

Chapter 7

Empowering Marginalized Women Through Entrepreneurship: Breaking the Barrier

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ABSTRACT

The purpose of this chapter is to analyze some positive life changes happened through micro-finance-driven entrepreneurship development among a sample of marginalized women in Bangladesh. The chapter is based on both primary and secondary data collected from two villages in Rajshahi district in Bangladesh. The author argues that when poverty is reduced, women are better able to meet their practical gender needs; however, they are not empowered unless they are also able to meet their strategic gender needs. The author also argues in this chapter that although entrepreneurship development empowers women, it cannot bring empowerment to all women equally at all levels. In the concluding remarks, the author contends that although many women are empowered at the household level, very few are empowered at the community level.

INTRODUCTION

Bangladesh is one of the most densely populated countries in the world. It is also characterized by extreme poverty and inequality (Lefton, 2013). Gender discrimination and disempowerment of women are among the root causes of this situation. Neither the government nor the market has been able to reverse this and meet the welfare needs of most of the population. When non-government organizations (NGOs) began operating, one of their prime methodologies was to empower impoverished women through entrepreneurship development by offering them collateral-free loans called ‘microfinance.’ However, the role of microfinance in this area has been a matter of intense debate and controversy. Research on microfinance reveals a paradox, for it has both positive and negative impacts on poverty and women’s

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empowerment. This debate is particularly fierce when the role that NGOs play in the advancement of women's empowerment is taken into consideration.

Positive views are held by researchers such as Rahman (2010, p. 44), who argue that microfinance¹ has appeared as a new paradigm through which NGOs have supported the empowerment of poor women by considerably expanding their activities through strategies such as group formation, credit delivery, savings, insurance, training, and advocacy. Rahman views microfinance as a response to the increasing poverty created through the process of globalization. In addition to poverty alleviation, microfinance has also been a tool for strengthening the role of women in Bangladesh. Rankin (2002) suggests that microfinance organizations foster democratic participation within microfinance groups, and this promotes collective decision making (p. 13). Through the group formation and participation process, women can develop leadership abilities and personal networks.

Basargekar (2010) argues that microfinance brings positive effects by raising women's levels of awareness about social issues and decision-making rights as a way of improving their wellbeing (pp. 25-43). Similarly, other researchers have found some improvement in women's individual capacities such as community mobility and decision making. Sanyal (2009, p. 529) suggests that women's membership in microfinance groups may improve their individual capacity and facilitate their collective empowerment. Some supporters of NGOs consider women's empowerment purely from an economic perspective and believe that women can simply be empowered if they are economically developed. They argue that NGOs have concentrated their efforts on women's economic development by involving the women in income-generating activities and providing them with training, credit and other inputs and that the financial support given by NGOs is beneficial to women and ensures their empowerment in rural Bangladesh (Shailo, 1994, p. 18).

Another study conducted by Institute of Social Studies Trust (2009) examined the impact of microfinance in reducing domestic violence against women. An analysis of data relating to the impact of microfinance indicates that it contributes considerably towards the economic empowerment of women. The data revealed that despite only 5% of respondents claiming to have benefited directly by the disbursement of microfinance, others benefitted indirectly as a result of their involvement in Self Help Groups. Bhattacharya, Bedi and Chhachhi (2009) conducted research on the nexus between marital violence and women's employment in North Indian villages. They gathered wide-ranging data relating to the impact of women's paid work on spousal violence. Their research suggests that there is a positive relationship between women's employment and the reduction of violence against women. They found that women's engagement in paid work was associated with a sharp reduction of spousal violence.

On the other hand, the impact of microfinance institutions on disadvantaged women is subject to a long-standing dispute. Daley-Harris argues that Bangladesh is the world's most saturated microfinance market and that the impact of this microfinance is highly controversial. For example, in 1965, Thailand's per capita income was 50% higher than that of Bangladesh. By 2004, it had risen to almost 600% higher than Bangladesh. More importantly by 2002, Thailand had pushed the \$1 per day poverty rate down to only 2%. So, Indonesia and Thailand achieved their success even though there were no extensive microfinance institutions for serving the poor (Pollin, Feffer & Daley-Harris, 2007, p. 3).

Several studies reveal that the repayment rates of Grameen Bank's loans do not match those claimed by the bank. Moreover, there is no serious supervision of bank policies and this enables the bank to delay defaults and hide problem loans. Other studies found that NGO programs overlook the extremely poor women who make up a significant percentage of their potential clients. The functional coverage of NGOs is fragmented as the number of poor women in an area is dependent on the service capacity of

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