

GRAMEEN BANK'S ROLE IN DECREASING POVERTY IN BANGLADESH THROUGH ENTREPRENEURSHIP CREATION: A CASE STUDY BASED ON POLITICAL ECONOMIC ANALYSIS

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Abstract

The study aims to assess the impact of a non-scheduled bank, i.e., the Grameen Bank, in poverty reduction in Bangladesh through the creation of entrepreneurship aligned with political economic analysis. The central research question is whether the Grameen Bank contributes to poverty reduction by fostering entrepreneurship in alignment with political economy. This study adopted a qualitative approach, and it comprised ten case studies prepared based on field visits to five branches of the Grameen Bank. The findings revealed that the Grameen Bank's activities, aimed at providing capital to low-income business owners to access both credit and loan schemes, are quite satisfactory. It is suggested that the Grameen Bank's microcredit model needs to be modernized with new technological innovations, including online and mobile banking solutions. This modernization is considered essential to address the current problem-solving methods of impoverished communities, aligning them with political economy imperatives. Such alignment is necessary for poverty reduction, employment creation, equitable growth, income generation, and Bangladesh's graduation from the status of a Least Developed Country (LDC).

Keywords: Grameen Bank, Poverty, Political Economy, Entrepreneurship, Low Income, Technological Innovation, Training, Human Capital, Beneficiaries

Introduction

International political economy considers the wealth and power of a nation within the global index. It is impossible to increase the power and wealth of a nation without economic development. Economic development involves the long-term improvement in the living conditions of a nation's people. As stated by Elahi and Rahman (2006), using microcredit, people become wealthier, and this bottom-up wealth accumulation contributes to an overall increase in the per capita income of a nation, making it wealthier and more powerful within

the global index. Thus, this process leads to a positive geopolitical influence due to the rise in the nation's overall wealth, as people secure income through entrepreneurial activities using microcredit. Bangladesh is a small country with a population of approximately 170 million people as of 2023. Everyone can't find formal employment for income generation in such a small nation. Thus, one of the best alternatives is entrepreneurship creation. One of the leading contributors to the creation of small and medium entrepreneurs in Bangladesh is the "Grameen Bank." This is a non-scheduled bank in the country. Grameen Bank's microfinance program has helped the poor, especially women, to obtain small, collateral-free loans and use them to establish small and medium enterprises (SMEs). The total number of bank branches of Grameen Bank is 2,568 (Grameen Bank, 2023).

Grameen Bank adopts various techniques drawn primarily from economics, political science, legal, environmental, and sociological aspects to serve the needs of the low-income stratum and fulfill political economy objectives. Counts (2020) argued that Grameen Bank remained effective due to the adept operational management and sharp political skills of a series of Yunus proteges who have run the organization since 2011. Raj and Rana (2016) stated that the emergence of microfinance as a broader concept, including savings, credits, insurance, and funds transfer, is attributed to Muhammad Yunus and the Grameen Bank in Bangladesh. Entrepreneurship creation is one of the most timely and demand-based solutions for income generation and livelihood improvement, especially for poor women, which Grameen Bank is actively pursuing. Ninety-seven percent of Grameen Bank's borrowers are women (Grameen Bank, 2023). McGrory (1995) argued that "Women have plans," as commented by Dr. Yunus, "for themselves, for their family, about having kids, about the houses, the serving of food. They have a vision. A man wants to enjoy himself." Dr. Yunus's statement seems to suggest a generalization about women and men and their respective concerns, although it may be an oversimplification. To comprehend the role of entrepreneurship in poverty reduction, it is essential to delve into the historical backdrop that underlies the root causes of poverty in Bangladesh. Following the British conquest of Bengal in 1757, which endured for 190 years, the British utilized the wealth of Bengal to finance their expansion into other regions of the Indian subcontinent, a phenomenon known as unequal exchange. However, after World War II, the global balance of power shifted, and the British encountered challenges in maintaining their global hegemony. By 1947, just two years after the war concluded, the United States and the Soviet Union emerged as new global powers, precipitating widespread decolonization in Africa and Asia. Before departing from the Indian subcontinent, the British partitioned Bengal, with East Bengal becoming part of the Union of Pakistan and known as East Pakistan. Unfortunately, instead of fostering equality between the two wings of Pakistan, West Pakistan exploited the resources of East Pakistan, resulting in poverty and famine in the region. In 1966, Sheikh Mujibur Rahman, recognized as the Father of the Nation of Bangladesh, proposed the Six-Point Demand to prevent capital flight from East Pakistan. This proposal gained popularity

and eventually culminated in the War of Independence in 1971, leading to the establishment of an independent nation called Bangladesh. However, the nascent nation faced formidable challenges in terms of reconstruction. In 1974, Bangladesh experienced a famine that pushed the poverty rate to over 80% (Banglapedia, 2023). Furthermore, in 1975, President Sheikh Mujibur Rahman was assassinated, plunging Bangladesh into a period of military dictatorship and exacerbating the dire circumstances.

Papa, Singhal, and Papa (2006) noted that during a period of political instability in the military era, Dr. Muhammad Yunus, widely recognized as the pioneer of microfinance in Bangladesh, made a decision to assist the impoverished people of the nation. In 1976, he initiated a pilot project in Jobra village. Prior to this, impoverished villagers were compelled to borrow money from affluent individuals who imposed exorbitant interest rates. Failing to repay these debts often resulted in the loss of their homes. To alleviate this issue, Muhammad Yunus personally aided the villagers in repaying their loans using his own funds. In 1983, the Grameen Bank was established, implementing a microfinance system that allowed individuals to obtain small, collateral-free, and flexible loans with the assistance of the then-government of Bangladesh. The Grameen model has been a transformative force in the realm of entrepreneurship creation, poverty reduction, and social innovation. These loans could be used for income-generating activities, enabling the borrowers to lift themselves out of poverty by becoming entrepreneurs and establishing their own Small and Medium Enterprises (SMEs). O’Keefe (2006) argued that the Grameen Bank’s achievements in the country with “bottom-up” aid in the form of small loans deserve generous admiration.

Since then, numerous microfinance institutions have emerged, adopting the Grameen Bank’s model to offer microcredit to individuals who utilize it for establishing entrepreneurial endeavors. The majority of these entrepreneurs are involved in agriculture, selling agricultural products by taking advantage of the fertile land and abundant fishery resources in Bangladesh, a nation situated along rivers. According to the World Bank, the poverty rate, based on the international poverty line of \$1.90 a day in 2011 PPP exchange rate, declined to 14.3% in 2016 (World Bank, 2023). As reported by the Financial Express (2021), Prime Minister Sheikh Hasina Wazed has encouraged the youth population of the country to become self-sustaining entrepreneurs. The government of Bangladesh has taken all necessary steps to involve more people in the entrepreneurial process by providing all provisions, including digital and computer training, and facilities for online trade.

Grameen Bank and other Microfinance Institutions (MFIs) have placed significant emphasis on supporting impoverished women, leading to substantial advancements in women’s empowerment in Bangladesh. A country cannot progress if half of its population remains unemployed, leading to socio-economic underdevelopment. Karim (2008), while examining the impact of globalization and neoliberalism on gender dynamics in the country, found that Grameen Bank has become a global symbol of empowerment for deprived women

and is well-known for its 98 percent loan recovery rate. In 2021, during its 76th session, the United Nations General Assembly adopted a resolution on Bangladesh's graduation from the Least Developed Countries (LDCs) category, scheduled to take effect in 2026. By promoting women entrepreneurs, Grameen Bank and other MFIs have significantly contributed to the increase in per capita GDP in Bangladesh, ultimately paving the way for the country's graduation from the status of a Least Developed Country (LDC) by 2026.

Research Question

Is Grameen Bank effectively contributing to poverty reduction by fostering entrepreneurship, in alignment with principles of political economy?

Objectives of the Study

This study aims to 1) assess the impact of Grameen Bank's Microfinance Program on the enhancement of living standards among its beneficiaries; 2) investigate the role of Grameen Bank in fostering entrepreneurship in Bangladesh; 3) evaluate the effectiveness of Grameen Bank's Microfinance program in poverty reduction in Bangladesh; 4) identify the mechanisms through which Grameen Bank's model empowers impoverished women, utilizing a bottom-up approach to contribute to economic development; and 5) analyze Grameen Bank's role in the political economy of Bangladesh.

Literature Review

Saint-Paul (2002) explored the relationship between political support, employment protection laws, entrepreneurship, and employment. This was done by analyzing a model of job creation and job destruction in a growing economy. The study highlighted the trade-offs faced by incumbent employees when voting for employment protection. It also considered factors influencing the level of political support, such as the rate of creative destruction, worker bargaining power, and the age composition of the workforce. The potential emergence of multiple steady-state political equilibria was discussed in cases where workers could invest in match-specific human capital. According to the UNDP (2004), a woman entrepreneur is defined as a woman who has initiated or inherited a business, either alone or with one or more partners. Such an entrepreneur is eager to assume financial, administrative, and social responsibilities while actively participating in day-to-day management activities. Rahman (2012) deduced that women's entrepreneurship is not only a source of income generation but also a means of achieving economic independence. However, women's entrepreneurship development faces challenges in Bangladesh, where women lag behind economically and socially compared to men (Hoque & Yoshihito, 2009). In certain aspects of agriculture, social norms can constrain women's participation, especially those requiring them to leave their

family's homestead. As noted by White (1992), women's adherence to these norms can vary depending on various factors such as space, time, caste, class, family, education, and age.

In rural Bangladesh, women are increasingly engaging in behaviors that deviate from traditional gender norms. Those living in the poorest households, with the greatest basic subsistence needs, are often willing to accept work as agricultural wage laborers away from their homesteads (Hossain, Bose, & Ahmad, 2004; Kabeer, 2001; Zaman, 1995). While Bangladeshi laws grant women the right to own and inherit land, they still face significant challenges in land ownership (Kieran et al., 2015). Moreover, women's ability to effectively manage agricultural land in rural Bangladesh is limited. Access to agricultural extension services also tends to be more favorable for men than women in Bangladesh. Women typically bring fewer assets to marriage compared to men and face discrimination in accessing agriculturally productive assets (Quisumbing et al., 2013; Quisumbing & Maluccio, 2003). In Bangladesh, although the majority of farmers are male, a significant number of women are playing crucial roles in the development of the agricultural sector and the overall economy. Agriculture continues to hold a major role in most non-industrial economies, contributing significantly to a country's export earnings and serving as a source of employment and livelihood. It's worth noting that official statistics often underestimate the value of women's work and their overall contribution to national wealth (Roy, 2016).

Rahman and Hossain (1988) have described how the credit program of Grameen Bank not only increases the income levels of impoverished rural populations but also redistributes income more equitably among the beneficiaries. This redistribution provides them with the opportunity to utilize their micro loans to become successful entrepreneurs. One of the major barriers to the development of women's entrepreneurship is gender discrimination. Reducing gender inequality is essential for promoting agricultural growth and rural development (Rocca et al., 2014). Conversely, women's empowerment is widely recognized as a significant development goal, encompassing both the achievement of gender equality and the facilitation of other crucial development outcomes. The former dimension of women's empowerment is rooted in the capability approach, which argues that the primary development goal should be expanding people's capabilities and agency, as proposed by Sen (1987) and others. The latter dimension is supported by practical evidence demonstrating that when women have control over resources, both women and their families experience higher levels of well-being (Doss, 2006; Hoddinott & Haddad, 1995; Quisumbing & Maluccio, 2003).

There are several reasons to believe that women's empowerment can lead to improvements in technical efficiency, particularly through enhancements in women's access to human, physical, and social capital. In many instances, these improvements may be combined with other household members' efforts. For example, group participation provides women with forums to exchange information about new technologies and farming practices.

It also offers a means of gaining social influence and access to other forms of assistance, which can enable them to make more efficient use of existing resources (Meinzen-Dick et al., 2014; Quisumbing & Kumar, 2011). Similarly, increased access to credit can enhance women's ability to invest in efficiency-enhancing innovations and cope with consumption or production shocks (Fletschner & Kenney, 2014). Additionally, recent studies have shown a connection between women's empowerment and advancements in women's food security and nutritional health in rural households (Malapit et al., 2015; Malapit & Quisumbing, 2015; Sraboni et al., 2014). These improvements may, in turn, lead to increased productivity among women farmers (Alderman et al., 2007). While gender relations in Bangladesh were once described as firmly patriarchal, more recent research has given rise to the concept of a "contested image" of gender, which allows women (and men) to shift and manipulate definitions of identity in accordance with their own interests (White, 1992). These shifts in gender roles are most apparent concerning women's contributions to agricultural labor.

In South Asia, women in rural Bangladesh typically spend a significant amount of time on domestic work, such as preparing meals for their families, caring for their children, and maintaining the family's dwelling, while men typically allocate their time to agricultural fieldwork (Hossain et al., 2004; Zaman, 1995). Women are often involved in agricultural labor as unpaid family workers and engage in tasks that can be performed within or near their family's homestead, including post-harvest activities such as drying, sorting, and packaging (Kabeer et al., 2011). Nevertheless, women in rural Bangladesh are increasingly engaging in activities outside of traditional gender norms. Women living in impoverished households with urgent survival needs are becoming more willing to work as agricultural wage laborers away from their homesteads. In fact, studies reveal that women make up approximately a third of the agricultural labor force in Bangladesh (Jaim & Hossain, 2011; Rahman, 2010).

Despite the existence of laws in Bangladesh that grant women the right to own and inherit land, they are often excluded from land ownership (Kieran et al., 2015). Furthermore, women's ability to effectively manage agricultural land in rural Bangladesh is limited. Women in Bangladesh frequently have less access than men to agricultural extension services and fewer agriculturally productive assets (Quisumbing et al., 2013; Quisumbing & Maluccio, 2003). On the other hand, many women have embraced entrepreneurship and become businesswomen, not only for survival and raising their living standards but also to establish their careers and professionalism, thereby contributing to the progress of society and the nation (Mohammad, 2019). However, women facing economic hardships may struggle to excel in entrepreneurship in Bangladesh, as they encounter discrimination based on various factors, including income (Mamun et al., 2021).

Reducing gender discrimination is recognized globally and in Bangladesh as a means to promote agricultural growth and achieve food and nutritional security. The increased participation of women in agriculture has led to a transformation in Bangladesh, often referred

to as the "feminization of agriculture" (Jaim & Hossain, 2020). This shift can lead to improvements in women's status both within and outside the household, including greater control over household resources, improved mental health, reduced time constraints, and increased access to various services and opportunities, all of which can positively impact agricultural productivity, nutrition, and food security. To achieve sustained food security, alleviate poverty in agrarian economies, and promote rural development, it is crucial to promote gender equality (Ghosh et al., 2021). Although many women in Bangladesh experience some level of domestic empowerment, they may still face challenges in making their own decisions, leading to lower levels of overall empowerment (Rahman, Karmaker, & Mia, 2020). In rural areas, women are becoming self-reliant through both agricultural and non-agricultural sectors by engaging in entrepreneurial activities such as crop cultivation, livestock and poultry rearing, food processing, tailoring, fish farming, nursery and tree planting, tool making, handcrafting, rice processing, and more. However, these businesses face numerous difficulties that act as barriers to the development and expansion of women's entrepreneurship (Mamun et al., 2021). Yunus' Grameen model is one of the most successful approaches to integrate microfinance services into a social development scheme. This model has successfully transformed deprived populations into contributors to Bangladesh's socio-economic development and serves as a model for the world (Tria, Harun, & Alam, 2022). Easy access to finance increases beneficiaries' propensity to invest, enabling them to improve their business opportunities and create job opportunities (Kumar et al., 2023). The adoption of the Grameen model provides interesting insights into the transfer of social innovations from the Global South to the Global North (Barua & Khaled, 2023).

Methodology

This qualitative study was an adaptation of exploratory and descriptive research. For the case study method, a questionnaire was set for the interview based on primary information and descriptive information. To fulfill the research goal, the right respondents, who were actually female beneficiaries of Grameen Bank who became successful agri-entrepreneurs, were found. During the study, selected respondents were physically met at their scheduled times, and every respondent was interviewed based on the questionnaire. Primary data was collected through a demographic sketch, including age, education, conjugal life, association with societal groups, establishment of enterprises, number of workers, and knowledge about the business. The face-to-face interview method was used to collect data from the respondents. As 97% were female borrowers, the study did not consider male borrowers. From the group lending of each branch, the study selected two women, considering other criteria. A total of ten women entrepreneurs' data was collected in this study for preparing case studies. All of them were beneficiaries of five branches at Grameen Bank. The study selected the following branches in Bangladesh: (i) Bhulta branch, (ii) Rupgonj Tamabil Hwy

branch, (iii) Sylhet College road branch, (iv) Chartala Mor, Rangpur, Palashbari branch, (v) Dhaka, Kalatiya Ati Bazar branch. From these five branches, a total of ten beneficiaries were selected through a stratified random sampling technique to prepare case studies on them. Beneficiaries of Grameen Bank received collateral-free microfinance schemes from the branches through group lending processes. Every beneficiary in these case studies was engaged in agriculture and small non-farm businesses, and all respondents were entrepreneurs in their own fields. The data was collected during the period of January 2023 to March 2023, but a historical analysis of ten cases from when they took credits and loans to the current time period was done. For the purpose of collecting data, field trips were used, and after obtaining all information as per the checklist, case studies were prepared.

Results

The findings have been depicted through the following ten case studies of women entrepreneurs under Grameen Bank' microfinance schemes of its five branches. Each problem focuses on the issues that women confront when it comes to entrepreneurship development. Pseudonyms have been used for all the entrepreneurs to conceal their identity.

Case Study 1

Kajal Lata (pseudonym) is 25 years old. She is a rural entrepreneur and produces vegetables in her village. During her teenage periods, her family fell into financial problems because of poverty. Her family lost all of their arable land. She had to join agriculture by paying labor in the field and had to leave her school when her family faced financial crisis. She wanted to relieve her family from poverty. After a few years she started her journey with a loan from Grameen Bank and grew some vegetables on her land. She faced gender discrimination from her neighbor to grow her business. Despite this she became a successful agro-entrepreneur and is the primary source of income for her family. Kajal made the argument that she requires more advanced agro-entrepreneurial training from the Grameen Bank or any other related institutes. Additionally, she expressed her belief that the interest rate should be reduced and group lending should be discontinued. She also stated that consultancy services for business expansion are necessary.

Case Study 2

Karimon (pseudonym), 45 years old woman, likes to produce different kinds of crops and vegetables. At the age of fifteen, her father became sick and became unable to work. The only earning source was closed and her family fell into financial trouble. At that moment, for being the eldest children in the family, she had to take all the family responsibility on her hand. To run her family, she engaged in agricultural crop production and paid labor in other lands. It was hard for her to borrow some loan from a neighbor. She faced financial problems getting a loan when she started her business by finally securing a loan from Grameen Bank. She highlighted that financial difficulties pose a significant obstacle to the development of

women. Currently, her family is financially stable, and she cultivates various crops and vegetables in her village. Based on this case study, it is evident that obtaining loans for women entrepreneurs is not straightforward. Karimon is encountering challenges in securing additional funding for her business and is also facing discrimination from society. She argued that her socio-economic status, political views within her community and family, and legal protection have all improved as a result of receiving micro loans from Grameen Bank.

Case Study 3

Jahanara (pseudonym) is a 37 years old rural entrepreneur. At 17 years old, she was getting married in the same village. After three years of her marriage, her husband had a major accident. She became helpless with her two years old children. To earn money, she started to pay labor in the agricultural field with the help of microcredit from Grameen Bank and she leased a small piece of land with the savings and started cucumber cultivation on the land. Sometimes it was hard to work inside and outside simultaneously. She had to take all the responsibility from family earning to school going children. She encountered negative language and behavior from the staff when she enrolled in the training center. She believes that equal treatment of both males and females is essential for building a better society. She further emphasized the need to eliminate gender discrimination from society. This case study demonstrates that balancing household responsibilities with running a business presents challenges for the respondents. Additionally, she faces gender discrimination and the fear of business failure. Nevertheless, she has managed to generate a satisfactory income from her entrepreneurial venture. She hired poor female farmers to work in her farm and become income generators. Jahanara stated that, considering the ongoing process of digitization of the country and the bank, training in modern digital techniques from Grameen Bank is necessary.

Case Study 4

Jannat (pseudonym), a 27-year-old woman, operates a small flower farm in her local area. In December 2019, she established her business using her modest savings and borrowed money from relatives at low interest rates. Since joining Grameen Bank's microfinance program, she has experienced remarkable success. Initially, her business thrived, allowing her to repay some of her loans within the first month. However, during the COVID-19 lockdown, her business suffered a downturn due to decreased demand in the flower market. As a result, her source of income abruptly ceased. During this challenging period, she had to work diligently to save money and even sought employment on other farms to make ends meet. Unfortunately, she was unable to access any incentives to support her business during the pandemic. Through small loans obtained from Grameen Bank and her personal savings, she managed to restart her business. Jannat believes that financial constraints pose significant challenges for women entrepreneurs in building their businesses. Nevertheless, the initiatives undertaken by Grameen Bank have empowered women to seek loans and embark on

entrepreneurial endeavors. She urges for the modernization of the Grameen model, considering the need for policy changes both domestically and internationally.

Case Study 5

39-year-old Jenni Rozario (pseudonym) runs her flower farming business for the last 10 years in the Sylhet area. Her family lived their livelihood with the poor conditions and to raise her family income and she aspired to make a flower farm. She achieved great success since entering Grameen Bank's microfinance scheme. When she started her business, no male farmer wanted to cooperate for nursing the plant care technique. She lagged behind to learn about the farming technique. She faced information problems. Inferior educational knowledge made her lag behind from the competitive agro- business. She visited the Upazilla flower cultivation complex to learn about flower cultivators. In her first year, the product sold at a very cheap price. Mostly she had to bind to sell the product below the market price. However, when she sells her product, customers show great interest in purchasing flowers. She emphasized the importance of having knowledge and skill about the competitive market and credited Grameen Bank for providing her with the necessary training to flourish in this aspect. She likened Grameen Bank to a spark of light in a dark cave and attributed her success as a small entrepreneur to the microcredit facility it offered. Jenni urged that male must get more micro credit from the Grameen Bank as she believes there is discrimination against underprivileged poor destitute men. Besides women, she has also hired male vendors to sell her flowers. Jenni thought that political economy works in the process of lending as social values, lawfulness and economic scenario changes after getting her lending. She has a tremendous entrepreneurial spirit and mindset.

Case Study 6

27-year-old Subrita Roy (pseudonym) always wants to start her own business. With time, she managed to save some money, and took a small loan from her father which aided to mortgage land and start her flower farm in her village. She was a student pursuing her degree in a local college. She achieved tremendous success since entering Grameen Bank's microfinance scheme. When she started her business, she was looking for proper training on flower farming business but she was hopeless because there is no specific flower farming institution to help her. Every time she has to follow traditional farming business and depends on local farmers. Many times, she was frustrated and wasted her money with a loss of production in business. Therefore, she always wants to sell her product in the capital but there is a communication gap in business. However, after receiving training from Grameen Bank, Subrita has become a more successful flower vendor. She believes that her business requires proper and effective training, and fortunately, Grameen Bank has fulfilled her needs in this regard. However, she expressed her opinion that it is time to change the lending procedure, as group lending imposes additional burdens.

Case Study 7

37-year-old Sakhina (pseudonym) is an owner of a small fisheries business. She produces fishes in three ponds in her village and sells fishes to local vendors but her desire is to sell her fish in the market. In 2013 her husband died; she fell into trouble managing her family. She then went to seek help at Grameen Bank. She achieved remarkable success since entering Grameen Bank's microfinance scheme. She was earlier unable to educate her children. Initially she started her business with 0.5-acre land where she used her micro land to build a fishing pool and she was much more dependent on personal networking. Though initially she made losses because of improper training and lack of communication skill, with collaboration from Grameen Bank she achieved greater success. She had trouble selling her fishes to the capital due to transportation problems. She was making less money than male counterparts because she cannot physically deal with vendors and stay outside because she has to maintain family and business simultaneously. However, with Grameen Bank's micro loan she was able to afford a transportation vehicle and hired her younger brother as a driver and since then her fishery sales have experienced robust growth. The transport system and access to the market should be easy. She is against group lending procedures which she considers an extra burden to expand her business. Sakhina urged Grameen Bank to provide adequate entrepreneurship training and the Government to increase the ease of doing business in the country. This case demonstrates that the need for marketing management techniques, access to market facilities, and technology is crucial for sustainable business development.

Case Study 8

35-year-old Karimunessa (pseudonym) runs a small fishery at her village. She was related only to livestock rearing and after some years she invested in fishery. She achieved tremendous success since entering Grameen Bank's microfinance scheme. She had to depend on a bank to invest in fisheries. When she started her business, she struggled to run her fishery business. Training on fishery business did not develop her skill to start her business efficiently and effectively. Therefore, she had less knowledge and skill to sell products because in most of the cases no one wants to work under female supervision. On the other hand, many times have to face price discrimination to sell the product. Formal bank staff demanded male legal guarantors for the loan sanction. But with the help of non-scheduled Grameen Bank, she was able to overcome these obstacles. She was able to grow business in 2020 with a nominal amount of capital from Grameen Bank and now she is more successful in growing her business. However, like some others, Karimunessa faced gender discrimination. As such Karimunessa also believes that male and female should be treated equally. She hired both male and female workers in her business ventures. Karimunessa 's case serves as an example of social injustice, highlighting the discrimination women face in society. Additionally, this study

underscores the significance of training for the development of agriculture and agro-based products for Agro-Entrepreneurs.

Case Study 9

Protima Pandya (pseudonym) is a 32 years old woman with the owner of a poultry farm at Mathurapur village in Bondobilla Union, Jashore. She achieved tremendous success since entering Grameen Bank's microfinance scheme. She started a business with her small savings. She started 200 hundred poultry in front of her terrace. Now she has a 2000 capacity poultry farm. For running her business, she always used her personal network where she did not receive training activities from the Government of Bangladesh or MFI. Many times, she was discouraged from her neighbor to run the business. At the primary stage, she faces the problem of buying the poultry feed with a loan but no feed seller doesn't want to trust the female customer. Protima imagined that the Government should pay special attention to get loans for women entrepreneurs so that finance problems can be removed. It has been specified that access to finance is a major challenge for the progression of women leadership. Protima said that she came from the grass root level and in her case the bottom-up approach was taken by Grameen bank. The beneficiary expressed the need for training programs, product marketing consultancy, and a modern networking system to enhance their business ventures. Protima suggested that Grameen Bank's management should prioritize ethical, moral, economic, legal, political, and environmental considerations. Grameen Bank should aid with legal issues relevant in doing business.

Case Study 10

42-year-old Zakiya (pseudonym) is a women agro-entrepreneur who achieved tremendous success since entering Grameen Bank's microfinance scheme. She lives with her two school going children at her village. In 2016 she enrolled herself in the agricultural microcredit scheme of Grameen Bank with a small-scale vegetable farm after her husband died. Many times, neighbors didn't like her activity where a woman was working in the field and doing business in the market. She faces many challenges to come to her position. She added multiple agricultural activities like livestock rearing, fishery in small scale, poultry farming etc. in the business. She faces a financial problem to get the loan for her business purpose. Moreover, marketing for the farm was another challenge for her business. She always wanted to promote her farm but for being female she cannot get a positive response from the market. She claimed less education was her other obstacle to develop her business. Now, she believes in informal education which she learns from her entrepreneurial skill. Moreover, financial problems were the other challenges of her business. This case identifies several problems like insufficient marketing information, less access to market facilities, lack of financial literacy and right of entry to technology are the reasons for women development in the small business. Over the time period she properly utilized her microcredit received from the Grameen Bank with adequate training to put her poultry farm in her area. Today she is

one of the poultry sellers in her area. However, she thinks that if she gets more training on marketing strategies from the bank then she may get more scope to move forwards her business. One of the obstacles she thinks is the group lending procedure of the Grameen model. Overall she is satisfied with Grameen Bank's microcredit program which has allowed her to become a successful entrepreneur by expanding her poultry farm and creating employment opportunities for poor destitute laborers in her poultry farm.

Discussion

Microfinance solutions enable customers to access loans when they are in need and contribute to the availability of credit. Traditional banks rarely provide small loans to customers, despite pressure from the Bangladesh Bank, while Grameen Bank and other microfinance institutions (MFIs) aim to address this gap by offering microloans. Many beneficiaries express their opposition to group lending and emphasize the need to modernize the Grameen model. Financial inclusion efforts have resulted in an increase in funds available to the poor, with 97% of women obtaining loans from Grameen Bank. However, women face high interest rates, requiring government intervention to lower the rates. This situation also involves the political economy, as pressure is exerted on women. In this arrangement, microfinance helps citizens who face challenges in accessing financial support by providing assistance to grow their businesses and meet their financial needs. They offer a mixture of financial services like microcredit, loans, deposits, savings accounts, money transfers, and microinsurance, among others. The primary objective of Grameen Bank is poverty alleviation, but it has not yet reached the poorest segments of society. However, the case studies reveal that female entrepreneurs who were once considered burdens are now benefiting from microcredit, transforming into valuable human capital. Nevertheless, more skill-based training is necessary, and the interest rates should be reduced.

The main purpose of microcredit is to generate income within impoverished households and thereby alleviate poverty or at least reduce poverty. Microcredit has a significant impact and contributes to improving livelihoods. It is important to recognize that not all poor individuals are the same, and the outcomes vary considerably based on different objectives, such as reducing rural poverty and fostering the creation of small-scale entrepreneurs. Not only are the beneficiaries themselves becoming entrepreneurs with the microcredit obtained from Grameen Bank, but they are also providing employment opportunities to other poor people in their business ventures. The political economy plays a significant role in this context, as evidenced by the economic, political, legal, environmental, anthropological, and sociological aspects affecting the income stratum of the beneficiaries of Grameen Bank. Tria, Harun, and Alam (2022) discussed the applicability of this non-scheduled bank. As such, Grameen Bank will try most effectively to create more human capital through arranging appropriate training and consultancy for the beneficiaries with modern technological

innovation but needs to alter its current model to comply with the present scenario and fulfill the demands of the beneficiaries. Al-Amin and Mamun (2022)'s observations on the Grameen Bank model are quite applicable in Bangladesh, though they still argue that with the dimension of time, there is a need to alter the model in respect of the needs and wants of the beneficiaries. Grameen Bank has brought financial services closer to the communities, making it easier for individuals to access loans, savings accounts, insurance, remittances, and other financial products. Grameen Bank is a kind of financial intermediary that facilitates financial services to low-income citizens who would otherwise be excluded from finance. Grameen Bank includes the provision of training, which is not fully satisfying the needs of the beneficiaries, and its activities are a technique to offer capital to low-income business owners who may be barred from the conventional banking system, both in terms of credit and lending options.

Conclusion and Recommendation

From all the case studies, it is evident that women who became entrepreneurs through Grameen Bank's microfinance scheme are better off than before joining Grameen Bank. The practice of moneylenders offering high-interest credit in the rural sector to the impoverished has evolved into microcredit, an informal financial system. The study revealed that the Grameen Bank of the country has been contributing moderately to poverty reduction among women, as it offers access to monetary services for the deprived community, which is aligned with the political economy and financial inclusion. The process is also socially inclusive, and not only are the beneficiaries themselves becoming successful income-generating entrepreneurs, but they are also providing employment to other people in their SMEs, which is raising the nation's per capita income. Thus, in a bottom-up approach, Grameen Bank is helping Bangladesh reach its target of LDC graduation into a wealthy middle-income country by 2026. However, a significant barrier to this progress in recent years is high-interest rates. Excessive interest rates have become a formidable impediment to the advancement and prosperity of individuals and businesses, reaching a critical threshold where progressiveness is stifled. Recognizing the dire need for intervention, the government has acknowledged the imperative of reducing interest rates and eradicating any clandestine charges that may burden borrowers. In this regard, Grameen Bank emerges as a beacon of hope, providing a secure and trustworthy avenue for individuals to obtain rational small business loans, all the while upholding the principles of ethical lending. The core ethos of Grameen Bank lies in its unwavering commitment to addressing the deficiencies prevalent in society, particularly among the marginalized and impoverished communities residing in the rural expanses of Bangladesh. By extending microcredit facilities, Grameen Bank seeks to empower these vulnerable populations, bestowing upon them the means to transcend their circumstances and embrace newfound economic independence.

The group lending procedure needs to be stopped to modernize the Grameen model, as not all members of borrowing groups are proactive and hold back one another due to improper utilization of the microloan. Thus, as per the suggestions of the beneficiaries in the case studies, individual lending needs to be prioritized. Political support is essential for the functioning of the Grameen Bank model in providing microcredit and fostering entrepreneurship. This support enables the creation of human capital by including small beneficiaries and empowering them to become small-scale entrepreneurs who will, in turn, raise the nation's per capita GDP. As high-interest rates discourage many aspiring entrepreneurs from taking microcredit, the Government must intervene to charge lower interest rates among microcredit providers, including Grameen Bank. Moreover, Grameen Bank must put emphasis on gender balance development, as they should give loans at a 50:50 female and male ratio. While in the past, women needed higher priority due to gender-based discrimination, today, school dropout rates and unemployment rates among men are increasing due to overpopulation, and they too need support to become income-generating entrepreneurs. In keeping up with the trend of the digital revolution, Grameen Bank must overcome the barriers of technological lag and provide mobile banking facilities through which beneficiaries can take online microloans and engage in online business transactions. The necessity of this was observed during the COVID-19 pandemic when many businesses that could not carry out online sales were forced to shut down amidst the supply chain disruption. Thus, the bank can act as one of the actors to implement sustainable development goals and their targets.

Grameen Bank now encompasses savings, credit, insurance, and fund transfers, revolutionizing rural finance. By taking and investing their microloans, its beneficiaries have not only established their small and medium enterprises (SMEs) but have also become key contributors to the increasing per capita income of Bangladesh and the reduction of poverty in the country. However, it is evident that they had to overcome significant obstacles, primarily gender discrimination. Today, women have proven that they are just as capable as men in every area, and such gender-based discrimination must end to encourage more women to enroll in Grameen Bank's microfinance schemes and utilize their microloans, along with the training and consultancy facilities provided by Grameen Bank, to become successful income-generating small entrepreneurs. In summary, Grameen Bank has not only helped in poverty reduction and the creation of entrepreneurs through its microcredit facilities, which also allowed other poor people to gain employment in these entrepreneurial ventures and become income generators, contributing to the rising per capita income of Bangladesh and paving the way for its targeted LDC graduation in 2026. Grameen Bank has also contributed to social inclusion, empowering women, reducing gender discrimination, and improving the living standards of the people.

It is recommended that Grameen Bank create equal opportunities for transgender people, who are highly deprived in society, as very few workplaces recruit them due to discrimination. For indigenous people, a higher rate of credit and training facilities should be provided by Grameen Bank. As they make up a large segment of the population, creating special opportunities for third-gender people to become entrepreneurs could lead to 100% income generation among the working-age group (18-60), accelerating Bangladesh's LDC Graduation to a middle-income country. Therefore, the six main recommendations for Grameen Bank from this study are: 1) reduce interest rates to encourage more loan takers to uplift themselves from poverty; 2) monitor the usage of loans to ensure they are utilized for entrepreneurial activities; 3) provide adequate vocational and entrepreneurial training to beneficiaries to become successful entrepreneurs willing to hire other people in their business ventures; 4) allow mobile banking and digital transaction facilities to reduce transportation costs and stay active during dire times such as the Covid-19 pandemic and conflicts; 5) alongside empowering women, provide entrepreneurial opportunities to transgender people who are deprived in the formal sector due to discrimination; and 6) support both the public sector and private sector as the third sector in the economy to work together to achieve Bangladesh's LDC Graduation by 2026 by building entrepreneurs who, in a bottom-up approach, will contribute to the rising per capita income of the nation.

In the future, an in-depth study may be conducted to determine whether Grameen Bank's microfinance program's beneficiaries are effectively empowered by gaining access to productive assets that provide additional income, employment opportunities, and improvements in livelihoods. It is also recommended to conduct quantitative research. This study could assess the impact of political economy in rural areas through a combination of qualitative and quantitative analyses in the coming time period.

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