



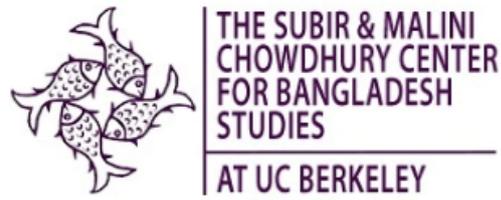
LSE-UC Berkeley Bangladesh Summit

February 2019

The Entrepreneurship
Model and Women's
Empowerment



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LSE-UC Berkeley Bangladesh Summit

Working Paper 1: The Entrepreneurship Model and Women's Empowerment

February 2019

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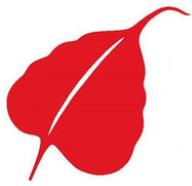
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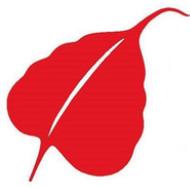


Executive Summary

The relationship between entrepreneurship and women's empowerment is a complex and at times controversial one. Entrepreneurship models which merely convert social assets into profit are not necessarily empowering. Evidence from the unique case of Bangladesh, where public, private, and NGO actors all engage in entrepreneurship programs, allows a more nuanced look at entrepreneurship and the resulting exploitation or empowerment of women.

Entrepreneurship initiatives, when appropriately implemented, can be one tool of more holistic development programs that aim to alleviate poverty and empower women and adolescent girls. Wage opportunities alone are not empowering if they are within an oppressively patriarchal system. Empowerment itself should be a disruptive political process, which transforms not only women's behavior but also the behavior of those around them.

This process of changing power structures and relations also requires work to increase women's and girls' confidence and self-worth, and should emphasize the addition of social value, not just financial value.



Panellists

- Juli Huang, Lecturer in Anthropology of Development, University of Edinburgh
- Shameran Abed, Senior Director of Microfinance and Targeting the Ultra Poor Programs, BRAC
- Lamia Karim, Associate Professor of Anthropology, University of Oregon

Moderator:

- David Lewis, Professor of Social Policy and Development, London School of Economics and Political Science



Entrepreneurship: empowering or exploiting existing vulnerabilities?



L-R: Lamia Karim, Juli Huang, Shameran Abed and David Lewis (Moderator)

There are polarizing viewpoints on entrepreneurship, which has been a popular strategy for poverty alleviation and increasing women's empowerment. Entrepreneurship programs are diverse and may be backed by the private, NGO and public sectors. However, some argue that such programs actually serve to exploit existing vulnerabilities. Entrepreneurship itself takes many different forms, even if the activities appear quite similar, and the materialization of empowerment is often misrecognized.

Drawing from the results of 15 months of continuous ethnographic fieldwork on women entrepreneurs in northwest Bangladesh, Juli Huang presents a nuanced view of women's entrepreneurship programs and the resulting empowerment or exploitation of women in poverty. The speaker argues that entrepreneurship programs which convert social assets into organizational profits, while ignoring the production of social value, are not empowering.



Entrepreneurship can be viewed as a form of poverty capitalism, in that it is a set of ideologies and practice that espouse the use of markets and the use of profit for poverty alleviation, rather than redistribution of resources or investment in supportive infrastructure. These programs attempt to transform non-monetary resources, such as women's desperation to take on high risk or stigmatizing jobs, into resources that can be harnessed for capital accumulation. And, while entrepreneurship programs often strive to balance social good and business imperatives, in practice they often do two things:

- They compel women to rearrange their social identities and relationships around market imperatives, which can clash with the identities they hold as community members.
- They deliver impact through the idiom of patronage, often under male members of society, reinforcing gender-unequal social hierarchies and norms.

One should consider that these programs can be highly extractive. Women are asked to take their social assets (i.e., community relationships) and transform them into financial assets (i.e., customer relationships). Entrepreneurship programs usually train women to sell to fellow community members. This can lead to problematic contradictions, for example when women (the seller) must interact with non-family men (customers) in a highly conservative community.

Emphasizing NGO or government backing to explain these interactions may in fact lead to misunderstanding about external financial support, leading others to assume that the woman has a high salary status. In fact, such programs can place women and their families in debt; a lot of the value is not kept by the woman or community.



A model of entrepreneurship centers on the market, on market imperatives, relations, and identities.

In contrast, a model of empowerment centers on power dynamics, relations, and flows. In determining whether empowerment is increasing, one question to ask is whether a genuine transfer of power has occurred. For example, rather than simply asking whether women can repay their debts, one should instead ask whether women possess greater control over their life choices.

Empowerment should be conceptualized as a disruptive political process, which disrupts hierarchies and norms. It should be about how men are changing their behavior, just as much as about what women are gaining. Different approaches to entrepreneurship can result in vastly different impacts on women; this can be illustrated through several specific cases.

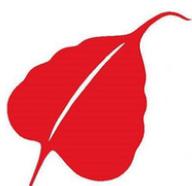
In the first example presented, a woman who was abandoned by her husband at the age of 20 joined the Unilever Aparajita program, which trains women to sell small consumer goods to her community, in order to improve her financial prospects. However, this work cemented her status as a hawker, a low-status job for a woman, with little ability to improve her social prospects. In the second example, a woman took out a loan to participate in an entrepreneurship training program, but she had difficulty repaying.

This caused problems within her family, in addition to social stigma. In the third example, a woman's training program costs were covered by grants. Her family was involved in the process, and she was able to build a shop where male family members could work.



She paid for educational costs, and became a main earner in her family. This all earned her power and leverage within her family. In the fourth example, a woman was salaried by BRAC to provide health services and sell health products in her community. As a health provider, she provided a valuable service to her community, and she did not need to push sales because of her salaried status.

In conclusion, programs which merely convert social assets into profits are not empowering to women. The production of social value is an important component of empowerment in entrepreneurship, and non-entrepreneurial features (e.g., training grants, salaries) may lead to the most empowerment potential for women.



How the work gets done: a BRAC perspective on microfinance

BRAC has years of experience with poverty alleviation in Bangladesh, and as Shameran Abed explained, one of their major learnings is that poverty alleviation requires holistic solutions. Microfinance has historically been about giving basic credit and savings services to poor women, and programs in Bangladesh are unique because unlike elsewhere they are delivered wholly by not for profit organizations.

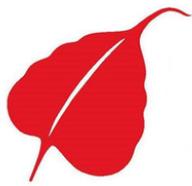
For example, the dominant way to do group-based microfinance elsewhere is joint liability, where other women in the group pay if one woman fails to pay. This joint liability system no longer is implemented in Bangladesh. In addition, with the exception of Grameen Bank (which itself does not have private capital), every microfinance institution in the country is a non-profit.

Thus, Bangladesh microfinance programs truly are not driven by private capital, but rather they are about providing financial services to poor people.

There is recognition that empowerment is a continuum, rather than a switch to be turned on. The long history of microfinance in Bangladesh means that programs are now lending to a third generation of clients there. The dynamics of lending have changed, with the group structure now disintegrating as women are busier, with less time to sit and discuss together.

This longer term view also allows one to examine how entrepreneurship has led to some empowerment, but also a need to understand the nuances of these initiatives.

These observations have reiterated the complexity of the problem of poverty, an issue with no simple solutions.

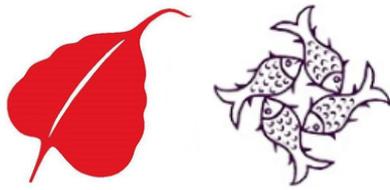


Over time, BRAC has observed an increase in assets and in decision making among their microfinance clients, outcomes that one typically thinks of with these types of programs. However, a lot of their work now with adolescent girls and ultra poor women has become as much about confidence building as the economic elements. Programs aim to increase confidence, self-worth, and hope. There is also a need to rethink how best to empower people.

For example, one BRAC microfinance client, a woman, purchased a refrigerator. Having this appliance led to huge time savings for her, which enabled her to do other things. However, when we typically think of empowerment, we would not think of a refrigerator.

Data from Bangladesh and elsewhere suggest that microfinance and entrepreneurship programs can lead to increased assets and earnings, increased savings, and increased time devoted to work among ultra poor women. Among adolescent girls, these programs are associated with reductions in teen pregnancy and rapes, and a delay in cohabitation.

In conclusion, empowerment is complex. The BRAC experience indicates that entrepreneurship models can help increase empowerment, but holistic solutions are required for programs to be truly effective.



On the nature of work and wage labor: the patriarchy of global capital

Bangladesh is now second only to China in apparel production, and many women aged between 15-45 years are employed in Bangladesh apparel factories. This industry has a long enough history now that the original factory workers have married, and their children are now the second generation of apparel workers.

Using a life course method, Lamia Karim uses case studies of both aged-out and young apparel workers to examine, from an anthropological perspective, the nature of work and wage labor more broadly. As illustrated by one case study, wage labor does not necessarily lead to empowerment.

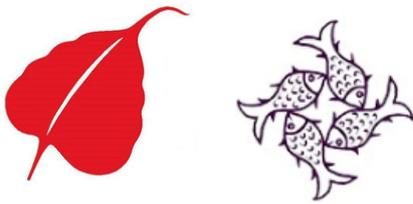
The specific story of one former factory worker was presented. She had left her abusive husband and moved to Dhaka to try to find employment. Her husband went to jail for domestic violence, and she found work in the garment industry. But, the conditions of her life in this work were not good.

She entered another marriage, but her second husband became abusive as well. Eventually, the woman became ill and died.

When her body was returned to her home village, the community was suspicious of her body, and it was not initially accepted back into the village for burial. Throughout her difficult adult life, she was stuck in a larger system of external forces that led to her death.

The players in this system include the multinational garment companies that enable factory conditions, the Bangladeshi government that fails to regulate these factories, and the consumers of fast fashion that create the demand for this system.

In conclusion, wage labor opportunities do not necessarily lead to empowerment. In fact, rather than empowering women, this system can trap them between the patriarchies of home and global capital.



Discussion

On the use of technology

A lot of the microfinance work in Bangladesh is about the relationship between staff and clients. There is interest in the use of mobile payments and credit algorithms, but it needs to be done in a careful way.

Using technology for these programs should not put vulnerable, ultra poor women into more indebtedness. Additionally, there are concerns about the potential for state surveillance through the use of technology.

For example, one advantage of factory garment workers over individual entrepreneurs is that they can collectively organize and engage in direct action politics. However, technologies (e.g., CCTV) that have been implemented at the factory level now allow identification of so-called disruptive workers. These workers can be fired and then blacklisted at other factories.

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