonable request from the corresponding Author.

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### Competing Interest

No potential conflict of interest was reported by the Author (s).

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