



“Summary of article by Linda Mayoux: What is Micro-Enterprise Development for Women? Widening the Agenda” in Frontier Issues in Economic Thought, Volume 6: A Survey of Sustainable Development. Island Press: Washington DC, 2001. pp. 329-333

Social Science Library: Frontier Thinking in Sustainable Development and Human Well-being

“Summary of article by Linda Mayoux¹: What is Micro-Enterprise Development for Women? Widening the Agenda”

Since the early 1990s there has been a rapid increase in interest in and funding for micro-enterprise programs for women in developing countries. Multilateral and bilateral donor agencies like the World Bank and USAID have supported programs as part of their anti-poverty initiatives, while other development agencies adopted micro-enterprise as part of a new “market realism,” hoping to increase efficiency in women’s income-generation projects. With Bangladesh’s Grameen Bank as a model, many have argued that women-focused micro-finance programs are effective not only in reducing poverty but in empowering women. In this paper prepared for the United Nations Research Institute for Social Development in preparation for the 1995 Fourth World Conference on Women, the author surveys the evidence and finds that despite occasional successes the majority of programs fail to have a lasting impact on women’s incomes.

A Limited Record of Success

While there is some evidence that in certain contexts it is possible to expand small-scale enterprises and increase women’s incomes through micro-enterprise programs, “the majority of micro-enterprise interventions to date have failed.” (50) Specifically:

- X “First, the majority of programs fail to make any significant impact on women’s incomes over a sustained period.
- X “Second, programs have on the whole mainly benefitted better-off women. Poorer women have either not been reached at all by the programs, or where they have been successfully targeted, have had lesser levels of success.
- X “Third, in most cases gender inequalities continue to seriously constrain women’s entrepreneurship activities. Even where women’s income has increased this has not necessarily radically altered other aspects of their subordination.
- X “Finally, what little evidence exists indicates that although female entrepreneurs are more likely to employ women, they frequently employ unpaid family labour and do not necessarily pay higher wages to employees than men.” (51)

This raises questions about whether current programs can be changed to increase their likelihood of success, and whether such programs in isolation can ever achieve the many goals claimed in development agency rhetoric.

“The diversity of the small-scale sector on the one hand, and the complexity of constraints posed by poverty and inequality on the other, make the likelihood of any easy ‘blueprint’ for successful women’s micro-enterprise development extremely slim.” (51) There are inherent problems in both the “market approach” to micro-enterprise, which emphasizes assistance to individual women, and the “empowerment approach,” which stresses group activities to increase not only incomes but bargaining power and solidarity.

The Market Approach

Within the market approach gender lobbies have worked to broaden the agenda to include women’s concerns, but they have not questioned the agenda itself. “There are some fundamental inherent contradictions in any attempt to integrate gender concerns into the market framework. In relation to micro-enterprise development it is clear that attention to purely economic factors, particularly rigid definitions of ‘efficiency’ and ‘cost-effectiveness’, are unlikely to enable significant numbers of poor women to become entrepreneurs.” (51-52)

In the first place, the economic emphasis fails to address the varied needs of women entrepreneurs. For many poor women, increasing income may not be as important as gaining greater income security, reducing overall work time, or improving control over income. Second, the economic and technical biases in the approach limit consideration of power relations or gender inequality. Even though gender inequalities are clearly identified as obstacles to female entrepreneurship, policies give them scant attention, rarely addressing macro-level welfare policies or the unequal burdens between women and men. Finally, the emphasis on “cost-effectiveness” and “efficiency” requires a focus on an extremely small number of women who already possess the skills, resources and experience to make use of micro-enterprise opportunities and who work in industries and regions with growth potential. “This begs the question of what is to be done for the vast majority of women who do not fit into this very small category.” (52)

The Empowerment Approach

“The empowerment approach has attempted to address some of the shortcomings of the market approach – attention to social as well as economic issues, greater recognition of the importance of structural inequality – and has an explicit commitment to poor women per se. In practice, however, the evidence suggests that the more conventional types of ‘participatory’ project and program have generally failed to make significant impact.” (53) While group-loan programs are more relevant to the needs of poor women and generally reach larger numbers of poor women, they are still limited by the circumstances in which women find themselves. Often the income gains are small. Many times the men in participants’ households control the use of the funds and retain the profits, contributing little to women’s well-being or empowerment. Some “small participatory groups of women which include at least some women with higher levels of skill

and greater access to resources, who are prepared to challenge norms of gender subordination, have been relatively successful.” (53) These successes, however, are the exception.

The more populist and instrumentalist forms of empowerment programs, hitherto the dominant forms in practice, suffer from a number of inherent tensions. First, poor women generally want and need increases in income and have little time for activities that do not produce some immediate benefit. The incorporation of social goals which are difficult to measure raise problems of evaluation and accountability. Second, participation has its own costs. Studies have shown that the women who participate are those with few family responsibilities – unmarried girls and older women past childbearing age – and those better-off women less subjected to norms of gender subordination. Most of the poorer women lack the time for such programs. Third, women’s needs are diverse and complex and may require very different types of micro-enterprise assistance. “The more conventional types of projects have often failed because, in their response to women’s immediate needs, they have failed to address longer term underlying constraints.” (54)

On the other hand, feminist attempts to incorporate measures that address those constraints have often failed because micro-enterprise programs in isolation are too limited, and because models imposed from outside, no matter how well-intentioned, offer poor women few answers to their needs. “Ultimately, there is a need to combine more participatory strategies at the local level with sectoral strategies at the macro-level.” (54)

Widening the Agenda

The conclusions from this study are not all negative. Attention to gender within mainstream programs is a necessary corrective, both to gender biases in many micro-enterprise programs and to programs that saw women only in terms of their reproductive role. Also, some of the most innovative initiatives are recent and still undocumented.

However the tensions within each of these approaches are not necessarily resolved by current moves toward a middle ground of more participatory market-led programs. “The enthusiasm for programs like collective credit schemes is still mainly in terms of cost-effectiveness. ...Within the empowerment approach, moves towards ‘market realism’ can only increase the problems associated with addressing the needs of poor women.” (54) The ultimate logic of “efficiency” and “cost-effectiveness” in both the market and empowerment approach is to exclude poor women.

In any move towards the center ground any micro-enterprise strategy for women will some how have to reconcile competing tensions between cost-effectiveness, participation and wider-impact – each of which in turn has its own inherent problematic. “Arguably, a commitment to grassroots participation only makes sense within a broader political commitment to equity. Although this has been recognized in general terms in relation to class and caste, many development agencies are still unwilling to accept this in relation to gender. At the same time, it is unlikely that micro-enterprises will succeed in addressing women’s aims unless they also link to wider movements for change.” (55)

“What is disturbing about much of the recent enthusiasm for micro-enterprise development for women is its promotion in the wider context of neo-liberal market reform, particularly ‘rolling back the state’, the removal of welfare provision and the dismantling of all forms of labor protection. It is also widely seen as a viable and less socially and politically disruptive alternative to more focused feminist organizational strategies. All the evidence indicates that there are likely to be serious limitations on any micro-enterprise strategy for poor women in isolation.” (56)

First, inadequate welfare provisions constrain micro-enterprise success for poor women. Lack of child-care, health care, decent housing and basic infrastructure like accessible, safe water increase the time women spend on unpaid domestic work. Limited educational opportunities hamper the success of training programs.

“Second, for many poor women, improving labor legislation and labor rights is likely to be more important than micro-enterprise provision. ...Many poor women would actually prefer stable employment rather than insecure entrepreneurship.” (56)

“Finally ... lack of resources and lack of power are crucial constraints on women’s entrepreneurship and the effectiveness of micro-enterprise programs to date. ...Without measure to address gender inequality, micro-enterprise programs may merely increase women’s workload and responsibilities without increasing their control over income.” (56-57)

“It is unlikely that micro-enterprise development will prove to be the rosy ‘all-win’ solution assumed in much of the promotional literature. Even in terms of narrow aims of increasing beneficiary incomes, micro-enterprise development is unlikely to succeed for the vast majority of poor women (rather than the small number of better-off women) unless it is part of a transformed wider agenda. There are particularly serious implications for any reliance on micro-enterprise programs as the main focus of any wider strategy for poverty alleviation and change in gender inequality.” (57)

Notes

1. Since publication of this paper the author has been involved in an international project on women’s empowerment and micro-finance and has also written a paper for ILO on Enabling Environments for Women’s Enterprise. For further information please contact the author at E-mail address: L.Mayoux@dial.pipex.com.