

Access to Microcredit, Gender and Entrepreneurship: Evidence from Bangladesh

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Abstract

This paper intends to assess the impact of access microcredit on women entrepreneurship in Bangladesh. The descriptive statistics and multivariate techniques have been used to achieve the objective of the paper. The study uses Household Income and Expenditure survey (HIES) 2010 data set. Considering the endogeneity in the microcredit program participation of women, the study uses instrumental variable technique for assessing the impact of access to microcredit on the entrepreneurial status of women. After the adjustment of the endogeneity, the results from multivariate analysis indicate that access to microcredit has a significant positive impact on women entrepreneurship. It has also a significant positive impact on men entrepreneurship and the marginal effects of access to microcredit are more on men entrepreneurship than women entrepreneurship. Against the backdrop of the information that 93 percent of microcredit programs members in Bangladesh are women, these results highlight that the majority of these women members do not use their microcredit loans for owning businesses. Rather, they pass those loans on to their household male members. Therefore, it is important for the policy makers in the government and the microfinance sector in Bangladesh to reconsider the existing technology of giving microcredit loans to women.

Keywords: Microcredit, Gender, Entrepreneurship, Bangladesh
JEL Codes: L26, O26, J16

February, 2015
Dhaka, Bangladesh