

Modes of empowerment

Business



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Women are empowered through three modes of program or paradigm; Feminist Empowerment Paradigm, Poverty Reduction Paradigm and Financial Sustainability Paradigm. Each has different underlying aims, understandings, policies and priorities in relation to microfinance and gender policy (Mayoux, " Women's empowerment" p. 3). Further each has its own way of relating microfinance to women's empowerment (Mayoux, " Women's empowerment" p.

3). Feminist Empowerment Paradigm is driven by gender equality and women's human rights (Mayoux, " Women's empowerment" p. 6). For there to be a societal change, women must be empowered thus the targeting of women to be alternative female role models for change (Mayoux, " Women's empowerment" p. 6). Microfinance is the introductory bit where gender awareness and feminist organization is formulated.

This, in turn, causes women's economic and socio-political empowerment (Mayoux, " Women's empowerment" p. 6). Under this paradigm, microfinance must be part of sectoral approach that acknowledges opportunities and setbacks within the industries such that if addressed can be advantageous to women (Mayoux, " Women's empowerment" p. 6). Also, microfinance should be based on participatory principles to add their knowledge of the industries and help them adapt with subsequent changes (Mayoux, " Women's empowerment" p. 6).

Economic empowerment in this case is individualistic as it focuses more on property rights and changes in intra-household relations to enable empowerment of women (Mayoux, " Women's empowerment" p. 6). Some

programmes have ways of including gender awareness and mobilizes both genders to challenge and change gender discrimination (Mayoux, " Micro-finance" p. 7). Financial Sustainability Paradigm is focused on the ' bankable poor; small entrepreneurs and farmers' (Mayoux, " Women's empowerment" p. 7).

Here, the programmes are profitable and are self-sufficient to compete with other financial institutions and can raise funds rather than wait on funds dispensed by development agencies (Mayoux, " Women's empowerment" p. 7). This approach is seen to be able to have the institutions accommodate a significant number of members while at the same time decreasing the aid budget (Mayoux, " Women's empowerment" p. 7). This is through formulating interest rates to cover costs, separation of microfinance from other interventions to enable separate accounting, expansion of programmes to include economies of scale and use of groups to reduce delivery costs (Mayoux, " Micro-finance" p. 5).

Gender lobbies have argued that they are justified to target women because they have high repayment rates and the need to stimulate women's economic activity as an underutilized resource for economic growth (Mayoux, " Micro-finance" p. 5) Empowerment under this paradigm is individualistic with the main aim of availing to the individual more choices or capacity for self-reliance (Mayoux, " Women's empowerment" p. 7). The idea is that women with increased chances and avenues to access microfinance will lead to individual economic empowerment as they would be in a position to decide on savings and credit use (Mayoux, " Women's empowerment" p.

7). This would in turn help them establish their businesses and thereby increasing incomes into their homes.

Poverty Alleviation Paradigm concerns itself with poverty reduction among the poorest, increased wellbeing and community development (Mayoux, "Micro-finance" p. 5). The programmes thus take into consideration sustainable livelihoods and social services (Mayoux, "Women's empowerment" p. 6). Small savings and loan provision for both consumption and production are considered important as well as group formations where programmes are specially formulated to their advantage (Mayoux, "Women's empowerment" p.

6). Proponents for this paradigm say that women should be picked because of their higher levels of poverty and their responsibility in terms of household maintenance (Mayoux, "Micro-finance" p. 5). This approach has it that poverty alleviation and women's empowerment are interconnected. It is assumed that increase in women's access to microfinance coupled with other interventions to improve homestead interests will increase household income. This will further cause the wellbeing of the women and empower them to bring about more changes in gender inequality (Mayoux, "Micro-finance" p.

7). Effects of women's empowerment Economic empowerment of the women has been made reality as the women due to access to savings and credit have an enhanced role in decision making in the house (Mayoux, "Micro-finance" p. 8). When women decide on credit and savings, they tend to improve their own status as well as their household (Mayoux, "Micro-

finance" p. 8). Further, the investments made will improve employment opportunities for other women hence helping others who have not yet got access to the MFIs (Mayoux, " Micro-finance" p.

8). These women contribute more in terms of acquiring assets in their own names and they participate actively in major decision making for their respective credit organizations (Swain p. 69). Such women are a tool of gradual institutional change when they are members of a credit group for a long period where decision making is made up of bargaining and total female decision making instead of the traditional norm following and male decision making (Swain p. 69).

This is made possible by the genuine interaction among the members hence genuine social intermediation which then transforms the group into actors of local institutional change (Swain p. 69). The women enhance their skills and knowledge on nutrition, health and literacy campaigns which decrease vulnerability (Mayoux, " Micro-finance" p. 8). The women also become socially and politically resourceful due to increased economic activity and control over income; they have better skills, are mobile, have support networks and are able to readily access knowledge (Mayoux, " Micro-finance" p.

9). All these are facilitated by group formation through which all these activities take place (Mayoux, " Micro-finance" p. 9). The women would be able to increase their legal and political awareness hence political participation in their respective regions (Swain p. 69). Business impact, in that, the businesses ran by the women become more successful as they

have an increase in working capital, improved relations with all actors, more means to plan the business and determine pricing and finally they can expand or diversify the businesses as they see fit (Cheston and Kuhn p.

32). Critiques of the empowerment methods Access to MFIs does not mean that the amounts received are of equal amounts when compared to those availed to men thus gender inequalities are still evident (Mayoux, " Women's empowerment" p. 8). Actual access cannot be determined by the data availed on the names of the clients and the amounts advanced; some take the loans on behalf of their husbands or brothers (Mayoux, " Women's empowerment" p. 8)). They do not take part in decision making apart from signing on the documents indicating that they are the recipients! Further one cannot tell where the repayments are coming from; some are repaid by husbands' contributions (Mayoux, " Women's empowerment" p.

8). The high demand for loans can thus be deduced as a result of social pressure rather than empowerment. Economic empowerment is not clearly brought out as the choices made by the women on the economic activity to engage in are subject to other factors (Mayoux, " Women's empowerment" p. 10). Women have to deal with gender inequalities in accessing other resources, household expenditure, lack of time as they are also in charge of domestic duties, low state of mobility and sexuality inhibitions (Mayoux, " Women's empowerment" p. 10).

Further the rapid expansion of the MFIs targeting the same gender with the same ideas creates a situation whereby there are many individuals engaging in the same economic activity at a given area hence saturation and low

profits or even losses are experienced (Mayoux, " Women's empowerment" p. 10). Access to MFIs is not to say that the women's wellbeing and intra-household relations would improve. If plans are not made to take care of the domestic duties while the woman is out undertaking the economic activity then there would be negative effects on those relying on the woman to be around i. e.

the children and the elderly (Mayoux, " Women's empowerment" p. 11). The men also relish when the woman is making money as it avails an opportunity for them to indulge in luxury expenditure and in essence reduce the amount of money available for use in the house (Mayoux, " Women's empowerment" p. 11). When there is increase in the income level of the woman, the price paid is heavier work loads, increased stress and more tension as the husband feels inferior to the wife (Mayoux, " Women's empowerment" p. 11).

Finally, MFIs programmes may contribute little to social and political empowerment as issues on repayment of the loans amongst members of the credit group may increase tension and severe important relationships hence networks (Mayoux, " Micro-finance" p. 15). The time spent in discussions with the group members reduced the amount of time the woman has for other social engagements (Mayoux, " Micro-finance" p. 15). Conclusion With the foregoing findings MFIs have indeed helped women to a greater degree of success. Access to credit has made many women who had not engaged in any economic activity engage in diverse trades and earn incomes for themselves and their families.

In so doing, there was a trickling down effect where the exploits of the woman was enjoyed by many through association. This good experience however has a flip side where other factors are at play. The woman does not live in a vacuum nor does business alone; many actors determine the quality of success to be enjoyed. The MFIs should not just give financial help and leave the women to fend for themselves as this would mean that they would not get repaid for the sums advanced or even get poor returns or worse default from these clients. They should aim at training these individuals on self management, entrepreneurship and ways of harmonizing the prevailing social conditions to suit their business ventures before releasing the money for investment.

It is after this systematic execution of these plans can one say that MFIs have a positive contribution to women's empowerment. As it is currently without tailor-made advice, they are blindly setting up the women for business doom.