



## Female Entrepreneurship and Financial Inclusion in the Dairy Industry in Bangladesh - A Case Study in Collaboration with Solidaridad Network

Master Thesis, MSc in Business, Language and Culture – Business and Development Studies  
*Copenhagen Business School*

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Date of Submission:

03.07.2018

Number of Characters:

274,199

## Acknowledgements

This master thesis has been supported by many lovely people and we would like to give them a huge thank you.

Thanks to our supervisor Kristjan Jespersen. For us, you took the role as a motivator and facilitator to pursue our case-based research. The motivation has guided us throughout the entire process of writing the master thesis. Furthermore, we want to express our greatest appreciation to Nahid Anjum Siddqui and Monami Zaman for supporting us during the field research in Bangladesh. Your help and your insights were indispensable for our study. We want to genuinely thank Selim Reza Hasan for taking his time and enabling us to do the field trip in Khulna. Besides, we cordially thank Sova Jannatul Ferdoushy, Mohammad Moziball Hoque, Chistia Hydar Sharmin, Saiful Hasan, Indu Bhushan Roy, Abdur Rouf and Neha Noopur. Our gratitude goes to Emma Feenstra and Njeri Kimotho, who were the starting point of our collaboration with Solidaridad Network. We warmly thank all the anonymous interview participants. You lay the foundation for our work and without you, all this would not have been possible. We hope that our roads will cross again one day.

Besides, we are thankful for everything we have learned and been taught while writing the master thesis, and in general throughout our studies at Copenhagen Business School. The journey was filled with excellent professors and wonderful fellow students that we can call our friends now. Our deepest love goes to our families, who believe in everything we do, and serve as an inspiration in countless ways. Last, we would like to thank Craig Armstrong for his valuable correction reading, not only this time but over the last many years!

ধন্যবাদ, *Thank you, Tak*

## Abstract

Development academics and practitioners increasingly point to the social and economic potential of female entrepreneurship. A commonly cited barrier to entrepreneurship is access to finance, whereby commercial banks can play a determining role for the financial inclusion of female entrepreneurs. Previous studies on female entrepreneurship and financial inclusion have largely evolved as two separate strands. The purpose of our thesis is to explore the interface between these strands, by firstly extending the existing strands of literature on female entrepreneurship and financial inclusion and subsequently interlinking the two in order to answer the research question: *How can contextualized financial services contribute to the development of sustainable female entrepreneurship in the dairy industry in Bangladesh?*

To answer this research question, we chose a critical realist perspective combined with a feminist methodological approach. The topic of female entrepreneurship and financial inclusion is complex. Thus, we chose a single case study, as it allows for a deeper understanding of the topic. The case was conducted in collaboration with the organization Solidaridad Network, which contributed to the planning and execution of the two-week field study in Bangladesh. The data was collected through semi-structured interviews with 15 female entrepreneurs in the dairy industry in the Khulna cluster, and 6 bank officers in Khulna and Dhaka. The data was analyzed with an abductive conceptual framework that is based on theoretical background, literature reviews and primary data.

The findings show that both female entrepreneurs and commercial banks are concerned with (formal or informal) financial services. The analysis reveals that financial services may be shaped by following factors: agency and network building, freedom of movement, holistic awareness building, reliance on internal structures, industry-related attributes and acquisition of knowledge through formal and informal training. We found that contextualized financial services can contribute to sustainable female entrepreneurship under certain premises.

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## List of Abbreviation

EU	European Union
GDP	Gross Domestic Product
GEM	Global Entrepreneurship Monitor
GNI	Gross National Income
ILO	International Labor Organization
MFI	Microfinance Institution
NGO	Non-governmental Organization
SAFAL	Sustainable Agriculture, Food Security and Market Linkages
SDG	Sustainable Development Goals
SME	Small- and Medium-sized Enterprises
VSM	Village Super Market
UN	United Nations
USD	US Dollars



## 1. Introduction

The field of 'business and development' studies is concerned with exploring sustainable (and unsustainable) business activities. Yet, 'business' and 'development' studies frequently evolve independently from one another. Hansen and Schaumburg-Müller (2010) argue that "the two literatures each could benefit greatly from a closer scrutiny of developments and insights of the other, in order to enhance the analytical power of both as well as to provide a better analytical foundation for strategy and policy formulation" (pp. 197-198). One new strand of literature that converges business and development studies is the growing body of research on the role of entrepreneurship for development (Hansen & Schaumburg-Müller, 2010). Particularly, the role of female entrepreneurship is receiving increased attention from both business and development scholars.

Enhanced female entrepreneurship can have social and economic implications. In terms of *social* implications, a gender inclusive approach may, for instance, trigger an improvement of education and health conditions, since women are likely to invest their income in their children and thereby leverage their wealth creation (UNHLP, 2016). Datta and Gailey's (2012) study on a social enterprise in India has revealed that women's income has enabled them to send their children to school. In terms of *economic* implications, recent empirical evidence illustrates how gender inequality is directly and indirectly linked to economic growth (Ellis, Manuel, & Blackden, 2006). Economic growth and the coupled expansion of businesses create new jobs, which reduces unemployment and ultimately increases overall welfare (see World Bank, 2008). With a larger portion of employed women economies grow, and it has been calculated that women's wages would increase by 76 percent if the existent employment and wage gaps were eliminated, constituting a global value of US Dollar (USD) 17 trillion (UN Women, 2017). The global female economy is estimated to have more than twice as much growth potential than the markets of China and India together (Miles, Miles, & Stolz, 2014).

Despite the significant social and economic impact women may have, females in developing countries face barriers of entry into the labor market. Consequently, there is a high portion of women that pursue the integration into the (formal or informal) working force by becoming self-employed entrepreneurs (Minniti & Naudé, 2010). These female entrepreneurs face many challenges in their entrepreneurial endeavors. One of the most cited barriers to female entrepreneurship in developing countries is financial exclusion (Warnecke, 2013). Accordingly, it is argued that financial sector development and financial inclusion are determinants of enterprise expansion (Khandker, Samad, & Ali, 2013; Levine, Loayza, & Beck, 2000). Firm growth, in turn, may trigger the acceleration of poverty reduction (Khandker et al., 2013).

The topic of social and economic implications of female entrepreneurship, coupled with barriers to financial inclusion, is particularly interesting in Bangladesh. The country has made tremendous advancements towards social and economic development in recent years, and has transformed from a low income to a lower middle-income country. Bangladesh is scheduled to graduate to high middle-income by 2021 (World Bank, 2016c). Women in Bangladesh are increasingly engaged in paid work (Ahmed & McGillivray, 2015). However, findings suggest that entrepreneurial activity in Bangladesh is significantly male-led and a large gap between male and female entrepreneurship activity persists (Karim & Hart, 2011). Social and normative structures can be reflected in gender roles, which may influence to what extent and how women engage in entrepreneurship. With the prevalence of gendered social and normative structures, further efforts in the area of women's engagement in entrepreneurship in Bangladesh are necessary in order to advance their social and economic agency (Ahmed & McGillivray, 2015). Furthermore, the topic of financial inclusion is particularly interesting in Bangladesh, as it is the cradle of microfinance. To date, the country has 599 microfinance institutions (MFIs) (Bangladesh Bank, 2018a). Besides, policy schemes particularly focus on the inclusion of women, by calling upon banks and financial institutions to follow gender inclusive guidelines (Singh, Asrani, & Ramaswamy, 2016).

## 1.1 Research Question

Our study largely builds upon two branches within business and development studies. The first branch is concerned with how feminist institutional factors shape gender, which in turn may influence female entrepreneurship. The private sector and society at large acknowledge that there is great potential for economic growth by including women in the labor force (ILO, 2015). Accordingly, there is a rising body of research on the topic of female entrepreneurship in developing countries. Second, an emerging strand of literature focuses on access to financial services (Beck, Demirgüç-Kunt, & Martínez Pería, 2008). This branch of literature discusses the impact of financial development on female entrepreneurs' development, mostly arguing that financial inclusion of unserved individuals is fruitful.

The purpose of our thesis is to explore the interface between these two strands, by firstly extending the existing strands of literature on female entrepreneurship and financial inclusion and subsequently interlinking the two. The interface of female entrepreneurship and financial inclusion is, to our knowledge, rather unexplored and novel. Our thesis focuses on the context of the dairy industry in Khulna, Bangladesh, which shows particularly interesting dynamics regarding female entrepreneurship and financial inclusion. Against above backdrop, the following research question is proposed along with two supporting sub-questions:

## **How can contextualized financial services contribute to the development of sustainable female entrepreneurship in the dairy industry in Bangladesh?**

Sub-question 1: To what extent do institutional factors shape female entrepreneurship in the dairy industry in the Khulna cluster in Bangladesh?

Sub-question 2: How can local commercial banks contribute to financial inclusion of female entrepreneurs in Bangladesh?

### **1.2 Delimitation**

The fields of female entrepreneurship and financial inclusion cover a broad range of dynamic and multidimensional themes. We have delimited our thesis to the application of a feminist institutional theory to understand the underlying structures that shape women's approach to engage in entrepreneurship and financial inclusion. In line with the feminist methodological approach, our research includes women's voices by interviewing female entrepreneurs in Bangladesh. Moreover, a focus on formal financial institutions in Bangladesh constitutes a crucial component of our research to understand how contextualized financial services may increase female entrepreneurs' financial inclusion.

A major part of Bangladesh's women are employed in the agriculture and more precisely in the dairy industry (Asian Development Bank, 2016, App. D: 7). The dairy industry in Bangladesh is hitherto not abundantly developed, yet constitutes a growing industry with a high potential for further expansion (Solidaridad, 2017a). As of Mair and Marti (2009), entrepreneurs in developing countries need to 'make do' with whatever resources they can attain. Several female entrepreneurs work in the *service sector within the dairy industry*, which means that they provide services such as lead farming, milk collecting, input provision and community nutrition volunteering. It is for these reasons that we collaboratively with Solidaridad Network (see chapter 4), the organization in which our research is embedded, partially limited the geographical scope of the data collection to female entrepreneurs in the dairy industry in Khulna in southwestern Bangladesh. Furthermore, the research is delimited to investigate commercial banks' role for the development of female entrepreneurship in Bangladesh. Most commercial banks charge interest rates around 10-12 percent and may be cost-effective sources for financing rural enterprises. Certainly, other types of financial actors, such as MFIs, play a significant role in the arena of business and development. Nevertheless, MFIs have received criticism for, for instance, charging high interest rates (Khandker et al., 2013). Thus, we turn to explore the role which commercial banks

may take to foster development through financial inclusion (Beck, Demirgüç-Kunt, & Martínez Pería, 2011). In that, a part of the research included interviews with commercial bank officers located both in Khulna and Dhaka, and thereby has less strict geographical boundaries since the selected financial institutions are represented nationwide. Again, our study gave importance to the voice of the participants as members embedded in a broader institution.

The study is conducted under the umbrella of Solidaridad Network. Moreover, we limited the research to female entrepreneurs in the dairy industry and to private banks officers in Bangladesh. Some may argue that the research might be guided by the organization or leave out other crucial components to female entrepreneurship and financial inclusion in Bangladesh (Mercer, 2006). Yet, using the opportunity of writing our master thesis in collaboration with the organization Solidaridad Network was a conscious decision and, together with the reasons indicated above, provides theoretical and practical contributions to the studies of female entrepreneurship in the dairy industry in Bangladesh.

### 1.3 Case Justification

Our thesis focuses on the case of female entrepreneurship and financial inclusion under the umbrella of Solidaridad Network. In light of the potential role that women can play for economic and social advancements, we argue that women's entrepreneurship and their financial inclusion is an important topic of research. Moreover, the merged topic of female entrepreneurship and financial inclusion in Bangladesh has, to our knowledge, not been sufficiently explored. Therefore, the aim of our research is to analyze how contextualized financial services can contribute to the development of sustainable female entrepreneurship. Much research on financial inclusion is of quantitative nature, whereas our paper contributes to the qualitative research. The goal is to further the debate on the topic of female entrepreneurship and financial inclusion, and to give practical recommendations to development actors (i.e. private sector, public sector and organizations) on how to approach financial inclusion (see chapter 6.3).

### 1.4 Structure of the Paper

This paper consists of seven chapters and additional appendices. After having introduced our thesis, we present chapter 2, *Theories*. The theories are broadly divided into three sections. First, we present our fundamental theoretical background. Second, a literature review covers the concepts of gender and female

entrepreneurship, and financial institutions in the realm of development. Third, we illustrate our conceptual framework which constitutes the basis for the analysis.

In chapter 3, we introduce our *Methodology*. The chapter presents the philosophy of science which has guided this paper. Next, we present the procedure of the field trip by illustrating which research approach and research design we used. Then, we explain our data collection techniques and our data analysis method and finally we provide a brief section on reflexivity and ethical concerns.

*The Case of Female Entrepreneurship and Financial Inclusion seen from the Lens of Solidaridad Bangladesh* is the theme of chapter 4. We first provide a presentation of the country of concern: Bangladesh. We then introduce the organization Solidaridad Network and its role in the global agenda, and subsequently narrow down the presentation to Solidaridad in Bangladesh. Finally, we present Solidaridad's position in terms of female entrepreneurship and financial inclusion.

Chapter 5 presents the *Analysis* of the collected data and rounds it up with insights from the theories. It is divided into three main sections. The first and second sections address the two respective sub-questions. The first section looks at women's entrepreneurship seen through a feminist institutional lens, whereas the second section is concerned with efforts to increase women entrepreneurs' financial inclusion. The third section analyzes the research question by examining the interface of the two sub-questions.

Next, we present our *Discussion* in chapter 6. The discussion consists of three parts. First, we discuss the theoretical implications of our study. Then, we reflect upon our applied methodology. Last, we provide a discussion on practical implications of our research paper, thereby giving recommendations to development actors. The *Conclusion* in chapter 7 completes the circle by answering our research question, and providing a short summary of the paper.

## 2. Theories

This chapter is concerned with the theoretical part of our thesis, which builds the foundation and support for the data analysis and discussion. We do not see theory as a finite chapter, rather, it is open for extension and adaptation. We first present our theoretical background, then we provide a literature review, which finally leads to the analytical framework. The theories incorporate examples from Sub-Saharan Africa and South Asia, with particular emphasis on examples from Bangladesh.

### 2.1 Theoretical Background

The theoretical background consists of a presentation of development studies and the respective roles of the public and private sectors, and of feminist institutional theory. The discussion on development studies and the respective roles of the public and private sector *surrounds* the research question and allows the understanding of the big picture in which our topic is embedded. The feminist institutional theory, on the other hand, constitutes the *core* of our framework to answer the research question. It is pervasive throughout our study.

#### 2.1.1 Development Studies and Roles of the Public and Private Sector

This chapter broadly introduces how institutional change and development-oriented objectives may or may not be influenced by the private and public sectors. In the past decades, the status of the international development cooperation has been questioned or even labeled as overestimated. The following example about limitations of foreign aid illustrates these claims: In 2005, the European Union's (EU) foreign aid benefits (which amounted 8 billion Euros), were nullified by favorable inward directed agricultural subsidies and protectionist policies (comprising 49 billion Euros). That is to say, aid and macroeconomics are discussed separately instead of in a shared frame, and it is called for the adoption of 'trade not aid' (Nederveen Pieterse, 2012). Banks, Scheyvens, McLennan and Bebbington (2016) argue that the private sector's role within the development space has long been undermined due to the development community's distrust in business and in its accountability for development outcomes. At the same time, aid is increasingly argued to be based on the notion that the poor are not capable of saving and investing, and aid may lead to unfruitful dependencies (Yunus, 1998).

Current development theorists acknowledge both risks and opportunities of the private sector taking on the function as a development actor, and increasingly recognize the private sector's importance in intentionally contributing to local and global sustainability and development projects (Banks et al., 2016). The stronger focus

on the private sector, and thus on competition and market forces, has led donors to redesign programs aimed at economic growth through private sector development, with the ultimate objective of reducing poverty (Schulpen & Gibbon, 2002). The shift in focus postulates that economic development is linked to poverty reduction and thereby aims to bring about sustainable development in the long-run. Along with this, Sachs (2012) argues that the United Nation's (UN) Sustainable Development Goals (SDG) can be implemented fruitfully when the private sector and the leadership of small and large private companies are engaged, since the companies benefit from their broad reach and their capacity to implement large-scale solutions. Particularly, the private sector in a developing country context have received growing attention. International business literature presents the importance of companies in developing countries, arguing that emerging-market firms may take advantage of their local embeddedness and benefit from their ability to adapt their products to local needs (Hennart, 2012; Ramamurti, 2009). In short, the opportunity of the private sector as a development actor lies in the fact that the use of market mechanisms can support enterprises in pursuing social and development-oriented goals (Ebrahim, Battilana, & Mair, 2014).

Despite hopes and expectations of the private sector's potential to facilitate social development, literature underlines several shortcomings of the private sector's role and businesses' effects on the development agenda. A study on resistance movements against extractive industries reveals that state authorities repeatedly favor projects within the private sector that increase tax revenues, create jobs and develop the local infrastructure. The downside to this is the fact that certain investment decisions are contrary to the interest of local citizens and communities, as resource extraction often entails impacts that hamper sustainable development. A common reason for resistance movements against extractive interventions is the different perception and evaluation of natural resources: A mining company may quantify the value of the natural environment in monetary terms, whereas a local community values the environment for its sacred and indigenous meaning (Banerjee & Maher, 2017). The Ecuadorian 'Sumak Kawsay', which roughly can be translated into *living well* in English, stems from the Andes region and offers an alternative development agenda. This agenda pursues ecological and sustainable development with a long-term focus, by putting emphasis on social rights, collective citizens and the rights of nature (Radcliffe, 2012).

It is worth mentioning that the notion of 'development' itself has received criticism. The concept of development postulates the distinction between ideal and inferior stages of development. Moreover, the definition of development leads to misunderstandings due to its pluralistic meaning (Ziai, 2013). According to Ziai (2013), the concept should thus be abandoned and replaced by more precisely and carefully chosen

concepts. For example, quality of life could be measured in terms of crime, suicide, racism, sexism and in relation to nature rather than in relation to monetary terms (Ibid). Referring to the UN again: The transnational organization has adopted the notion of human development, and thereby linguistically gears the attention from monetary development measurements to human development measurements (Nederveen Pieterse, 2012).

All things considered, the interplay of both the public and private institutions as mutually enabling and facilitating environments that foster economic development and thereby poverty reduction is prevalent in much of the relevant literature. Dynamics in the twenty-first century globalization reveal the important role of the public sphere, and shifts from a liberal and deregulated to a more state-regulated market. This new focus has contributed to the formation of a social approach that facilitates investment in the private sector and new technologies (Nederveen Pieterse, 2012). The general consensus in development thinking prescribes the complementary roles of the state and the private sector in shaping preconditions at the international (i.e. trade regimes, levels of debt, access to foreign investment) and national level, whereby the latter can further be distinguished between the macro (i.e. macroeconomic policies, physical infrastructure and human capital), meso (i.e. dialogue between social partners) and micro level (i.e. access to technology, capital and management knowledge). While the government is mainly responsible for creating enabling preconditions at the international and macro level, the private sector is concerned with shaping the micro level. The meso level forms a bridge between the two (Schulpen & Gibbon, 2002). Put differently, private sector development should be backed by public policies, since “governments have an important role to play in defining targets and subsidising programmes ... [and] governments and donors should always check carefully whether the intervention in markets is really justified” (Altenburg & Von Drachenfels, 2006, p. 408). In some incidents, especially when strong institutions are absent, a clear distinction between the roles of the public and private sector is not possible as they may complement or replace one another (e.g. companies, NGOs or tribes, rather than the government, provide a public good) (Risse, 2012). Ideally, the public and the private sectors’ activities that foster sustainable development and poverty reduction should be mutually reinforcing.

### 2.1.2 Feminist Institutional Theory

After having introduced the theoretical background of development studies and the respective roles of the public and private sector, we now turn to the core of our framework. Institutional theory is concerned with the institutional web that shapes our society. Specifically, the theory examines how institutions are created, how



they are perpetuated or changed, and how their structures influence power relations between individuals. Although institutional theory partially acknowledges that behavioral structures diverge for men and women, a new branch of feminist institutionalism adds that gender itself should be seen as an institution. Feminist institutional theory conceptualizes gender as an integral part of the institutional framework in which all human activity is embedded. That is, gender is a social institution that is part of culture, power relations and change, and it governs human action and interaction (Barker & Kuiper, 2003). In that, the *feminist* component ensures the added focus on the role of gender. According to Ahl (2006) “regarding gender as a relational concept, as something that is accomplished over and over again but is different in different contexts, [then] there are many interesting research projects to be carried out” (p. 612). Endorsing Ahl’s note, this paper applies a feminist institutional theory by recognizing gender as an institution itself and examining ‘to what extent do institutional factors shape female entrepreneurship and financial inclusion in Bangladesh’.

Institutional theory emerged as a critique on the notion of ‘homo economicus’, Adam Smith’s neoclassical view of people as rational economic actors who act solely out of self-interest (Powell & DiMaggio, 1991). Neoclassical theory assumes that markets efficiently provide actors with enough information to take rational (and predictable) decisions. This logic assumes that individuals receive accurate and sufficient information to see the world precisely as it is, and to make decisions that are in their own best interest (North, 1990). North (1990) rejects this idea, and argues that one must distinguish between the real world and people’s perception of the world. Perceptions of the world derive from the information that people receive, which in turn generates subjective models that define decision-making. Institutional theory claims that people often receive incomplete or inaccurate information, which affects their subjective models and may drive them to make decisions that are not objectively in their own best interest (Ibid). Feminists further criticize the notion of people as rational actors who base decisions on self-interest. Van Staveren (2003) argues that some choices derive from altruistic emotions. A combination of duty, love and responsibility drive women to work in order to provide for their families. Feminist institutional theory thus argues that decision-making is not primarily governed by rationality, but is the result of a combination of insufficient or flawed information and selfless emotions. This insight will help shed a light on identifying women’s motivations for starting their own businesses in a particular institutional context.

Institutions are “the humanly devised constraints that structure human interaction” (North, 1990, p. 3), often referred to as ‘the rules of the game’. They shape the ways in which people organize and behave, within families, firms, markets, and governments (Ostrom, 2005). Institutions can be formal or informal. Scott (2014)

divides formal and informal institutions into a framework of three pillars: the regulative, normative, and cultural-cognitive pillar. The *regulative* pillar corresponds to formal institutions such as rules and laws. In the regulative pillar, compliance is governed coercively, meaning that non-compliance is legally sanctioned (Scott, 2014). In the context of women's financial inclusion in developing countries, weak or discriminative formal institutions may prevent women from accessing banking services due to factors such as unequal inheritance laws and practices or limited ownership and property rights which may, for instance, lead to little control over land (Khan, Abdullah, Rahman, Nor, & Yusoff, 2016; Mohammad, 2013; Sourav, 2015; Wellalage & Locke, 2017). Informal institutions are either normative or culture-cognitive. The *normative* pillar covers norms and values, and refers to institutions "that delineate roles and expectations for specific groups" (Puffer, McCarthy, & Boisot, 2010, p. 444). In this pillar, behavior is guided by a logic of appropriateness. That is to say, individuals make choices that are socially acceptable in a given time, place and position (Scott, 2014). In South Asia, for instance, local customs may be powerful in rural areas. A patriarchal system of village leadership may contribute to behaviors that are not backed by laws and regulations (Wellalage & Locke, 2017). Similarly, in Africa traditional customs embody certain types of behavior. For example, elderly or wise persons may take on an essential role for advising in informal settings (Wong & Yaméogo, 2011). Consequently, these behaviors are difficult to document and analyze (Wellalage & Locke, 2017). The *cultural-cognitive* pillar symbolizes the common beliefs and symbolic systems that guide action. They are made up of behaviors that are taken for granted; 'how it has always been done' (Scott, 2014). The cultural-cognitive pillar draws heavily upon the importance of culture, which is defined by Hofstede as "the ideas, values, norms and meanings shared by members of a society and perpetuated through families and communities" (in Puffer et al., 2010, p. 444). The cultural-cognitive dimension may, for example, refer to gender roles at home, and how tasks are divided between man and woman in the household. In Bangladesh, for instance, women do not generally engage in paid labor for social, cultural and religious reasons (Amine & Staub, 2009). Together these three pillars constitute the web of constraints and opportunities upon which individuals base their decisions (Ostrom, 2005).

Since institutions are socially constructed, they are also susceptible to change (Ahl & Nelson, 2010). The people in a given society constitute the motor of institutional change. Accordingly, humans establish structures that shape their interactions, and they are the transmitters of culture, values and norms. Simultaneously, they possess the capacity to change the structures, as well as to cease the transmission of the said culture, values and norms (North, 1990; Ostrom, 2005; Powell & DiMaggio, 1991). Gender norms, as an example, demonstrate

the concurrent tension between institutional persistence and institutional change. Developing countries are increasingly integrating western norms, and often times these norms conflict with the country's traditional norms (Himmelweit, 2003). One example is the rise of the western ideal that women should engage in paid work in order to provide a higher material standard of living for their children. Yet, the common expectation of mothers being at their children's beck and call remains (Ibid), resulting in a contradicting norm of how women are supposed to behave and thereby affecting the private and professional lives of female entrepreneurs. Feminist scholars argue that gendered norms prevail in many households. Despite the increasing number of hours that women spend in the labor market, the amount of time they spend on care labor is virtually unchanged (Waring, 1989). Consequently, institutional resilience and change go hand in hand, manifesting the complexity of an institutional fabric. Therefore, it is particularly important to look at the institutional context when researching in developing countries (Naegels, Mori, & D'Espallier, 2018).

## 2.2 Literature Review

The following literature review first discusses the concepts of gender and its implications for individuals and society at large. Second, it looks into the views on entrepreneurship, and its particularities in a developing country and in a gender context (that is, female entrepreneurship). Last, we discuss the role of financial institutions as agents of development and how financial inclusion may advance sustainable development. The chapters are interrelated and cannot always clearly be distinguished and the content of the reviews may be overlapping.

### 2.2.1 Gender Concepts and Implications

Gender affects the ways in which we behave, it defines what is expected of us, and influences how we are being treated and perceived by others as well as how we perceive ourselves. Gender also plays a part in formal structures such as legislation. Both formal and informal gender structures shape society, which is why the following chapter is dedicated to literature on the topic of gender and its observable implications. First, this chapter defines and reviews concepts of gender that have been developed to explain behavioral differences between women and men: Gender roles, stereotypes and norms that influence human behavior. Subsequently, there is a discussion around the manifestation of these concepts in society in the form of gender inequality, and how this disparity can be mitigated by promoting women's agency.

## *Gender - Roles, Stereotypes and Norms*

As this paper regards gender, or more precisely the femaleness of the entrepreneur, as the research object, it is important to begin by defining the word 'gender'. As emphasized by West and Zimmerman (1987), one must make a distinction between 'sex' and 'gender'. An individual's sex is generally determined by the biological criteria that society uses to classify persons as male or female. These criteria usually correspond to genitalia or chromosomal typing. Gender, on the other hand, "is the activity of managing situated conduct in light of normative conceptions of attitudes and activities appropriate for one's sex" (West & Zimmerman, 1987, p. 127). That is to say, a person's gender is the social construct that refers to the conscious and unconscious behavior that complies with what is expected from a man or a woman. The process of 'gender socialization' or the shaping of a person's gender-related behavior begins even before birth, through the way the parents think and talk about their unborn child (Zosuls, Miller, Ruble, Martin, & Fabes, 2011). The reinforcement of gender continues through interactions throughout the entire life, and perhaps most importantly through the interaction with one's parents (Zosuls et al., 2011). This process of gender socialization exists in every society, however, the outward manifestations of gender differ from culture to culture.

The socially defined, outward manifestation of gender is usually referred to as *gender roles* (Zosuls et al., 2011). Much attention has been directed to the gendered division of household work as an important part of gender roles. Women are predominantly in charge of the largest share of household work, which is reflected in the lower number of 'productive hours' women spend daily (Waring, 1989), that is to say the hours spent on paid labor. In many developing countries, the prevailing gender roles dictate that the women stay at home and take care of the household work, while the men are in charge of financially providing for the family (Amine & Staub, 2009). However, women increasingly enter the labor market, and hence become 'productive' economic actors. But increased productive responsibilities do not seem to reduce women's responsibilities in the home (Klugman et al., 2014).

As argued by Eagly and Steffen (1984), gender roles translate into *gender stereotypes*, which "reflect perceivers' observations of what people do in daily life" (p. 735). That is to say, when one observes a group of people that exhibit similar attributes engage in a certain activity, then the human mind concludes that only those people who have these attributes are capable of performing the particular activity. One study by Eagly and Steffen (1984) showed that gender roles related to the gendered division of labor has resulted in a stereotype of women being more communal (e.g. selfless, caring) and men being more agentic (e.g. self-

assertive, an urge to master). This result is coherent with an article by Ndemo and Maina (2007) which shows that when women are financially dependent on their husbands, they have lower levels of agency. Thus, women who are not able to earn an income become homemakers, and are therefore dependent on their husbands for paid labor, which reinforces the stereotype that women are more communal and have less agentic attributes. Gender stereotypes function as a normative framework that reinforces the dominance of one group over the other. However, when the roles and responsibilities of members of a particular group change, stereotypes and social structures may also change over time (Diekmann & Eagly, 2000). For instance, Diekmann and Eagly (2000) argue that when many women enter the labor force at once, the gender roles change, and so do the gender stereotypes. Yet, this change may be met with resistance since it threatens the existing normative framework (Ibid).

Gender roles and stereotypes are central to the normative standards that define appropriate behavior for males and females. These so called *gender norms* are perpetuated through interactions with others, and are promoted through social pressure (Wood, Christensen, Hebl, & Rothgerber, 1997). Klugman et al. (2014) stress that “if an individual’s behavior is seen as conforming to social norms, status and community acceptance can be secured. Conversely, behaviors that stray from or conflict with prevailing norms may be subject to negative social sanctions” (p. 51). Thus, conformity to gender norms may be imposed by others, however, as Wood et al. (1997) point out, gender norms can also be reproduced as a personal standard for appropriate behavior. Individuals can perpetuate gender norms by purposefully complying with norms and values that correspond to their ideal self (the attributes that they would like to possess) and their ought self (the attributes that feel obliged to possess) (Ibid). As a consequence, gender norms affect decisions regarding, for instance, childrearing, the division of household responsibilities and which family member will engage in paid labor (Klugman et al., 2014).

In sum, gender influences people in various ways. It defines how people view themselves and others, it pressures people to behave in ways that are socially acceptable for their gender, and it reinforces the subordination of women. Power structures and domination over others grounded in gender relations has resulted in the prevalence of inequalities between men and women. In the last few decades, gender inequality has received increased attention from both the public and private spheres, as it is believed to hamper social and economic development (World Bank, 2012). The following passage will therefore discuss areas where gender gaps still prevail, and how increasing women’s agency can help narrow these gaps.

### *Gender Equality and Women's Agency*

According to UNICEF (LeMoyné, 2005), *gender equality* signifies “that women and men, and girls and boys, enjoy the same rights, resources, opportunities and protections” (p. 1). The World Bank (2012) argues that gender equality has both an intrinsic and an instrumental value for development. It lifts the description of development as “a process of expanding freedoms equally for all people” (World Bank, 2012, p. 3), whereby development not only refers to economic growth, but also to an increase in well-being for all individuals. Thus, gender equality is valuable in and of itself, as it guarantees the same rights, resources, opportunities and protections for all, and therefore expands freedoms equally. The instrumental value of gender equality corresponds to its contribution to productivity gains and economic growth, and it has been cited as useful tool for poverty<sup>1</sup> alleviation (Ibid). Klugman et al. (2014) argue that increased gender equality allows for countries to tap into an underutilized pool of human resources, namely the female half of the population. Failure to adequately allocate women's skills and talent reduces a country's competitive advantage, reinforces discriminatory social norms and legislation, and hampers social well-being (World Bank, 2012). There have been important political and economic advancements within gender equality over the years, perhaps most strikingly in the areas of women's access to education and participation in paid labor (Ibid).

One key driver of gender equality is women's *agency*. Klugman et al. (2014) define agency as “the capacity to make decisions about one's own life and act on them to achieve a desired outcome, free of violence, retribution, or fear” (p. 21). Their argument is that poverty reduction and shared prosperity are intrinsic to people's opportunity to realize their full potential. Agency can be identified by asking people about their perceived level of agency, or by examining their expression of agency, such as freedom from violence, their economic empowerment, their legal position, and their ability to make their voices heard (Ibid). Thus, removing barriers to women's expression of agency may advance gender equality. Though there have been tremendous advancements for gender equality, gender gaps and its implications for women's limited agency persist in several domains including safety, and women's economic and legal position (Gammage, Kabeer, & van der Meulen Rodgers, 2016; Klugman et al., 2014; UNHLP, 2016; World Bank, 2012).

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<sup>1</sup> Poverty can be defined in numerous ways. The World Bank defines it in monetary terms, by determining the international poverty line to be a minimum daily income of \$USD 1,9 (adjusted to purchasing power parity) (Ferreira et al., 2015). However, other notions of poverty should also be taken into consideration, such as a limited command over resources, lack of security, inequality and social exclusion (Green, Kirkpatrick, & Murinde, 2006).

A major obstacle to many women is insecurity, which influences and limits their agency. According to Klugman et al. (2014), there is no place less safe for women than their own homes, as intimate partner violence is the most common form of violence that women are exposed to. This is a particularly serious issue in Bangladesh, as 67 percent of women report having experienced physical violence from an intimate partner at least once in their lifetime (UN, 2015a). One of the major risk factors for intimate partner violence is early marriage. In contexts where women are completely dependent on their husbands for income and earnings, child marriage appears to be a convenient choice to ensure girls' well-being (Gammage et al., 2016). In Bangladesh, for instance, 52 percent of girls are married before their 18<sup>th</sup> birthday (UN, 2015a). Studies show that an efficient tool to delay marriage, and thereby protecting women from intimate partner violence, is the provision of quality education for girls and boys (Gammage et al., 2016). Conversely, lower levels of education undermine women's ability to resist social pressures that require them to conform to the normative structures (Amine & Staub, 2009). An additional tool for strengthening women's agency is raising awareness around the issues of child marriage and gender-based violence among adults. One fruitful strategy for disseminating information about women's rights is by engaging community leaders and gatekeepers (Klugman et al., 2014).

Furthermore, women's economic position can have large implications for their agency. Research conducted by Kabeer, Mahmud and Tasneem (2017) on women in Bangladesh found that women that have access to paid labor enjoy higher levels of agency in several areas including running a lower risk of intimate partner violence, having a higher social status in the community, and having a higher sense of agency. Klugman et al. (2014) argue that the integration of women in the labor market increases women's agency, since income generation may decrease women's dependency on their husband, and increase their ability to leave relationships plagued by violence. However, in certain contexts, gender norms constrain women from finding decent work (World Bank, 2012). Many women are not engaged in paid labor, and when they are, they often work in the informal sector with low salaries (UNHLP, 2016). The World Bank (2012) notes that women's lower pay is partly caused by time constraints due to their household responsibilities. This claim is supported by Bose, Ahmad and Hossein (2009), who note "one of the main reasons behind low empowerment of women is the gender division of labor associated with both socio-cultural and economic factors, which keeps women segregated at home" (p. 97). For the case of Bangladesh, labor market progressions coupled with economic reform has contributed to a decreasing gender wage gap. However, further efforts in the area of women's engagement in paid work are needed in order to advance their economic agency (Ahmed & McGillivray, 2015).

Constraints to women's agency are deeply rooted in institutional structures, on a regulative, normative and cultural level. Progressive legislation is important for advancing women's rights in the regulative domain (Klugman et al., 2014). Yet, efforts in the normative and cultural spheres are also needed for the sustainable implementation of legislation. In terms of control of and access to resources, some countries have laws that tolerate women's ownership of property, though the practical implementation of those laws may be impeded by social and cultural factors (Amine & Staub, 2009). Increasing women's ownership and control over assets may change norms and attitudes both in the household and outside (Gammage et al., 2016), as studies show that women who have access to and control over assets can enjoy higher bargaining power in the household, greater mobility, and increased autonomy (Gammage et al., 2016; Klugman et al., 2014). Engaging community and religious leaders to raise awareness of women's rights is generally viewed as a useful tool for increasing engagement (Ibid). Bose et al. (2009) highlight the importance to integrate men into the discussion of women's agency by stating that "gender development should target men first, to change their traditional attitudes, views, culture and socio-economic activities" (p. 98).

Another important expression of agency is the ability to raise one's voice and to be heard, both in the home and in policy decisions that affect one's life (Gammage et al., 2016). By coming together around common goals to amplify their voices, women can increase their influence over political decisions, promote progressive legal reforms, and change social norms (Klugman et al., 2014). Women that participate in collective groups have increased bargaining power within the household. Furthermore, women's political participation is critical for enhancing policy that reflects the priorities of women (Ibid). It can be noted that women's amplified voices have contributed to raising awareness about the issue of gender inequalities in the global agenda. In 2015, the UN adopted 17 goals for sustainable development, which among other things stress the importance of achieving gender equality to contribute to sustainable and inclusive growth by 2030 (see UN, 2018). Specifically, goal number five aims to "achieve gender equality and empower all women and girls" (UN, 2015b). Nine targets within the fifth SDG goal have been defined as reference points for governments, companies and organizations to take action. These targets include imperatives to value unpaid care and promote shared domestic responsibilities, eliminate forced and child marriages, and end all violence against and exploitation of women and girls (Ibid). Razavi (2016) remarks that though the adoption of SDG 5 has put gender equality on the global agenda, it has been met with mixed reactions. On the one hand, the SDGs draw attention to structural issues that need to be addressed. On the other hand, the implementation plans are vague and can easily be disregarded since there is no monitoring mechanism in place. Razavi (2016) emphasizes that "the



hard-won gains and vision of the SDGs will be difficult to realize unless the dominant economic model is revised, and stronger accountability mechanisms are in place to guard against dilution and selectivity in the process of implementation” (p. 27).

In sum, scholars argue that gender is a deeply rooted social structure that defines appropriate behavior for men and women. The production and reproduction of gender roles, stereotypes and norms have resulted in women being subordinate to men, which has created gender inequalities in many areas. Gender inequality is thought to restrain economic growth, and has therefore attracted the attention from global actors who wish to eliminate gender gaps and achieve sustainable and inclusive development. As is argued by several authors (Gammage et al., 2016; Klugman et al., 2014; World Bank, 2012), an increase in women’s agency, (i.e. ensuring women’s capacity to make independent decisions about their lives) is a powerful way of narrowing the gaps between men and women.

### 2.2.2 The Concept of Entrepreneurship

Entrepreneurship is one of the most studied areas within the field of business (Shane, 2003). It has been cited as a driver of both economic growth and social development. According to the Global Entrepreneurship Monitor (GEM) (2017) “entrepreneurial activity has interlinked sociological and economic contribution to the society” (p. 39). Despite this, scholars have not been able to agree on one definition of the concept. As illustrated by Shane (2003) two major perspectives have been developed to explain entrepreneurship: the endogenous perspective, which examines the role and the personality traits of the entrepreneur, and the exogenous perspective, which studies the external factors that affect entrepreneurship.

Regarding the endogenous perspective, two main approaches have gained traction: the Knightian approach and the Schumpeterian approach (Deakins & Freel, 2009). According to Knight, an entrepreneur is a daring risk-taker, who accepts the risks of running a business in return for profit. This entrepreneur is decisive, in spite of uncertainty. In Schumpeter’s view, the entrepreneur is an innovator, one who “brings about change through the introduction of new technological products or processes” (Deakins & Freel, 2009). The Schumpeterian entrepreneur is someone who not only identifies opportunities of demand for new (or at least differentiated) products or services, but is someone who innovates and creates opportunities to disrupt the market. These two approaches have been particularly important for the endogenous strand of entrepreneurship literature (Ibid).

In contrast, the exogenous perspective studies the external factors and variables that are independent of the entrepreneur, and which shape the environment in which the entrepreneur operates. Technological advancements, the development of infrastructure or political changes are factors that may facilitate entrepreneurship and create opportunities (Shane, 2003). For instance, in 1999 the introduction of the internet to the masses generated a boom in entrepreneurship through the creation of online businesses (Deakins & Freel, 2009). A more recent illustration is the surge of mobile phone usage in developing countries, which has created opportunity for financial inclusion through mobile banking (Demirgüç-Kunt, Klapper, Dorothe, Ansar, & Hess, 2018). These examples demonstrate how external factors may create opportunities for entrepreneurial endeavors. Nevertheless, external factors may also pose a challenge for entrepreneurship. The lack of access to technology, underdeveloped infrastructure, and weak formal institutions are some of the variables that may impede business creation and limit expansion. Accordingly, Deakins and Freel (2009) emphasize that economic factors such as lack of access to finance pose a major threat to entrepreneurship. Furthermore, social factors, for example gender stereotypes, may impact the success of an entrepreneur to a certain extent (Ndemo & Maina, 2007).

Shane (2003) criticizes the division of entrepreneurship into the two camps (i.e. the endogenous and the exogenous) and argues that it is necessary to develop a framework that combines the two lines of literature in order to explain the phenomenon of entrepreneurship. On that note, Shane (2003) proposes a definition of entrepreneurship that incorporates both effects of individual and environmental factors: “Entrepreneurship is an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing markets, processes, and raw materials through organizing efforts that previously had not existed” (p. 4). Shane’s definition thus takes into account both internal factors of the entrepreneur as well as the external factors that affect entrepreneurship. But also his definition has received criticism, particularly from the development and feminist scholars.

Development scholars argue that most entrepreneurship literature is written from a developed economy perspective (Imas, Wilson, & Weston, 2012). For instance, Teece (2010) argues that the business model design is a critical tool for building a successful business. The business model has many supporters in Western countries, however, development scholars question its applicability in a developing country context (Imas et al., 2012; Mair & Marti, 2009; Sinkovics, Sinkovics, & Yamin, 2014). Entrepreneurship in developing countries is subject to weak market regulating forces which impose different constraints on entrepreneurs and require a different skill-set (Mair & Marti, 2009). Sinkovics et al. (2014) further note that entrepreneurship in developing

countries entails doing business in an environment that is characterized by a highly dynamic nature and by external factors such as limited access to resources. Therefore, Imas et al. (2012) argue that the “categories, theories or models generated in the Western literature to represent their [own] economic activities cannot account for people who live in conditions that are marginal and in places that are distanced from the developed (Western) world” (p. 566). Tiessen (1997) argues that Western literature on entrepreneurship often regards individualist societies to be more entrepreneurial than collectivist societies. However, in his opinion, this belief needs to be revised, as both individualist and collectivist cultures may contribute to entrepreneurship, though in different forms. Tiessen (1997) claims that individualists create rapid change through innovation, and leverage resources through contract-based relationships, whereas collectivists generate incremental change through group-based cooperation, and leverage their resources by building extensive relational networks. For these reasons, Shane’s definition fails to depict entrepreneurship in developing countries.

From feminist theory, Ahl (2006) illustrates that the concepts of the *entrepreneur* are not gender neutral, but are actually *masculine* concepts. That is to say, the concepts, theories and methods to describe the entrepreneur use words that are viewed as masculine. Consequently, when these concepts, theories and methods are applied to research studies, the results will be gendered by default. Ahl (2006) argues, that “any investigation of women entrepreneurs that builds on earlier scholarly work risks comparing them to a male-gendered archetype” (Ahl, 2006). Applying a gender lens to the definition of the entrepreneur is therefore highly important in order to draw up a more accurate picture of the female entrepreneur.

This paper acknowledges the importance of examining both the internal and the external factors that influence entrepreneurship. However, given the particularities of these factors in the context of developing countries and in the context of women entrepreneurs, the following sections review literature regarding the specificities of 1) entrepreneurship in developing countries, and 2) female entrepreneurship in developing countries.

#### 2.2.2.1 Entrepreneurship in Developing Countries

Speaking of entrepreneurship in developing countries necessitates not only defining the word *entrepreneurship* but it also requires determining the notion of *developing countries*. Since the 2008 financial crisis, the economic gap between developed and developing countries is narrowing (Nederveen Pieterse, 2012). With parts of Europe having growth rates below two percent, and regions such as South Asia with an annual gross domestic product (GDP) growth of over six percent (World Bank, 2016a), the line between *developed* and

*developing* countries is becoming blurry. Today, developing countries are crucial drivers of the world economy, and thus one may question the binary division. To that end, the World Bank proposes a classification which divides countries into four groups: low-income, lower middle-income, higher middle-income and high-income countries (Fantom & Serajuddin, 2016). This division classifies countries according to gross national income (GNI), and is a widely-used instrument for measuring the size of an economy. Admittedly, the division does not consider other indicators of development such as education, health and social protection. Still, it is a useful tool for classifying countries for analytical purposes (Ibid). Therefore, this paper uses the term *developing countries* to denote low- and (lower and higher) middle-income countries, and is used as a reference point in the following literature review on developing country entrepreneurship.

The literature on entrepreneurship in developing countries makes a distinction between business creation as a response to necessity versus opportunity. Necessity theory emerged as an explanation of the high rates of entrepreneurs in developing countries vis-à-vis developed countries (Rosa, Kodithuwakku, & Balunywa, 2008). While the literature on entrepreneurship in developed economies maintains opportunity recognition as the root of entrepreneurship, necessity theory argues that individuals in developing countries start their own businesses as a response to a lack of employment opportunities (Amine & Staub, 2009; Rosa et al., 2008; Warnecke, 2013). However, some authors argue that necessity and opportunity recognition go hand in hand. Mair and Marti (2009) maintain that opportunity is not something that is just 'out there' and that the entrepreneur can tap into. Rather, the necessity or opportunity is contingent upon the context of the entrepreneur, who needs to 'make do' with whatever resources are at hand. Much in line with Schumpeter's view of the entrepreneur, developing country entrepreneurs do not merely perceive an opportunity and decide to act on it, they create their own opportunities through innovating with the resources they can attain. In line with this, Tracey and Phillips (2011) add that though institutional voids may constitute barriers to entrepreneurship, they can also provide opportunities and give room for entrepreneurs to innovate and create new void-spanning products or services. This view perceives opportunity- and necessity-based entrepreneurship as complementary rather than contradictory.

Institutional voids further shape the entrepreneurial landscapes in developing countries by adding importance to the personal connections and relationships of the entrepreneur. A strong network built on trust and exchange of favors reduces uncertainty (Warnecke, 2013). In developed economies, the concept of trust refers to trust in the government, the judicial system and other formal institutions. However, in countries where these institutions are weak or plagued by corruption, people place their trust in their networks (Tracey &

Phillips, 2011). Trust in 'in-groups' consisting of family members, friends and colleagues supports a new entrepreneur in identifying or creating opportunities, obtaining resources and gaining legitimacy (Puffer et al., 2010). Ahlstrom and Bruton (2006) add that new businesses in emerging markets rely heavily on personal connections to access capital and thus, these so-called informal networks fill the gaps of lacking or weak formal institutions.

In developing countries, the majority of men and women make their living in the informal economy (ILO, 2018). Muhammad Yunus describes the informal sector as the people's economy, or "the sum total of all the efforts of millions of poor people to create their own jobs, since the formal sector was unable to do so" (Yunus, 1998, p. 57). In Bangladesh, for instance, the total share of informal employment in the non-agricultural sector was 82 percent in 2013 (World Bank, 2017a). The concept of *informality* is multifaceted, and several definitions may apply. According to the International Labour Organization (ILO), "the term 'informal economy' refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements" (ILO, 2002, p. 2). This definition encompasses enterprises that operate informally, that is enterprises that hide all or parts of their economic activity from government agencies (Benjamin, Beegle, Recanatini, & Santini, 2014), as well as persons working under informal employment arrangements (Chen, 2012). However, one must keep in mind that the nature of the informal economy is as heterogeneous as the people working in it. The informal economy hosts enterprises from a number of sectors which engage in a multitude of activities, and thus employs workers of all ages, ethnicities, education levels and so on. The ILO (ILO, 2018) emphasizes that "it is important to stress that workers and economic units – including enterprises, entrepreneurs and households – in the informal economy present a broad diversity of characteristics and needs" (p. 1).

The informal economy has received increased attention from both the public and private spheres. Despite the growing interest, the underlying reasons for its large size are not well documented (Benjamin et al., 2014). A common argument for why businesses choose to hide all or some of their activities is to evade taxes (Ibid). Although this explanation may apply to some enterprises, it does not apply to all. Stevenson and St-Onge (2005) argue that when the formalization processes are too complex or have too many requirements, business owners may be intimidated and dissuaded from registering their businesses. Moreover, a study by Esuha and Fletcher (2002) found that in countries with high levels of corruption, it may be more fruitful for a business to have a low visibility which is out of the government's sight, rather than formalize the business. This indicates that in certain contexts, the perceived disadvantages of formalization outweigh the perceived advantages.

Other scholars argue that in certain regions, operating in the informal economy is simply a part of the local tradition (Chen, 2012).

When it comes to informal employment arrangements, Chen (2012) identifies two categories: informal wage employment and informal self-employment. The former category covers the “employees hired without social protection contributions by formal or informal enterprises or as paid domestic workers by households” (Chen, 2012, p. 7). The latter category encompasses owners of informal enterprises, own account workers in informal enterprises, contributing family workers (in informal and formal enterprises), and members of informal producers’ cooperatives (Chen, 2012, p. 7). That is to say, the entrepreneur operating in the informal economy goes under the category of informal self-employment. Informal entrepreneurs tend to have low levels of education, work outside normal working hours (ILO, 2018), and lack social security coverage (Chen, 2012). Their firm tend to be micro- or small-sized<sup>2</sup> (ILO, 2002), situated in the rural area with limited infrastructure (ILO, 2018), and dependent on informal networks (Tracey & Phillips, 2011).

Last, the literature on entrepreneurship in developing countries has much to say about barriers to business growth, particularly for informal enterprises. In Bangladesh, one of the most cited barriers is the limited access to formal financial services. The entrepreneurs’ informal nature, coupled with their lack of credit history and collateral, makes it costly and risky for traditional financial institutions to serve them. This pushes entrepreneurs to rely on informal sources of finance (Haq, 2015). Informal credits, such as loans from family members and friends, stand as the major source of funds for new businesses in developing countries (Lin & Sun, 2006). This is line with results presented by the GEM, which is “the world's foremost study of entrepreneurship” (GEM, 2018). The GEM (2011) demonstrates that reasons for discontinuity of a business in Bangladesh are often rooted in limited or no access to finance, and numerous entrepreneurs rely on informal investments mainly from close family members, relatives, friends or neighbors. Recently, though, commercial banks are starting to show interest in providing finance to small developing country enterprises (Haq, 2015). Another barrier to business growth is the lower levels of education among developing country entrepreneurs (Zafar & Khan, 2013). This argument is supported by a study conducted by Engström and McKelvie (2017) that

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<sup>2</sup> The definition of micro-, small- and medium-enterprises varies according to contexts and can be based on various factors. We follow the perception that micro enterprises have between 1-9 employees, small enterprises range from 10-49 employees and medium enterprises have between 50-300 employees. We use the definition of small- and medium-sized enterprises (SMEs) to cover businesses with 1-300 employees (IFC, 2012).

points to financial illiteracy as one of the most severe barriers to business growth. Yet, besides formal education, informal sources of learning constitute important knowledge providers (Zafar & Khan, 2013).

#### 2.2.2.2 Women's Entrepreneurship in Developing Countries

Attention is increasingly directed to a largely untapped human resource base, namely the female half of the population. The private sector and society at large acknowledge that there is great potential for economic growth by including women in the work force (ILO, 2015). Accordingly, there is a rising body of research on the topic of female entrepreneurship in developing countries. One branch of the research takes a rather endogenous perspective, by looking at internal attributes. This seems to be in line with Timmons and Spinelli's (2007) definition of entrepreneurship: "Entrepreneurship is a way of thinking, reasoning and acting that is opportunity obsessed, holistic in approach, and leadership balanced" (p. 79). However, some authors have added focus on the level of risk-taking by female entrepreneurs, as well as their human capital. The second strand is more concerned with the exogenous perspective, the external attributes, and this literature has focused on the challenges that female entrepreneurs face in terms of their institutional landscape.

##### *Internal Attributes*

Several authors have examined the personality traits of the female entrepreneur. One frequently cited desirable attribute for an entrepreneur is *opportunity obsession* (i.e. to be market driven) (Timmons & Spinelli, 2007). In line with the notion of the duality of necessity- and opportunity-driven entrepreneurship as two sides of the same coin in a developing country context, it is argued that the higher the level of a person's opportunity perception, the more likely is the person to create a business. It is further argued that a person's level of education, skill set and experience may determine whether a person will perceive an opportunity or not (Tsai, Chang, & Peng, 2016). Warnecke (2013) emphasizes that women's lower educational level impedes their capacity to identify opportunities. On the same note, she argues that women are more likely to engage in necessity entrepreneurship in order to generate an income to provide for the family. Therefore, opportunity obsession among female entrepreneurs can be viewed as both the capacity to identify opportunities in the market, as well as the necessity to create opportunities.

Timmons and Spinelli (2007) argue that entrepreneurship should be *holistic* in approach. Indeed, much of the literature on female entrepreneurship claims that women have a holistic approach to entrepreneurship in the sense that they have a well-balanced motivation for entrepreneurship. The literature provides two major underlying reasons to explain why women start their own businesses. First, studies show that women face high

barriers of entry into the labor market. De Vita, Mari and Poggessi (2014) note that “married women with young children are more likely to enter the entrepreneurship path than become involved in waged labor, entrepreneurship being their only way to avoid unemployment” (p. 457). Venture creation becomes one way to secure an income. Accordingly, the gender wage gap which prevails in countries such as Bangladesh may serve as a push factor for women to become self-employed (Ahmed & McGillivray, 2015). Second, self-employment allows for more autonomy to juggle paid work with household responsibilities than wage-employment (Eversole, 2004). Most female entrepreneurs run home-based businesses, which allows them to combine household responsibilities with remunerated labor. Due to the fact that household work is mainly the responsibility of the woman, Ahl (2006) remarks, “women’s entrepreneurship is seen as something secondary to their care labor”. There is a consensus among researchers that women’s responsibilities in the household constitute a highly important, yet understudied and underestimated, variable of female entrepreneurship (Amine & Staub, 2009; Brush, de Bruin, & Welter, 2009; Tsai et al., 2016; Warnecke, 2013). Women take on the lion’s share of household work, which may impede the amount of time spent on business development activities (De Vita et al., 2014). Thus, barriers of entry to the labor market combined with the high flexibility to manage paid and unpaid labor constitute two of the major motivations for women’s entrepreneurship. This indicates that female entrepreneurs have other motivations than purely financial returns, thus pointing to a holistic approach of entrepreneurship. However, findings suggest that entrepreneurial activity in Bangladesh is significantly male-led and a large gap between male and female entrepreneurship activity persists (Karim & Hart, 2011).

An additional advantageous trait for a female entrepreneur is *leadership* (Stefanovic, Prokic, & Rankovic, 2010; Timmons & Spinelli, 2007). To Timmons and Spinelli (2007), a leader is someone who builds trust, inspires others, and is honest and reliable. Leadership may be seen as an important attribute of the female entrepreneur for two reasons. Firstly, a higher visibility of female leadership can inspire other women to become entrepreneurs (Elam & Terjesen, 2010). Female entrepreneurs become role models for other women, which may generate higher rates of female entrepreneurship in the long term. Their increased presence may encourage institutions to be more favorable towards female entrepreneurship (Ibid). Second, given that the context of developing countries is not always supportive of women’s entrepreneurship, it is necessary for female entrepreneurs to have leadership skills in terms of confidence and perseverance in order to overcome barriers (Zafar & Khan, 2013). Tsai, Chang and Peng (2016) add that confidence, or perceived competence, is positively linked to opportunity recognition. In other words, a person who has a strong belief in his or her own



capability is more likely to recognize or create opportunities for entrepreneurship (Tsai et al., 2016).

It is suggested that risk-taking is a contributing factor to entrepreneurial success (Zafar & Khan, 2013). Some authors claim that women are more risk-averse than men (Jianakoplos & Bernasek, 1998). That is to say, women are less likely to take risky decisions that yield a high return. Some research contradicts this claim by suggesting that the association of women with a higher probability of avoiding risky decisions is merely gender stereotyping that has resulted from unequal financial settings (Schubert, Brown, Gysler, & Brachinger, 1999). In other words, risky financial decisions are contextual, and when put in a similar context, men and women are shown to be equally risk-taking or risk-averse (Schubert et al., 1999). Schubert et al. (1999) argue that investors' discrimination of women may be based on prejudice more than on facts. However, Humbert and Brindley (2015) argue that the definition of risk as merely related to financial gain or loss is incoherent with the experience of the female entrepreneur. Business-related risks blend with family-related responsibilities, which largely affect female entrepreneurs' perception of risk (Humbert & Brindley, 2015). In the context of developing countries, risky decisions are not taken lightly, because they can jeopardize the family's livelihood (Eversole, 2004).

Besides the body of literature focusing on the personality traits, there is a stream of research on the topic of human capital of the entrepreneur. Ahmed and McGillivray (2015) roughly define human capital as a person's *level* of education, skills, and experience and scholars seem to agree that the level of education of the entrepreneur is one of the major determinants of business success. Women generally have a lower level of education, and may therefore face more difficulties of running their businesses (Zafar & Khan, 2013). Zafar and Khan (2013) found that higher levels of education contribute to the success of female entrepreneurs. However, they note that informal sources of learning are also important for acquiring useful knowledge. Previous experience is a further important determinant for the success of entrepreneurs. However, due to childbearing and rearing, women accumulate less aggregate professional experience than their male counterparts (Shaw, Carter, & Lam, 2010). Ndemo and Maina (2007) further argue that human capital is an important enabler for women's independence in the professional sphere.

### *External Attributes*

Much literature on women's entrepreneurship in developing countries concentrates around the external challenges that female entrepreneurs face. Undeniably, female entrepreneurs in developing countries encounter limitations both in terms of formal as well as informal institutions. Women's limited access to

property and financial services, as well as sector specific factors, and socio-cultural attributes of a society, are factors that shape female entrepreneurship.

Notably, limited or no access to land and other types of property poses a major challenge for female entrepreneurs (Amine & Staub, 2009). In some parts of South Asia, arable land is viewed as a symbol of status and empowerment, and its ownership structures are often gender-biased and thus leave women disenfranchised (Sourav, 2015). Though in some cases women are formally prohibited from owning land (Amine & Staub, 2009), at times it is the informal structures of a country that shape women's right to property. In other words, some countries' regulations allow women to purchase or inherit property, but gender norms may limit the extent to which these laws are implemented. In the case of Bangladesh, the Constitution proclaims "women's equal rights with men in all spheres of the State and of public life" (Sourav, 2015, p. 6), stipulating that the majority of women have the legal right to purchase and inherit land. In practice, however, few women own land, largely due to cultural factors and gender norms (Khan et al., 2016; Sourav, 2015). The *purdah*, a Muslim tradition that constrains women's mobility within the boundaries of the home, may limit their awareness and usage of property rights (International Federation of Red Cross and Red Crescent Societies, 2017). Especially rural and indigenous women in Bangladesh are under-informed of their rights to inheritance. As a result, a woman's legal right to property may be taken away from her. At times, a woman's property is sold by male family members without the woman's knowing or consent. Furthermore, it is regarded sinful for a woman to claim paternal property and there is a high risk that it causes conflicts with her family members (Sourav, 2015).

One of the most cited challenges facing female entrepreneurs in developing countries is their limited access to financial services (Warnecke, 2013) (see chapter 2.2.3.2). Without property, female entrepreneurs are often not eligible for bank *loans*, as they cannot fulfill the requirements for collateral (Ahl, 2006; Stevenson & St-Onge, 2005). The size of collateral required in developing countries is often significantly higher than in developed economies (Muravyev, Talavera, & Schäfer, 2009). Moreover, female entrepreneurs are likely to operate in the informal sector, which makes them undesirable candidates for the provision of a loan (Haq, 2015). In turn, female entrepreneurs' limited access to credit reduces their possibilities for business expansion (Ahl, 2006; Stevenson & St-Onge, 2005), pushing them towards using informal sources of credit such as friends, family, informal credit unions, loan sharks or other types of informal money lenders (Lin & Sun, 2006). Another possibility for female entrepreneurs is to turn to MFIs, which specifically target women as their customer segment due to their holistic way of investing their money in their families and communities as well as their

high repayment rates (Khavul, 2010).

The lack of access to other types of financial services, such as bank accounts, poses an additional challenge for female entrepreneurs. For instance, Bangladesh is among the seven countries in the world with the largest share of unbanked adults, thus a large part of its population is “without an account at a financial institution or through a mobile money provider” (Demirgüç-Kunt et al., 2018, p. 4). Among them, women are particularly likely to be unbanked (Ibid). A Global Findex survey (2018) asked unbanked individuals why they do not have a bank account. The major reasons were: insufficient money to open or use a bank account, cost, distance, distrust in the financial system, lack of documentation, religious concerns or because another family member already possesses a bank account. Consequently, transactions and savings are predominantly held in cash (Demirgüç-Kunt et al., 2018).

The sectors in which female entrepreneurs operate influence the ways they do business. The majority of female entrepreneurs in developing countries operate in the informal sector (Warnecke, 2013), or in the aforementioned category of “own account workers in informal enterprises” (Chen, 2012, p. 7). Informality increases the difficulty of obtaining formal services from a bank, constituting a challenge for the informal female entrepreneur as they are constrained to informal sources of finance that often times charge high interest rates (Khandker et al., 2013). Another sector specific factor that influences the outcome for female-led enterprises is level of competition in the industry in which they operate (Ahl, 2002). Many women-led enterprises are found in the retail sector (Chandan, 2017) and the service sector (Elam & Terjesen, 2010), which tend to be highly competitive markets.

Social and normative structures influence female entrepreneurship in various ways. The structures may be reflected in gender roles, which play a part in how women do business. Particularly, it affects the extent to which women are able to build business networks (Brush et al., 2009). The GEM report from 2010 found that women entrepreneurs tend to have smaller business networks than men (Karim & Hart, 2011). Besides gender norms, religious factors can further limit women’s capacity to build business networks, as in certain contexts it is considered inappropriate for women to leave their homes, thus reducing the possibilities to tie useful bonds with others (Brush et al., 2009). Religion can also underpin the gendered division of labor in the family (Klugman et al., 2014). In some Muslim countries, women are not supposed to work outside the home, let alone own an enterprise, because it reflects poorly upon their husbands as providers of the family (Amine & Staub, 2009). Therefore, the societal view of the female entrepreneur may not always have a positive

connotation. On that note, Brush et al. (2009) argue that it is necessary to further examine the household and its gender roles in order to understand female entrepreneurship on a deeper level.

In conclusion, many definitions of entrepreneurship have been proposed in the literature. Nevertheless, scholars have not been able to agree on a single definition of the notion. Certainly, the majority of entrepreneurship concepts and models have been developed from a developed country point of view. Development scholars have therefore questioned the applicability of these models to a developing country context. Developing countries' dynamic environment influences entrepreneurship in various ways, in that it challenges and provides opportunity for entrepreneurship. When it comes to female entrepreneurs in developing countries, the existing concepts and models are less appropriate, as the female entrepreneurs' professional and private lives may be underpinned by discriminatory regulations and social norms. Nevertheless, the literature on internal attributes of the female entrepreneur seems to be in line with Timmons and Spinelli's (2007, p. 79) definition of entrepreneurship that emphasizes opportunity obsession, holistic in approach and balanced leadership skills.

### 2.2.3 Financial Institutions' Role in Developing Countries

The following sub-chapter first reviews financial institutions' embedment in the development field, followed by a brief overview of financial institutions in the specific context of Bangladesh. Finally, we provide a literature review on financial inclusion.

#### 2.2.3.1 Financial Institutions in the Realm of Development

Financial institutions take on diverse forms and functions and offer an array of products and services within the field of development. The definition of financial institutions is broad, and the meaning and implementation of their respective financial services and practices vary across institutions and countries. As a matter of fact, it proves difficult or even impossible to provide an overarching definition of financial institutions and their financial services (Beck et al., 2008). International financial institutions (e.g. International Monetary Fund, World Bank Group, Asian Development Bank) generally focus on global economic and political questions (Bhargava, 2006). Development banks seek to plan, finance, monitor and evaluate development projects that are in line with development priorities at the regional, national and international level. Moreover, development banks usually operate in the field of long-term finance, whereas so-called commercial banks issue short-term loans (Bruck, 1998). According to Kolb and Rodríguez (1996), financial institutions may broadly be categorized into depository and non-depository financial institutions. The former accepts deposits from its

customer base and constitutes, for example, commercial banks, credit unions and savings institutions. Non-depository financial institutions have come to play an important role and comprise institutions such as investment companies, insurance companies and pension funds (Kolb & Rodríguez, 1996). A more detailed set of definitions of financial institutions and their services is outside of the scope of this paper, as we primarily look at the broad role that formal financial institutions, and specifically commercial banks, take within the fields of development (see chapter 2.2.3.1.3).

Regardless of the broad definition of financial institutions and their services, Beck, Demirgüç-Kunt and Levine (2000) suggest that a well-functioning financial service sector holistically benefits the economy. Improved access to finance and financial sector development are determinants of economic growth and firm growth (Khandker et al., 2013; Levine et al., 2000). Firm growth and microenterprise expansion, in turn, may trigger the acceleration of poverty reduction (Khandker et al., 2013). “Broadening access to financial services leads to an inclusive financial system which facilitates [...] inclusive economic growth and alleviating poverty” (Afrin, Haider, & Islam, 2017). Financial development is both pro-growth and pro-poor (Beck & Demirgüç-Kunt, 2008). In addition to the potentials of improved access to financial services, impact investment through banks is receiving increased attention among development practitioners. Impact investment aims to make positive social and environmental impact alongside financial returns (Freedman, Vartikar, Wiebeck, & Zoltani, 2016). For the case of women’s financial inclusion, Miles, Miles and Stolz (2014) propose gender lens investment as a key enabler for supporting enterprises that promote gender equality.

Financial institutions and intermediaries, as supportive entities for development, are often embedded in the interface of the public and private sector. They are shaped by macroeconomic policies that fall under the responsibility of the government, while their services contribute to capital access at the micro level (Schulpen & Gibbon, 2002). Studies have shown that countries with laws which set more efficient compliance requirements tend to have more well-developed financial intermediaries (Levine et al., 2000). Aryeetey (2005) suggests that government policies, including regulatory systems and tax relieves for banks that target unserved segments, are means to create stronger engagement of financial institutions to include the unbanked. Nonetheless, it is also argued that countries where especially the private sector is strongly engaged in setting supervisory policies for financial institutions are associated with lower barriers of accessing banking products (Beck et al., 2008). Private businesses can tremendously benefit poor populations with products, services and economic opportunities. Thus, attention is given to the development of private financial institutions and banks in order to increase financial inclusion (IFC, 2011). Financial development may also take place irrespective of

the activities of the ‘formal’ private sector. The informal economy, which constitutes a large portion in many countries, reacts to limited or lacking access to formal providers by creating its own arrangements of financial services, showing the undeniable significance of some kind of financial system (Matin, Hulme, & Rutherford, 2002).

#### 2.2.3.1.1 The Interface Between Financial and Social Interests

Financial institutions may broadly be identified based on their underlying mission and orientation. It is widely documented that commercial banks aim to maximize *profits* (Demirgüç-Kunt, Beck, & Honohan, 2008). The formulation of this explicit fundamental orientation dates back to the 1970s, when Friedman highlighted that the core responsibility of a business lies in its value and profit creation (Friedman, 2007). Yet, the concept of value creation has received widespread criticism, as it is argued that western societies assume a firm’s responsibility for economic value creation and thereby leave the concept of social value creation unnoticed. In developing countries, the creation of social value as well as economic value is crucial for business success and firms need to actively pursue social values in order to prosper. This is true both for large companies as well as for grass root entrepreneurs (Sinkovics et al., 2014). Furthermore, researchers have shown that smaller and presumably less profitable enterprises generate substantial rates of return and make up the majority of the private sector in many economies and are consequently a promising target group for profit-oriented banks (Beck, Demirgüç-Kunt, & Singer, 2013). Yet, small- and medium-sized enterprises’ (SME) growth rate remains limited (Khandker et al., 2013; Kimmitt, Scarlata, & Dimov, 2016).

Although the private sector is frequently identified with profit maximization, it is in fact open to everyone, including those who are not primarily interested profit maximization but pursue a *social goal* (Yunus, 1998). The private sector, also comprising and shaping financial institutions, is undergoing an extension that gives space for both profitability and socially oriented firms. So-called alternative financial institutions may build upon a social orientation. Examples for alternative financial institutions include MFIs, state-owned agricultural and development banks and credit unions (Demirgüç-Kunt et al., 2008). Here, it is important to note the meaning of social goals and social value creation: Socially oriented firms prioritize the creation of social value, whereas the economic value creation is a byproduct and merely serves for sustainability and self-sufficiency purposes. Social enterprises create novel business models that address basic humans needs (Seelos & Mair, 2005). The profits are principally re-invested in the social purpose of the social enterprise, rather than being distributed to owners and shareholders (Harding, 2004).

Emerson (2003) suggests that developmental and social value may indeed be profitable and that “we must move beyond the traditional belief that an organization’s Economic Value is separate and at odds with its Social Value” (p. 43). It appears in recent literature that business is capable of both generating profits and simultaneously contribute to poverty alleviation (Bruton, 2010). This thinking does not comprehend profit seeking goals and socially oriented objectives as two separate strands, but rather sees them as part of *one unit* that is embedded in the development fields. Moreover, Emerson makes a valid point: “In truth, the core nature of investment and returns is not a trade off between social and financial interests but rather the pursuit of an embedded value proposition composed of both” (Emerson, 2003, p. 38). He suggests that we can achieve that by committing ourselves to create words and numbers that can express the social value creation. On the same note, Kroeger and Weber (2014) argue that it is difficult to measure and compare the social impacts of social interventions. We should thus develop practical ‘metrics’ that are capable of taking both financial and social aspects into account and furthermore, social actors need to become more fluent in the ‘language’ of numeracy (Emerson, 2003). Additionally, we should establish more effective time periods, as many current financial instruments are tied to short-term periods (Ibid). Similarly, social enterprises are characterized by duality, having the primary objective of delivering a social value to the targets of the social mission, while the primary revenue stream is commercial and market-based (Ebrahim et al., 2014). An MFI is an example for a social enterprise, which will be discussed in more detail in the following.

#### 2.2.3.1.2 The Emergence of Microfinance Institutions

Microfinance finds its roots in the 1970s, when Grameen Bank founder Muhammad Yunus combined the strands of financial theory, entrepreneurship and poverty alleviation (Kent & Dacin, 2013). Since then, a wave of MFIs are stepping in as substitutes to state-mediated and subsidized credit provision for the heterogeneous group of poor, and thereby MFIs have received growing attention (Matin et al., 2002). The underlying thought for developing MFIs was to solve “one small problem at a time [...] [since this] was a much more effective approach because it was grounded in reality” (Yunus, 1998, p. 50). As the name reveals, the main instrument of MFIs is the provision of unsecured microloans to individuals or groups that aim to start or expand a business (Khavul, 2010). A remarkable feature of early microfinancing is the group-lending model (Kent & Dacin, 2013). Even without the presence of MFIs, collective saving and loan engagements are observed in several developing countries. For instance, traditional communities use voluntary rotating credit and savings associations (Khavul, 2010). Saving groups also collect and distribute other resources than money, such as rice, kerosene or salt (Matin et al., 2002). Similarly, self-help groups are promising credit delivery techniques, in that they motivate

small groups to collectively organize their savings and thereby allowing to lend sums of money when needed (Patil & Kokate, 2017). MFIs that provide loans for collective purposes are built on similar mechanisms and thus take inspiration from the local context. Concurrently, collective loans allow MFIs to save on transaction costs and replace collateral requirements with social capital (Kent & Dacin, 2013). Another distinct feature of microfinance is its shift in focus on female clients, as evidence shows that microlending has positive outcomes for female entrepreneurs (Chen, Chang, & Bruton, 2017). Women borrowers are often associated with high repayment rates and with more conservative investment choices such as education and health of their children (Khavul, 2010).

MFIs are well represented in the rural area of Bangladesh and benefit from their broad network to serve clients in remote areas (Khandker et al., 2013). With the advent of MFIs and their service provisions, numerous micro, small and medium enterprises in Bangladesh experience increased development (Ibid). Naegels et al. (2018) argue that the provision of small loans is considerably useful, yet insufficient to help enterprises grow. In Bangladesh, scaling-up of microfinance services has not met expectations and thus access to finance still poses a major barrier (Khandker et al., 2013). Scholars discuss whether the higher interest rates on loans (around 32 percent) of MFIs, compared to commercial banks, impose a burden on smallholders. To the defense of MFIs, it is argued that until commercial banks' services are not reformed or more accessible in rural areas, it makes sense to compare MFIs' higher interest rates to the return of the enterprise, rather than to a commercial bank's interest rates (Ibid).

Furthermore, it is observed that the development logic and the banking logic are gradually merging, leading MFIs to become more commercialized (Kent & Dacin, 2013). This is grounded in the fact that instruments to evaluate financial metrics rather than social metrics are more nuanced, and practitioners thus tend to rely on financial metrics (Ebrahim et al., 2014; Emerson, 2003; Kent & Dacin, 2013). That way, the growing microfinance industry establishes a platform where commercial banks can take influence (Kent & Dacin, 2013). Notably, multinational banks are gradually venturing into microlending in developing economies (Bruton, Khavul, & Chavez, 2015). It is argued that social enterprises, including MFIs, are at risk to lose sight of their initial purpose, which is referred to as mission drift (Ault, 2016; Ebrahim et al., 2014). Appropriate governance structures and monitoring through the governing board, is a tool that can help overcoming this so-called mission drift (Ebrahim et al., 2014). In line with that, Kimmitt and Muñoz (2017) argue that MFIs' ability to fill the lacuna of formal financial services is limited, since crucial instrumental freedoms need to be in place simultaneously. Especially the political freedom that facilitates well-functioning markets and corporate



governance systems, paired with the development of a sound institutional environment, are argued to be a prerequisite for enabling sustainable financial inclusion (Kimmitt & Muñoz, 2017; Kimmitt et al., 2016).

#### 2.2.3.1.3 Formal Financial Institutions in the Landscape of Bangladesh

The formal financial system in Bangladesh consists of the Central Bank named 'Bangladesh Bank', scheduled and non-scheduled banks, non-bank financial institutions, MFIs, insurance companies and capital market intermediaries, whereas MFIs and scheduled banks make up the majority and are the main providers of financial services (Bangladesh Bank, 2018a). The landscape of scheduled banks in Bangladesh comprises various types, such as state-owned commercial banks, conventional private commercial banks, Islami Shariah based private commercial banks and foreign commercial banks (Bangladesh Bank, 2018b). Recent policy shifts in Bangladesh are encouraging private commercial banks to support agricultural production by turning to the provision of rural credits. Commercial banks have few or no rural branch offices and are therefore engaging partnership agreements with MFIs that have broader rural networks (Rahman, Luo, & Cheng, 2011). Also, 'Bangladesh Bank' has introduced policy guidelines that specifically draw attention to the inclusion of women, by calling upon banks and financial institutions to establish women entrepreneurs dedicated desks, provide loans against personal guarantors and set interest rates at the market rate despite the higher operating costs for smaller loan provision (Singh et al., 2016). Singh et al. (2016) question the policy initiatives and suggest that self-initiated gender inclusive measures would lead to more profound impacts.

The banking sector of Bangladesh has undergone several reforms since the 1980s, among other things the restructuring and preparation of state-owned enterprises for privatization (Beck & Rahman, 2006; Robin, Salim, & Bloch, 2018). The growing number of private commercial banks in Bangladesh is associated with a more prosperous financial system (IMF, 2010; Uddin & Suzuki, 2011). Against common belief, predominantly government-owned banking environments pose higher access barriers to customers, for example, by taking more time to screen loan applications (Beck et al., 2008). Islamic banking differs from conventional banking in that it offers sharia-compliant financial products. In theory, sharia compliant finance does not allow for speculation, charges no interest rates, and prohibits certain illicit activities (Beck, Demirgüç-Kunt, & Merrouche, 2013). In practice, though, some Islamic banks have developed products that resemble conventional banking products by closely pegging their deposits to conventional deposits and thereby the services are not entirely interest free (Beck, Demirgüç-Kunt, & Merrouche, 2013; Ibrahim & Alam, 2017). The definition of sharia-compliant financial products and services vary according to different country contexts. Islamic banking is attractive for a large part of the population as the offered services are consistent with

religious beliefs (Beck, Demirgüç-Kunt, & Merrouche, 2013). Last, foreign banks presumably rely on less soft information (e.g. relationship lending, loan officer's personal contact with SMEs) for loan evaluations than domestic banks. Foreign banks that operate in developing countries are generally large banks and their subsequent more centralized and hierarchical structures may lead to more strict loan approval and risk management decisions (Beck et al., 2011). On the other side, foreign banks can increase financial access owing to their ability of providing physical access points for the delivery of financial services (Gopalan & Rajan, 2018).

Households in Bangladesh that are engaged in microfinance activities, including institutional financing from formal banks or microcredit, are generally better off in the long-term. Though, only 10 percent of the enterprises fall under the umbrella that is served by financial institutions (Khandker et al., 2013). Most commercial banks charge interest rates around 10-12 percent and would be cost-effective sources for financing rural enterprises (Ibid). Due to the high transaction costs caused by small-loan service provisions, however, a large portion of the rural population is untouched from formal banking services (Demirgüç-Kunt et al., 2008; Khandker et al., 2013). Studies on the banking sector in Bangladesh reveal that the landscape is changing at a modest pace, as private commercial banks are trying to enhance financial inclusion (Haldar, Rahman, Mia, Ahmed, & Bashawir, 2016). In fact, formal lending for female-owned SMEs has steadily grown throughout the country, but the finance gap is still prevalent (Singh et al., 2016). A large portion of the productive households in Bangladesh, especially in the rural areas, remain outside the reach of financial inclusion (Afrin et al., 2017).

#### 2.2.3.2 The Concept of Financial Inclusion

Financial inclusion is a topic relevant to economies at all stages of development (Demirgüç-Kunt et al., 2008). There is no universally recognized definition of financial inclusion, but Kodan and Chhikara (2013) provide a summary of prevalent perceptions and definitions. What is pervasive throughout the definitions is that policy makers agree that the provision of basic banking services enhances financial inclusion (see Kodan & Chhikara, 2013). It is contended that financial inclusion is a sustainable development approach due to its focus on equalizing opportunities, whereas redistributive policies rather focus on equalizing outcomes. Without a financial system that serves as a backbone for entrepreneurship, growth opportunities and investment in education, individuals need to rely on their own resources (Demirgüç-Kunt et al., 2008). In the development context, the aim of financial inclusion lies in “delivery of financial services at an affordable cost to the vast sections of the [...] low-income groups” (Patil & Kokate, 2017, p. 157). This does not mean that poor households must use financial services that are targeted for them, but that there at minimum should be the availability of services that allow to save or to take a loan when needed (Matin et al., 2002). Nonetheless,

reasons for an underdeveloped financial inclusion are vast and stem from both the supply and demand side (King, 2014). Factors that hamper financial inclusion may be closely intertwined.

#### *Risk-related Attributes*

Banks' rigid and thorough screenings and risk evaluations of creditworthiness may prevent borrowers from access if they do not meet the requested criteria. Frequently cited obstacles for SMEs in South Asia of accessing banking finance include lack of collateral, which is often a prerequisite when applying for a loan (Afrin et al., 2017; Wellalage & Locke, 2017). In Bangladesh, recent initiatives by the central bank and private banks introduced collateral-free loans (Haldar et al., 2016). In addition to lacking assets and collateral, other risk related factors may hamper financial access and economic development. Matin et al. (2002) explain that the economic environment of the poor is subject to higher risks due to household-related factors as well as broader environmental factors. The former includes factors such as loss of income through disease, death and insecure conditions of employment, and the latter is concerned with factors such as harvest failure due to flooding or drought and nonexistence of security. Individuals employed in agriculture are particularly prone to risks such as crop failure, seizing of farmland and theft of family assets (Afrin et al., 2017). Bangladesh is particularly exposed to environmental changes as its geographic location makes it subject to flooding, which ruins crops and causes damage to the aquaculture (Husain & Tinker, 2018).

#### *Income-related Attributes*

Income poverty and the resulting inability to afford financial services may be a barrier to financial inclusion (Demirgüç-Kunt et al., 2008; King, 2014). From a supplier's view, this is grounded in the fact that formal finance entails relatively high fixed transaction costs and correspondingly high prices, which is difficult for people with low income to afford. In several African countries, annual checking account fees may exclude up to 90 percent of the population from such accounts (Beck & Demirgüç-Kunt, 2008). Often, households with low income require smaller transaction services, which are costly and unprofitable even for innovative financial institutions (Beck & Demirgüç-Kunt, 2008). Although in some countries (e.g. India) the price of financial services is expected to decrease due to technological advances (Tulasi, Golait, Sethi, & Goel, 2017), there is still a considerable amount of the population that is excluded due to low income streams. Prahalad (2010) explains that to serve low-income individuals, the unit price needs to be lowered, meaning that firms need to sell a lot of units in order to generate profits. Given the sheer size of the unserved population, scale is both desirable and a prerequisite for establishing a profitable business. Furthermore, several financial institutions have turned to

group lending schemes, which build networks that educate borrowers and foster peer pressure regarding repayments and monitoring (Beck & Demirgüç-Kunt, 2008). Some scholars point to the drawbacks of the microlending practice of group lending, though, as it may push entrepreneurs into groups and undermine individualistic and innovative thinking or penalize certain group members with too high interest rate charges (Hirth & Pestonjee, 2016; Scalera & Zazzaro, 2001).

#### *Product-related Attributes*

Flexible and customized financial products are essential to spur financial inclusion (Arunachalam, 2008). King (2014) argues that financial innovation is necessary in order to serve the big portion of the unbanked poor, and that product development will primarily be guided by profit-seeking banks. As a matter of fact, contextualized financial services may have lasting effects by both widening the scope of financial inclusion for users, and leading to profit generation for the providers (Demirgüç-Kunt et al., 2008). Multiple MFIs that offer innovative financial services prove to be financially successful, with repayment rates that lie above 95 percent (Matin et al., 2002). Both the breadth and the depth of financial services are factors that determine how successful financial institutions are in delivering their products. According to Demirgüç-Kunt et al. (2008), “services need to be available when and where desired, and products need to be tailored to specific needs” (p. 22). Put differently, the attractiveness and marketing of financial services are crucial determinants of enhancing financial inclusion (Kodan & Chhikara, 2013). The co-creation of products and services may facilitate the product adaptation to a given context (Panum & Hansen, 2014). By coming together and creating a product or service that caters to the community that helped create it, companies can provide a product or service that their customers demand, and at the same time leverage trust and ensure the company’s social value creation (Simanis, Hart, & Duke, 2008). Evidence shows that innovative products and activities have successfully increased demographic penetration throughout Bangladesh. Examples are: introduction of agricultural credit programs with low interest rates, female entrepreneurship training and scholarships for education purposes (Haldar et al., 2016).

#### *Geography and Infrastructure-related Attributes*

Limited geographical reach of financial services impedes financial inclusion (Demirgüç-Kunt et al., 2008). The absence of physical banks in certain areas leaves a large portion of the population excluded from financial services and entails particularly high cost and time constraints due to lengthy travels, especially for those requiring regular and repetitive bank transactions (King, 2014). Accordingly, a study by Allen, Demirgüç-Kunt,

Klapper and Martínez Pería (2016) reveals that proximity to a bank branch is a determining factor for financial inclusion. Also, banks located in countries that are more prone to electricity outages set higher prices and requirements for their products (Beck et al., 2008). Geography-related attributes are closely related to infrastructure-related factors, which determine mobility, transportation services and technological advancements (Kodan & Chhikara, 2013). An underdeveloped infrastructure limits efficient distribution of services, which especially prevents rural areas from participating (Prahalad, 2010).

Some countries implement improvements of the physical infrastructure by increasing the number of bank branches, points of sale or ATMs (Karpowicz, 2014). The development of technological infrastructure may radically influence the availability of financial services; while in some countries loan applications are only accepted in the bank's headquarter, in other countries applications can be submitted over the phone (Beck et al., 2008). A study by Beck et al. (2008) indicates that e-finance or m-finance has the potential to substitute for and expand access despite limited physical availability. In the past years, for instance, geographic reach of commercial banks' financial services has grown in Bangladesh, owing to innovative products such as mobile banking (Haldar et al., 2016). A noteworthy example is bKash, a Bangladeshi mobile financial service company that was established in 2010 and today holds approximately 23 million users (IFC, 2016). Other solutions to limited physical availability of bank branches are non-branch outlets, where nonfinancial corporations sell on behalf of the bank, and mobile branches, where trucks drive through remote areas to provide financial services at a scheduled frequency (Demirgüç-Kunt et al., 2008). As a matter of fact, a well-functioning infrastructure and free media are frequently related to lower barriers to financial services (Beck et al., 2008).

#### *Informality-related Attributes*

Documentation requirement is a predominant reason for restricted access to financial services. Lacking legal identity cards, birth certificates or written records often financially exclude women, ethnic minorities and migrants (Kodan & Chhikara, 2013). In the case of Sub-Saharan Africa, much of the population does not hold formal employment, has no formal physical address and does not possess any identification documents (Beck et al., 2008). Similarly, many SMEs in South Asia operate with limited or non-existent business track records (Wellalage & Locke, 2017). The problem lies in the fact the commercial banks for the most part require formal documents to open an account, a requirement which is unobtainable in many rural areas, where the informal sector is a crucial source for income generation and well-being (Beck et al., 2008; Engström & McKelvie, 2017). Some entrepreneurs respond to the limited financial opportunities by relying on personal networks and trust,

or by running multiple small businesses to generate sufficient income (Naegels et al., 2018). Although the share of registered microenterprises in Bangladesh has increased over the past decades, many rural enterprises are still informal and a large portion relies on their own resources or on informal loans from friends and family for start-up capital (Khandker et al., 2013). At times, informal money lenders fill the voids of limited or absent financial services, however they tend to charge exorbitant interest rates (Ibid). Besides, informal sector workers often lack financial literacy, the acquisition of which is crucial in order to sustainably use formal financial services (Engström & McKelvie, 2017; King, 2014).

### *Gender-related Attributes*

It is argued that weak institutionalization of female entrepreneurship can lead to self-reinforcing discriminatory mechanisms, in that many women own a medium and small-sized business, work in informal sectors or engage in unremunerated domestic work, which in turn contributes to banks preferring already established businesses and thereby favor male-led enterprises (Coleman, 2000; Wellalage & Locke, 2017). A study on demand for rural credits in Uganda finds that women tend to shy away from applying for credits, or apply for comparatively lower amounts of credits (Mpuga, 2010). The limited access to finance rooted in gender inequality underpins that women seek male guarantors in order to borrow (Kodan & Chhikara, 2013). Furthermore, evidence suggests that when first-time borrowers are matched with an opposite-sex loan officer, then they are less likely to return to the officer for a second loan request (Beck, Behr, & Madestam, 2018). As a matter of fact, Naegels et al. (2018) stress the importance of assuring that loan officers take unbiased and objective decisions, and simultaneously policy makers should develop educational programs to change prejudiced gender perceptions. In fact, research indicates that female borrowers have comparatively high repayment rates (Kent & Dacin, 2013). Against common belief, scholars quantitatively illustrate that formal female-owned or female-led SMEs in South Asia are less constrained in accessing finance than male-run SMEs, and emphasize the potential and profitability of women's financial and economic inclusion (Wellalage & Locke, 2017). Policy makers are thus not recommended to focus on female-centric financial inclusion, but rather on a general empowerment of women that aims to reduce the gender gap in terms of, for instance, income, education and financial literacy (Tulasi et al., 2017).

The provided set of constraints to financial inclusion is unfinished and open for extension. Still, it provides a compilation of recent academic contributions. Further factors, such as age, type of occupation, education, awareness, psychological and cultural barriers and objectives of individuals may be related to financial

inclusion (see Afrin et al., 2017; Arunachalam, 2008; King, 2014; Kodan & Chhikara, 2013; Prahalad, 2010). Moreover, one may distinguish between financial access and financial usage, whereas the former deals with constraints to access financial services and the latter is concerned with individuals that are voluntarily not using financial products (e.g. due to religious, ethnic or preference reasons) (Beck, Demirgüç-Kunt, & Martínez Pería, 2007; King, 2014). Policy advice should principally be directed towards the involuntarily excluded individuals (Beck & Demirgüç-Kunt, 2008). All in all, financial inclusion is a broad topic that should be given further exploration and research.

## 2.3 Conceptual Framework

We abductively created a conceptual framework which is used to analyze our data. It is based upon our theoretical background, literature reviews and primary data. The framework has three circles and should be read from inside out. The inner circle represents feminist institutional theory, and is composed of Scott's (2014) three institutional pillars, namely the regulative, normative and cultural-cognitive pillars. The middle circle constitutes the key themes to female entrepreneurship. We identified five key themes to female entrepreneurship based on the literature review of gender concepts and entrepreneurship, discussions with employees from Solidaridad, and on empirical data that we collected in the Khulna cluster in Bangladesh. Four key themes were identified before starting the field research (agency, informality and support networks, attitudes to female entrepreneurship, and human capital), which are presented in the boxes on the middle circle. The fifth theme (corruption) is represented in the dotted box. The theme was found in the empirical data and thus added later. The outer circle represents attributes to financial inclusion. Five attributes (risk-related, income-related, product-related, geography and infrastructure-related, and informality-related) were defined before the field research. The remaining two attributes (gender-related, and awareness and knowledge-related) are represented in the dotted boxes in the outer circle. They were identified during the data analysis.

We chose this framework since it allows to concurrently look at women entrepreneurship seen through a feminist institutional lens, and financial inclusion. The separate topics are prevalent in much literature, but there are only few frameworks that incorporate the two strands. It embeds the respective topics in one another in a legitimate manner. Feminist institutional theory is at the core, and the underlying institutional pillars and female entrepreneurship reciprocally shape one another. They are embedded within financial inclusion. Institutional factors shape female entrepreneurship, which in turn may determine the nature and level of financial inclusion. Feminist institutional theory as the core framework to the outlined themes seems

appropriate because it allows for a deeper understanding of contexts of human behavior, which is key for answering our research question. The analytical framework in its entirety helps structuring the analysis of the empirical data, in order to answer the research question: *How can contextualized financial services contribute to the development of sustainable female entrepreneurship in the dairy industry in Bangladesh?*

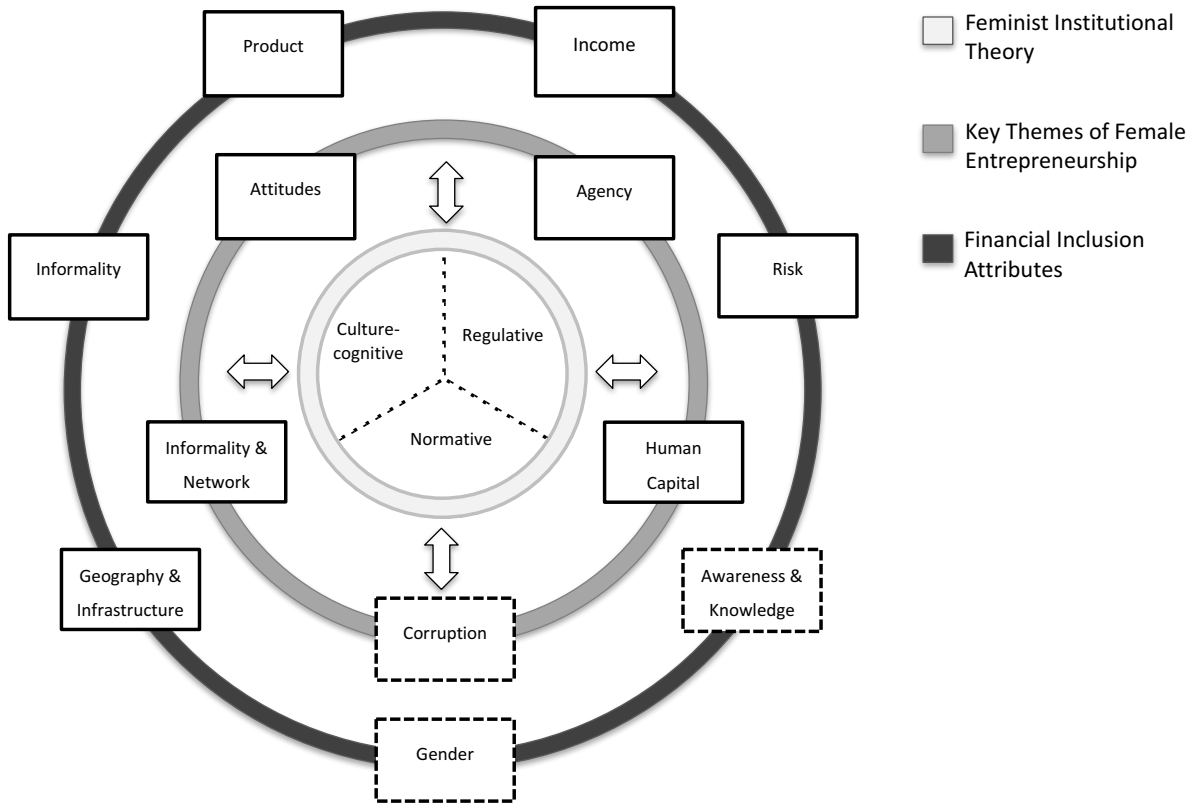


Figure 1: Conceptual Framework. Source: Own Creation



### 3. Methodology

In this chapter, we present an overview of the procedures that have shaped the inquiry of our research subject. We start out by sharing our philosophy of science and the research approach and research design that we have used. Then, we introduce our data collection techniques, followed by the data analysis method and finally we provide a brief section on reflexivity and ethical concerns.

#### 3.1 Philosophy of Science

The philosophy of science underlying our thesis is a choice that was made during the early phase of the paper, that is at the stage of rough reviewing of literature on the relevant topic and before defining and executing the data collection. Thereby, the aim is to guarantee a common thread in terms of philosophical viewpoint throughout the paper and to create awareness of our own position in the fields of philosophy of science.

##### *Critical Realism*

This thesis adopts a critical realist perspective. Roy Bhaskar laid the foundations for critical realism in the 1970s by distinguishing ‘intransitive’ and ‘transitive’ dimensions of knowledge (Sayer, 2000). The objects of science – including both physical processes and social phenomena – are intransitive, or ontological, dimensions of knowledge, which means that they do not depend on human activity (Bhaskar, 1975, 1989). These objects of knowledge, such as gravity of planets, light propagation or sound travelling through space, continue to persist even if there were no scientists to study the objects, and they “are in general invariant to our knowledge of them: they are the real things and structures, mechanisms and processes, events and possibilities of the world; and for the most part they are quite independent of us” (Bhaskar, 1975, p. 22). The critical realist approach thus assumes a reality (or several realities) that is independent of cognition (Bechara & Van de Ven, 2007). Theories and discourse, on the other side, fall into the transitive dimension of knowledge, or the epistemological dimension of philosophy of science (Bhaskar, 1989; Sayer, 2000). Humans produce knowledge which constitutes a social product and is used to make sense of the intransitive objects and structures of the world. Science is a transitive process with underlying antecedent knowledge and relies on intransitive objects (Bhaskar, 1975).

Critical realism states that a real world exists and that we can use causal language (with thinking) to describe the world, in order to approximate reality. Things are often explained with reference to causal powers and

“critical realism mirrors the language and procedures we routinely adopt and the explanations that we create” (Easton, 2010, p. 119). Thereby, critical realism takes into account both the existence of a real world and the limitations of scientists to holistically grasp its existence (Bechara & Van de Ven, 2007). The nature and use of language play a particular role in the formation of knowledge (Easton, 2010). The philosophical position is grounded in a stratified ontology, taking into consideration that the phenomena studied may be of a real, empirical or actual nature (Sayer, 2000). This way, critical realism does not limit itself to an empirical or/and actual ontology (Bechara & Van de Ven, 2007; Sayer, 2000). Critical realism puts emphasis on the existence of entities which are usually structured and mirror the real world, and tries to identify causal responsibility and mechanisms in complex open systems (Bechara & Van de Ven, 2007; Easton, 2010; Sayer, 2000). An overarching strength of research that is grounded in a critical realist position is that it helps explaining social phenomena by revealing the causal mechanisms that produce them (Danermark, Ekstrom, Jakobsen, & Karlsson, 2002).

Acknowledging that sex and gender are related and often used interchangeably, they exist both as part of the real world and as part of a social construction. Thus, a critical realist position is appropriate for our thesis. On the one hand, gender-related phenomena may be part of the real world and take place regardless of human activity. For instance, gendered norms partially construct the context for female entrepreneurship in Bangladesh and may culminate in barriers that become reality. Although the phenomena’s production is concept-dependent, they exist independently of the researchers’ interpretation of them (Easton, 2010). On the other hand, the mechanisms underlying gender-based phenomena can be related to social constructs, and in that regards barriers to female entrepreneurship simultaneously constitutes the theory-laden, or transitive, world. Our position thus acknowledges that these barriers, and perhaps even more importantly, initiatives to remove them, mirror the real world through causal language that aims to make sense of the underlying structures of entities. In other words, “gender relations are generally informed and reproduced through beliefs that gender is natural rather than a product of socialization, so that the disadvantages suffered by women are seen implicitly as natural too. Social scientists who merely reproduced this explanation uncritically in their own accounts so that they merely reported that gender was a product of biological difference would fail to understand gender. To explain such phenomena one has to acknowledge this dependence of actions on shared meanings while showing in what respects they are false, if they are” (Sayer, 2000, p. 9-10). It is for these reasons that we believe our arguments, backed by a critical realist position as a middle ground between an interpretivist and positivist position, will be rigorous (Bechara & Van de Ven, 2007).

### *Feminist Approach*

Feminist institutional theory serves as a backbone of our theoretical background, whereas a *feminist approach*, as part of the methodology, is pervasive throughout the research process and the paper in general. Having said that, our critical realist position is rounded up with what has been referred to as feminist research practices; an approach that emphasizes responsibility and care over outcomes (Parr, 2015). Stewart (1994) equally suggests employing a feminist perspective for studying women's lives, by identifying hidden power relationships in favor of men and how these influence women's selves. Similarly, scholars pinpoint the necessity for a research approach that integrates both men and women, and in that way adds to a more inclusive scientific community and manages to embed feminism within the economic field (Jacobsen, 2003). Listening to participant's explanations and experiences of a phenomenon may in fact give valuable insights to explain reality and ultimately facilitating change-oriented research (Fletcher, 2017). A feminist approach, paired with case-based research, allows for a deeper understanding of gender-related mechanisms.

It is noteworthy that Peter (2003) argues that a feminist philosophy of science should go beyond realism, and claims that critical realism is not appropriate for feminist economics. He proposes a so-called political philosophy of science that rethinks the legitimacy of knowledge claims, sensitive to political and ethical questions, and that creatively seeks to shed light on alternative topics of research and modes of inquiry. The challenge lies in not giving "access to the excluded on the terms of the included" (Peter, 2003, p. 118). By consciously intertwining a critical realist position with a feminist approach, we take into consideration the critiques that the critical realist position within feminist economics has encountered. Our data partly consists of interviews with women, and our paper thus represents their voices and reflections. That way, the voices of potentially marginalized female entrepreneurs constitute an important cornerstone for knowledge production (Parr, 2015). A feminist approach serves to jointly establish nonexploitative relations, to embed ourselves within the research and acknowledge the role we take as researchers, and to conduct research which aims to bring about change (Creswell, 1998; Stewart, 1994). This approach is consequently supportive in uncovering structures in the dairy industry in Bangladesh, a research area that has received little attention to date, and thereby seeks to creatively address what Peter (2003) refers to as alternative topics.

### 3.2 Research Approach

Research can make use of either deductive, inductive or abductive reasoning (Saunders, Lewis, & Thornhill, 2012a). The deductive approach is concerned with testing theory through empirical data, using an analytical

framework that is tight and prestructured. Contrarily, inductive reasoning is used to generate new theories, and applies a loose and emergent analytical framework (Meyer, 2001). The abductive approach is not concerned with testing existing theory, neither does it engage in generation of new theories. Rather, abductive reasoning attempts to develop upon existing theory through systematic combining, which can be described as “a continuous movement between an empirical world and a model world” (Dubois & Gadde, 2002, p. 554). The researcher moves ‘back and forth’ between theory and analysis, matching categories from the empirical data with the pre-existing theoretical categories, in order to generate an analytical framework that is tight and emergent, and which reflects both the theoretical and the empirical world (Dubois & Gadde, 2002; Meyer, 2001). Flyvbjerg (2006) argues that existing theories in social sciences have weak predictability power, which makes practical, context-dependent knowledge valuable. However, according to Meyer (2001), having a theoretical pre-understanding is necessary in order to keep the study focused, and avoid collecting irrelevant data. The abductive approach is therefore suitable for research that wishes to “investigate the relationship between everyday language and concepts” (Dubois & Gadde, 2002, p. 555). Easton (2010) argues that abductive reasoning is in line with critical realism, which aims to explain real world phenomena by identifying mechanisms that produce them.

This thesis used an abductive research approach, because we deemed existing theories to be inadequate to describe the topic of study, at least to our knowledge. In the initial phase of the study, we decided to use institutional theory with an added focus on gender through a feminist lens. The feminist institutional theory therefore became the foundation of the analytical framework. In the second phase, we developed the parts of the analytical framework concerning women’s entrepreneurship and financial inclusion. This was done through a systematic combining of previous readings on the topics and data collected in the field. The main data consisted of interviews with female entrepreneurs and private banks. Meetings and conversations with Solidaridad’s employees rounded up the core data and contributed to the development of the conceptual framework (see chapter 3.4). Systematic combining allowed us to single out the categories that appeared to be most important, thus creating an analytical framework that is both tight (i.e. with fixed categories) and emergent (i.e. it was developed over time). Our research approach was therefore abductive, that is to say it built upon existing theories and previous research, and was grounded in empirical data.

Research can have descriptive, explanatory or exploratory purposes. The descriptive study aims to create a detailed portrait of an event or a phenomenon, and is often the precursor of explanatory research (Saunders et al., 2012a). The explanatory study investigates cause-and-effect relationships between entities in order to

explain a given phenomenon. Research questions that ask *how* or *why* are of explanatory nature, as they search for causal relationships between entities (Yin, 2003). *What* questions aim to either depict or unveil a phenomenon, and call for a descriptive or exploratory strategy. Exploratory research is a valuable means of asking open-ended questions and gaining new insight about a topic (Saunders et al., 2012a). Our research purpose was both explanatory and exploratory. The form of the research questions was of explanatory character, namely starting with 'how'. Yet, it was also exploratory given that the context of female entrepreneurship and financial inclusion is understudied. Certainly, there are separate bodies of literature on the two topics, however the relationship between them seems to be largely overlooked in research.

### 3.3 Research Design

The nature of the research topic should determine design of the research (Flyvbjerg, 2006). Accordingly, this chapter will outline the choices made in designing the research and present the underlying reasons for these choices. We will first discuss the method used, before we present the design of the research.

#### *Qualitative Research*

According to Flyvbjerg (2006), "good social science is problem driven and not methodology driven in the sense that it employs those methods that for a given problematic, best help answer the research questions at hand" (p. 242). Creswell (1998) argues that qualitative research is suitable when the topic needs to be explored. That is to say, when existing theories are inadequate for answering the research question. Furthermore, it is useful for drawing a detailed picture by studying a phenomenon in its natural setting. This allows the researcher to observe cases in depth with a large number of variables, in contrast to quantitative research which studies few variables over a large number of cases. Qualitative methods are concerned with understanding complex realities and differing and competing subjectivities (Mayoux, 2006). It allows the researcher to be an active learner who listens to the interviewees, and presents their stories (Ibid). We consider this particularly important, as "research is political and has the power to change people's lives" (Harrison, 2006, p. 63). Easton (2010) adds that qualitative research is in line with critical realism, because it uses intensive methods (e.g. interviews) to investigate causal relationships in a specific area of research. Qualitative research is "an inquiry process of understanding based on distinct methodological traditions of inquiry that explore a social or human problem. The researcher builds a complex, holistic picture, analyzes words, reports detailed views of informants, and conducts the study in a natural setting." (Creswell, 1998, p. 15). Thus, the research design

should be developed based on the chosen topic, and qualitative methods are best used if the topic needs to be explored. Qualitative methods are appropriate when the aim is to conduct in-depth research and to paint a detailed picture from the perspective of the participants.

Following Flyvbjerg's (2006) recommendation, we let the research question define the methods that we were to employ. In doing so, we found that qualitative methods were suitable for our study. Female entrepreneurship and financial inclusion in Bangladesh is a topic that has received limited attention in academia and praxis, and needs to be both explored and explained. The topic demanded that we conduct in-depth research. We used qualitative methods such as in-depth interviews, which are appropriate for unveiling detailed information about a wide range of variables, something that could not be achieved to the same extent using quantitative methods. Our aim was to develop a holistic understanding of the current situation, as well as to identify the causal relationships between institutional factors and increasing entrepreneurship among women, and the mechanisms that (should) trigger banks' interest in serving female entrepreneurs by developing contextualized products. Thus, we deemed a qualitative research design to be suitable for our study.

### *Case Study*

When designing a qualitative research, one must choose from a multitude of methodological traditions. One of them is the case study, which can be defined as "an exploration of a 'bounded system' or a case (or multiple cases) over time through detailed, in-depth data collection involving multiple sources of information rich in context" (Creswell, 1998, p. 61). In this view, the case is bounded in time and space, and provides the researcher with valuable context dependent information. Yin (2003) adds further comment to this definition by describing a case study as "an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident" (Yin, 2003, p. 13). That is to say, when the research topic covers a phenomenon that is context dependent, the case study is investigating the phenomenon directly within its context. A case study can take the form of multiple cases or a single case. Criticism has been directed towards the single case study, questioning its rigor and validity as a research method. Notably, some argue that one cannot generalize from a single case study, and that multiple-case studies produce more reliable conclusions (Dubois & Gadde, 2002). However, as argued by Flyvbjerg (2006), one can often generalize on the basis of a single case, depending on the nature of the case, though it may not always be desirable to do so. As noted by Dubois and Gadde (2002), conducting multiple-

case studies certainly provides more breadth, but also less depth. Thus, choosing a single case is justified when the research topic highly is complex, with many interdependent entities, as it gives a deeper understanding of the topic (Ibid).

We have used a single case study approach as our choice of research method, as we considered it the appropriate method for studying the chosen research topic. As such, our case is a collaborative project with Solidaridad to study female entrepreneurship and financial inclusion in the dairy industry. The case is bounded by space and time. The boundaries were Bangladesh (space) and a two-week field study (time). The research topic of female entrepreneurship and financial inclusion is certainly complex, and the subject is contingent upon its environment. Thus, the phenomenon cannot be separated from its environment. For that reason, the research needed to be conducted within the specific context in which the participants are embedded. The choice of conducting a single case rather than a multiple case study was based on the purpose of doing in-depth research that is holistic and detailed, and which may serve as basis for future research on the topic of female entrepreneurship and financial inclusion. Case study research was also appropriate for our study as it is in line with critical realism and gives more importance to intensive research than to extensive research (Parr, 2015). Along these lines, the nature of the research question as well as the complexity of the phenomenon studied supports the choice of conducting qualitative research through a single case study.

### 3.4 Data Collection Method

Due to the nature of our topic, primary data constitutes the core to answer the research question. It is for this reason that we conducted a two-week field study in Bangladesh. The field trip was timed before Ramadan, to ensure availability of research partners (Leslie & Storey, 2003). The primary data gave valuable insights and a deeper understanding of how institutional factors shape female entrepreneurship and their financial inclusion in Bangladesh. In the following sub-chapters, we present our sampling design and the two tools used, namely interviews and observations.

#### 3.4.1 Sampling Design

As we are undertaking an in-depth and information-rich case study, non-probability sampling (or non-random sampling) was the most appropriate form to select our sample. More precisely, we have used purposive sampling to map out the respondents that were particularly informative for our case. Purposive sampling is not representative for the population but since the aim of our study lies in profoundly understanding complex

structures, this sampling technique is convenient. Our purposive sampling was both heterogeneous and homogeneous in nature. Heterogeneity means that the participants have diverse characteristics, which ensures large variation within the sample. Homogeneity, in contrast, means that participants of a sample have similarities in terms of, for instance, occupation (Saunders, Lewis, & Thornhill, 2012b).

Our sample broadly consists of three heterogeneous groups of participants. The first group forms the frame of our study: employees from Solidaridad. The organization's purpose overlaps with our study aim and on this basis, we developed a shared research framework, because this group is not the object of research, but a support to answer the research question (Mercer, 2006). The two principal contacts were established upon our arrival in Bangladesh, namely the local Gender Officer and the local Intern. They were onboard during nearly the entire field study in Bangladesh, and they were the nexus to select participants for our core study. The second and third group form the foundation of our research: female entrepreneurs and private bank officers. Participants *within* each group were of a homogeneous nature. It is for this reason that our purposive sampling technique constitutes a hybrid of heterogeneity and homogeneity. Together with our two contacts from Solidaridad, we jointly selected women participants within a limited location in the dairy industry, and they all shared entrepreneurial characteristics. Specifically, they showed leadership skills, a holistic way of thinking, or the pursuit of opportunities – in line with the definition provided by Timmons and Spinelli (2007). Concretely, the female entrepreneurs were pursuing an occupation that provides a service within the dairy industry, including lead farming, milk collecting, input provision and community nutrition volunteering (see chapter 4.3). The female entrepreneurs were located in the South-West of Bangladesh, more precisely in the rural area of the Khulna division, which Solidaridad has identified as a particularly vulnerable area due to food insecurity and climatic, social and economic shocks. Solidaridad has also identified this area as one with high potential for development (Solidaridad, 2017a). The last group of participants consists of private bank officers, whose contact information we received through the snowballing strategy from various Solidaridad employees (Atkinson & Flint, 2011). Before our arrival in Bangladesh, we mapped out several private banks and attempted to establish e-mail contact, however, without success.

### 3.4.2 Interviews and Observations

The main tool used throughout the qualitative research was a semi-structured interview, which follows a pre-set list of topics and questions, while allowing for the interviewees' development of their responses (Willis, 2006). Semi-structured interviews are helpful to comprehend "the constructs that the respondents use as a



basis for their opinions and beliefs about a particular matter or situation” and to study confidential matters (Easterby-Smith, Thorpe, & Jackson, 2015, p. 135). Key themes and questions may vary from interview to interview (Saunders, Lewis, & Thornhill, 2012c). We prepared two preliminary question guides before leaving for Bangladesh. One was dedicated to female entrepreneurs and aimed to answer the first sub-question. The other was devoted to the bank officers with the purpose to answer the second sub-question. The question guides aimed at giving the interviewer(s) guidance and security on which broad topics to cover in a novel context and environment, and at avoiding insufficient or superfluous conversation material. However, openness and flexibility of the interviews were highly valued in order not to guide the conversation and to include unforeseen topics. The guides were continuously extended and changed with relevant inputs from literature reviews and close collaborative work with our contact partners from Solidaridad Bangladesh.

### *Semi-structured Interviews with Female Entrepreneurs*

Due to language barriers and communication styles in the rural area of Bangladesh, we worked with a local translator from Dhaka with experience in journalism and translation. The local Gender Officer from Solidaridad Bangladesh provided the contact for us, considering our goals as researchers, the translator’s capacity and the interest and views of both (Bujra, 2006). Preparatory meetings with the translator allowed us to carefully explain the research purpose and clarify potential interview questions and topics to be covered. The translator was responsible for the entire interview conversation and, when time and situation permitted, translated the main themes that the participant had talked about. Furthermore, our two principal contacts from Solidaridad Bangladesh assisted with translation, interpretation, interviewing, and note taking. In most cases, we were given a summarized, colloquial translation at the end of the conversation, which allowed us to ask follow-up and specifying questions (Bujra, 2006). This procedure ensured concentration and a smooth conversation without causing disturbing and lengthy disruptions.

The in-depth interviews conducted with 15 women in the Khulna division took the form of semi-structured conversations, which gave the interviewee the opportunity to take the discussion in the direction they preferred (Willis, 2006). The institutional framework served as the foundation for our open-ended questions. The predefined question guide included an initial and broad core question, followed by optional topics for discussion, including attitudes to entrepreneurship, human capital, informality, agency and support networks (see Appendix A). The interviews lasted 55 minutes on average. We roughly assigned the respective roles beforehand to facilitate a well-organized interview process: Interviewer, interpreter, translator, note taker and

observer. We divided into separate smaller teams for most interviews, to allow for efficient time management and to create a personal and quiet atmosphere (see Appendix B). All interviewees agreed to allow audio recordings of the interviews, thereby allowing the interviewer(s) to fully concentrate on the interview and remembering crucial points (Willis, 2006).

The interviews took place in varying settings and we left it up to the participants to choose the specific location, thereby aiming to make the interviewee feel comfortable (Willis, 2006). On the one hand, some of the interviews were held in the participants' own homes, allowing for a quiet and private surrounding. On the other hand, several interviews were conducted outside, which may have influenced the conversation due to the bypassing or presence of other community members. At times, other community members wished to share their experiences or express their opinion, yet the interview participant remained the focal point. This enabled us to observe dynamics and interactions between community members (Willis, 2006).

#### *Semi-Structured Interviews with Private Bank Officers*

The second group of interview partners consisted of six private bank officers, located either in the regional branch offices in the Khulna division or in the headquarters in Dhaka. Although a single bank officer does not necessarily represent the financial institution in its entirety, we consider the data from the interviews powerful in order to research the trends of financial inclusion. Furthermore, the personal and qualitative nature of semi-structured interviews, coupled with our critical realist approach, were a helpful tool to study our case. Unlike the question guide for female entrepreneurs, the question guide for the private commercial banks was not based on a predefined theoretical background, aiming to leave it open for exploration and to extend and interrelate our institutional framework with findings from the financial institutions (see Figure 2). Again, the predefined question guide included an initial and broad core question, followed by tentative topics for discussion, including product-related attributes, income-related attributes, risk-related attributes, geography-related attributes and informality-related attributes (see Appendix A). Before each interview, we researched official documentations and websites of the respective banks to fine-tune follow-up questions and to be well-prepared to allow for fruitful conversations. The interviews lasted 75 minutes on average (see Appendix C).

Three interviews were conducted with the assistance of our two contact persons from Solidaridad, which proved helpful as one participant did not feel comfortable conducting the interview in English. The remaining three interviews were conducted in English and without support from a third party. The interviews were conducted in the office of the respective bank officers, thus allowing for a personal and undisturbed

environment. Since the interviews took place during the participants’ working hours, phone calls slightly interrupted some conversations.

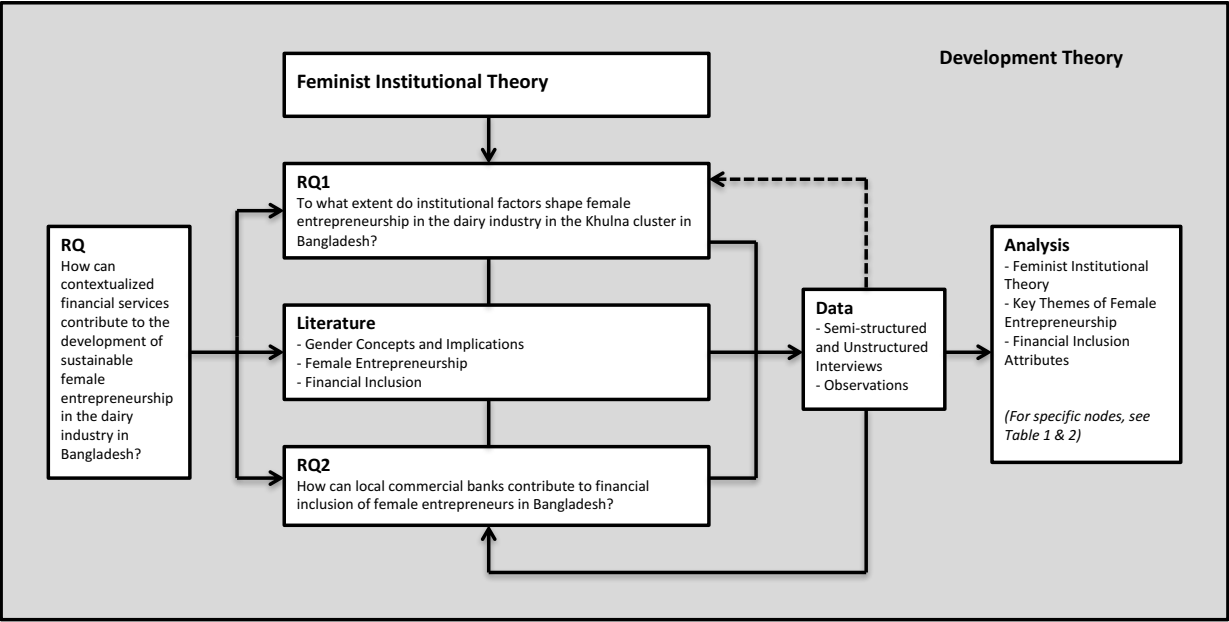


Figure 2: Illustration of Nexus between our Research Question(s), Theoretical Background, Literature Review, Data Collection and Data Analysis. Source: Own Creation

### Unstructured and Semi-Structured Interviews with Solidaridad Employees

In addition to the core interviews, 13 unstructured and semi-structured meetings with Solidaridad employees accompanied our study (see Appendix D). Before the field trip, we regularly had informal Skype calls with various Solidaridad employees, including the Knowledge Management and Learning Advisor, the Gender Task Force Leader, the Program Officer PME & Gender and the Bangladesh Country Manager, with whom we freely talked about gender and finance topics (Saunders et al., 2012c). This allowed us to align interest from Solidaridad with our research purpose by supporting the conceptualization of a research proposal and research question, and simultaneously extending our knowledge before starting the field research. During the field research, we had regular meetings with several employees from Solidaridad, which greatly contributed to our understanding of Solidaridad’s functioning.

### *Observations*

In addition to the interviews, we made use of observation practices, aiming to understand the society from the inside (Van Donge, 2006). Throughout the fieldwork, we continuously observed people and surroundings and we wrote extensive notes in our field diaries before, during and after interviews (Ibid). For example, several respondents walked us through the village after the interview, showed some of the technical equipment they used in the dairy industry, or presented us their shops where they sold products ranging from animal fodder to sanitary pads. Furthermore, it was insightful to observe the bank officers' tasks and responsibilities at work, such as signing documents or answering phone calls.

Besides the semi-structured interviews with female entrepreneurs from the dairy industry, we conducted one unstructured interview with a female entrepreneur from the aquaculture industry. This allowed us to observe how gender and finance-related mechanisms may vary depending on the industry context. Finally, we visited the so-called village supermarket (VSM), a project which Solidaridad is about to finalize in the next months (see chapter 4.3). The continuous observations were not only crucial to broaden the understanding of our research collaborator Solidaridad in parallel to the core field research, but also advantageous due to important details that could not be found in the conversations.

## **3.5 Data Analysis Method**

Qualitative data is characterized by its richness (Saunders, Lewis, & Thornhill, 2006). In order to analyze the collected qualitative data in a structured way, all our interviews, notes and observations were transcribed (by the translator and us). We used the coding software NVivo to combine the concept-driven method and the data-driven method. The following sub-chapters describe how the data was prepared through transcription, and how the data was then coded and analyzed.

### *Transcribing*

During the field trip, all the interviews with female entrepreneurs and commercial banks were recorded. To facilitate the coding process, the interviews were then transcribed word-for-word (Gibbs, 2012). After the fieldwork in Khulna, the translator transcribed and, as far as possible, literally translated the interviews held in Bengali according to our guidelines (Bujra, 2006). We ourselves subsequently added the sequences from the audio records with the English translations and communications to the transcriptions. We transcribed the interviews that were held exclusively in English ourselves. In addition, we transformed all our handwritten field

notes into electronic written form on a regular basis during the field trip. Transcribing is a time-consuming activity. Nonetheless, it is time well spent, as it has allowed us to get a deeper structure and understanding of the data.

### Coding

Coding is about making sense of the data collected, by grouping all the text that is about the same thing into one category or *code* (Gibbs, 2012). Gibbs (2012) refers to codes as “a way of organizing your thinking about the text and your research notes” (p. 39). There are two code generating methods: concept-driven coding and data-driven coding. Concept-driven coding entails developing codes based upon pre-defined themes that are applied onto the text to be analyzed. In contrast, the data-driven approach creates categories based upon the patterns observed in the data (Ibid). As per our conceptual framework, we used both the concept-driven coding and the data-driven coding approach. The majority of the codes were pre-defined, but some codes emerged during the coding process.

We used both software-based and manual approaches to code (Gibbs, 2012). Our primary tool was the software NVivo, which we used to separately code the two main categories of our data: interviews with female entrepreneurs and interviews with bank officers. Table 1 and 2 illustrate the codes that we developed for each analysis. The first column contains the *level* of the node. The second column shows the *name* of the code, and the third column contains our *definition* of the code. We used the denomination ‘parent-node’ to mark the nodes of the highest level. In some cases, we developed ‘child-nodes’ within the parent-nodes. For example, the parent-node ‘agency’ has three child-nodes: security, economic position and voice and awareness. In this case, we did not code the parent-node ‘agency’, but coded the text directly into the three child-nodes. After having completed the coding, we retrieved the summaries from NVivo. The use of coding software may increase transparency and methodological rigor (Saunders et al., 2006). We found that the software was helpful for processing large amounts of text, but the final coding steps were easier to do manually. A shortcoming of NVivo, especially when conducting case-based research, is the fact that it limits data to textual form, and may leave out other important aspects of data (Yin, 2014).

In a second step, we coded manually, which we used to double-code the data of the female entrepreneurs. Hereby, we manually added a ‘grandchild-node’ that was integrated within all parent-nodes and child-nodes. Put in a different way, we coded each node again in accordance with the grandchild-node ‘feminist institutional theory’. In the cases where there are no child-nodes, the feminist institutional codes were directly developed

within the parent-node. We then wrote two separate analyses based upon the introduced codes. As an ultimate step, we compared and juxtaposed the two analyses and developed triple-codes, which reflect the merge between the two analyses. These codes are represented in Table 3.

Node Level	Code	Definition
Parent	Agency	Agency refers to decision-making capacity, and is interrelated with factors such as economic position, security, and voice & awareness
Child	Security	Level of security (e.g. in the home) may influence a woman's agency
Child	Economic Position	Economic position (e.g. work, income) may influence a woman's agency (by, for instance, affecting her mobility (Gammage et al., 2016))
Child	Voice and Awareness	The ability to make one's voice heard and to raise awareness about how one's rights may change a woman's agency (North, 1990)
<i>Grand Child</i>	<i>Feminist Institutional Theory</i>	<i>Institutional factors (regulative, normative, culture-cognitive) shape agency (Scott, 2014)</i>
Parent	Informality and Networks	This code analyzes the influence of support networks and institutional voids on female entrepreneurship
Child	Support Networks	Networks (e.g. family, neighbors, communities, organizations) may support women's entrepreneurship
Child	Institutional Voids	Institutional voids refer to a lack of formal institutions. Informal structures may lead to alternative sources of trust (Tracey & Phillips, 2011), and help span voids (e.g. by providing informal financial services (Lin & Sun, 2006))
<i>Grand Child</i>	<i>Feminist Institutional Theory</i>	<i>Institutional factors (regulative, normative, culture-cognitive) shape networks (Scott, 2014)</i>
Parent	Attitudes to Female Entrepreneurship	This code refers to internal and external attitudes to female entrepreneurship
Child	Opportunity Obsession	Internal: female entrepreneurs' motivations may be both opportunity and necessity driven (Mair & Marti, 2009), whereas opportunity obsession is argued to be particularly important (Timmons & Spinelli, 2007)

Child	Holistic Approach	Internal: many women have a well-balanced approach to entrepreneurship, as they juggle domestic and paid work (Eversole, 2004; Timmons & Spinelli, 2007). Van Staveren (2003) argues that duty, love and responsibility drive women to provide for their families
Child	Leadership	Internal: to Timmons and Spinelli (2007), a leader is someone who builds trust, inspires others, and is honest and reliable
Child	Formal Institutions	External: formal institutions may influence women's access to e.g. collateral and formal financial services
Child	Sector-specific Attributes	External: factors that are specific to the sectors in which women work may affect female entrepreneurship (e.g. the level of informality) (Ahl, 2002)
Child	Social and Normative Structures	External: the social and normative context in which the women are embedded (e.g. gender roles, religious factors), and how they may affect female entrepreneurship (e.g. changing structures in terms of mobility or financial support) (Brush et al., 2009)
<i>Grand Child</i>	<i>Feminist Institutional Theory</i>	<i>The institutional factors (regulative, normative, culture-cognitive) shape external and internal attitudes to female entrepreneurship (Scott, 2014; Shane, 2003)</i>
Parent	Human Capital	Human capital includes the level of education, skills and experience (Ahmed & McGillivray, 2015)
<i>Grand Child</i>	<i>Feminist Institutional Theory</i>	<i>Institutional factors (regulative, normative, culture-cognitive) shape form and level of human capital (Scott, 2014)</i>
Parent	Corruption	This code refers to bribes and nepotism, which may influence women's motivation to engage in entrepreneurship
<i>Grand Child</i>	<i>Feminist Institutional Theory</i>	<i>Institutional factors (regulative, normative, culture-cognitive) shape corruption (Scott, 2014)</i>

Table 1: Overview and Definition of Nodes - Female Entrepreneurs. Source: Own Creation

Node Level	Code	Definition
Parent	Risk	Risk-related attributes may decrease linkage between banks and entrepreneurs. Lacking assets and collateral, disease, insecure conditions of employment and environmental factors may increase risk (Afrin et al., 2017)
Parent	Income	Serving people with low income entails high transaction costs for banks, which may be reflected in high interest rates. Scaling up and selling a lot of units, and group-based services may help decreasing prices of financial services (Beck & Demirgüç-Kunt, 2008; Prahalad, 2010)
Parent	Product	Co-creation of products and product adaptation may foster financial inclusion (e.g. agricultural credit programs, female entrepreneurship training) (Halder et al., 2016; Panum & Hansen, 2014)
Parent	Geography and Infrastructure	Physical proximity to a bank branch is a determining factor for financial inclusion (Allen et al., 2016). Increasing number of ATMs, non-branch outlets and mobile services may help overcome barriers due to distances in terms of geography and infrastructure (Beck et al., 2008; Demirgüç-Kunt et al., 2008; Karpowicz, 2014)
Parent	Informality	Informal settings may entail informal employment, financial illiteracy and lack of documentation such as identity card, physical address, track record, which are often a requirement from formal banks. Running multiple businesses and building on trust frequently replace formal institutions in informal settings (Beck et al., 2008; Engström & McKelvie, 2017; Naegels et al., 2018; Wellalage & Locke, 2017)
Parent	Gender	Female customers may require contextualized products (Tulasi et al., 2017), while constituting a profitable market for banks (Wellalage & Locke, 2017)
Parent	Education and Training	Education and training through both formal and informal institutions, or the lack thereof, influence female entrepreneurs' access to financial services

Table 2: Overview and Definition of Nodes - Private Bank Officers. Source: Own Creation



Node Level	Code	Definition
Parent	Agency and Network Building	Group lending schemes as tools for financial inclusion in collectivist, network-based societies
Parent	Freedom of Movement	Geographical approximation between female entrepreneurs and banks; increasing geographical financial inclusion
Parent	Holistic Awareness Building	Banks' awareness building in network-based societies
Parent	Reliance on Internal Structures	Personal guarantors as replacement of collateral in network-based societies with self-governing structures
Parent	Industry-related Attributes	The VSM as an enabling platform for the development of the dairy industry and female entrepreneurs' financial inclusion
Parent	Acquisition of Knowledge through Formal and Informal Training	The potential of public and private actors' collective provision of education and training to female entrepreneurs

*Table 3: Overview and Definition of Nodes - Merge between Female Entrepreneurs and Private Bank Officers. Source: Own Creation*

### 3.6 Reflexivity and Ethical Concerns

Grounded in our critical realist and feminist viewpoint, we acknowledge that no researcher can guarantee entirely accurate, unbiased and objective knowledge. Rather, a critical realist position tries to approximate reality by using causal language. Moreover, our qualitative case-based research approach allows for a deeper understanding of structures in a specific context, but does not encompass statistical generalizability. Thus, instead of presenting reliability, validity and generalizability, we consider an evaluation of ethical concerns and reflexivity appropriate. As proposed by Lichtman (2014), scholars disagree on which criteria should be used to evaluate qualitative research, but he advocates a researcher's self-reflexivity.

Several institutionalized factors shaped the conduct and relationships during research. As of Binns (2006), in certain contexts it seems more appropriate that women talk with women. The fact that our two colleagues from Solidaridad, the translator and we ourselves are female may have had positive implications for the field research, by creating an environment where the women respondents talk more freely about sensitive gender-related topics. As noted by Apentiik and Parpart (2006), foreign researchers may encounter resistance to their questions. At the same time, interviewer and interviewee's different identities may foster mutual curiosity (Apentiik & Parpart, 2006). In the beginning of the interviews, we occasionally sensed slight skepticism or precaution. However, the respondents' interest in the conversation and in our personalities swiftly outplayed

the skepticism. One respondent expressed her gratitude that we chose to conduct our research in Bangladesh, and stated that it is impossible to understand their context without being there. During each interview, we were served local food.

In addition, we want to highlight that this study is seen through our lens, and through the lens of the persons that have contributed to and participated in our research. We aim to uncover themes relevant to female entrepreneurship and financial inclusion through a feminist institutional lens, but the written product is shaped by our own interpretations. Moreover, the translator adds interpretations consciously or subconsciously (Bujra, 2006), and the respondents certainly and desirably also share perceptions shaped by their own context. Other factors, such as the number of interviewers present during the interview, our age, position as students, marital status, and our high level of mobility, may further have affected the research.

Before, during and after the field trip we reflected on various ethical concerns. Before leaving for the field research, we informed ourselves about appropriate dress codes, aiming to increase mutual respect (Brydon, 2006). During the interviews, we initially introduced ourselves to the participants and explained the purpose of our research. We informed the interviewees that their data will be treated confidentially, and offered them to sign a confidentiality agreement. In the same vein, we agreed on anonymity of the participants (Brydon, 2006; Saunders, Lewis, & Thornhill, 2016). Thus, we have used pseudonyms for the participants' and banks' names throughout our thesis. We asked for allowance of tape recording, and respected when other community members gathered close-by. Recording allows for higher concentration and remembering important details, but the presence of a recorder can make the interviewees feel inhibited (Willis, 2006). After the interviews, we gave the respondents time to ask us questions back (Binns, 2006). Many were curious to learn more about our backgrounds. Regardless of the language the interview was held in, the conversations were often characterized by intimacy and openness. We exchanged our contacts through social media with several respondents. Moreover, we carried a camera with us and offered the participants to take their photo which led some of them to put on a pretty dress. After returning from the field trip, we forwarded the photos.

## 4. The Case of Female Entrepreneurship and Financial Inclusion seen from the Lens of Solidaridad Bangladesh

This chapter provides an overview of the case of female entrepreneurship and financial inclusion seen through the lens of Solidaridad Bangladesh. It starts by presenting relevant information on Bangladesh, and the context in which the research was carried out. It is followed by an overview of the role of Solidaridad Network in the global arena, as well as the work being done by Solidaridad in Bangladesh. Last, there will be a brief description of the case and its relevance to the research question.

### 4.1 The Green Jewel: Bangladesh

Bangladesh is a young state, and can be characterized as a country with a rather turbulent past. The first settlers were Persian and Arab traders and preachers who arrived in the 10<sup>th</sup> century (CIA, 2016). They were followed by the Moguls who claimed the region from the 13<sup>th</sup> to 18<sup>th</sup> century (National Institute of Population Research and Training (NIPORT), Mitra and Associates, & ICF International, 2013). Later, in the 18<sup>th</sup> century, the country came to be a part of British India, ruled by the British East India Company (Husain & Tinker, 2018). The partition of India in 1947 divided the subcontinent into India, West Pakistan, and East Pakistan, which today constitutes the People's Republic of Bangladesh. West and East Pakistan were two parts of the same country and officially equal, though the de facto governing bodies were located in West Pakistan (Ibid). Friction between West and East Pakistan triggered the Bangladeshi independence movement and resulted in the Liberation War through which Bangladesh gained independence from Pakistan in 1971 (CIA, 2016). Bangladesh's diverse history has shaped its path, and has made it the country it is today.

Bangladesh is situated in the Bay of Bengal, between India and Myanmar, and consists of 7 divisions: Dhaka, Barisal, Chittagong, Khulna, Rajshahi, Rangpur and Sylhet (CIA, 2016). Dhaka, the capital of Bangladesh, is home to more than 15 million people and is one of the most densely populated megacities in the world (Ibid). The northeastern part of the country, the Sylhet division, is characterized by hills and lakes, and is famous for its tea production (Husain & Tinker, 2018). The country surrounds the delta of Ganges-Brahmaputra, hence, its most prominent feature is its many rivers, which define not only its topography but also the way people live. During the rainy-season (from June to October), the country is plagued by floods, which on the one hand brings fertile silt to the arable land, but on the other hand causes damage to crops and displaces large shares of the population (Ibid). With its approximately 166 million people (CIA, 2016), Bangladesh is not only one of the most

populous countries in the world, but also one of the most densely populated. This is in spite of having a largely rural population, with only 30 percent of its people living in urban areas (Ibid). The largest religion is Islam and accounts for 90.4 percent of the population. 8.5 percent of the population is Hindu, and the remaining 1.1 percent is composed of other religions such as Buddhism and Christianity (Alam et al., 2015). Since 2017, Bangladesh is struggling with a refugee crisis on the border with Myanmar. To date, 688,000 Rohingya refugees have poured into Bangladesh's southeastern division Chittagong (UNHCR, 2018).

In recent years, Bangladesh's economic development has undergone a dramatic surge, with an annual GDP growth of over seven percent (World Bank, 2016b). It is part of the 'Next Eleven'; the eleven countries that Goldman Sachs has cited as forthcoming challengers of the G7<sup>3</sup> in terms of growth (Lawson, Heacock, & Stupnytska, 2007). In terms of GDP composition, the most important sector is the *service sector*, making up 53 percent of the GDP (Bangladesh Bank, 2017). Recently, financial services in particular have experienced a steady growth due to liberal banking reforms (Batten et al., 2015). The *industry sector*, composing 31 percent of the GDP, is the second largest sector (Bangladesh Bank, 2017). It is spearheaded by manufacturing, wherein garment production is the largest industry, making up approximately 80 percent of the country's exports (Pariona, 2017). The third most important sector is *agriculture*, which constitutes 15 percent of GDP (Bangladesh Bank, 2017). The primary crop is rice, though jute and tea are more important in terms of exports (Husain & Tinker, 2018). In terms of employment, however, agriculture is the largest sector, employing 45 percent of the population (Asian Development Bank, 2016), and employing approximately 60 percent of the female population (World Bank, 2017b). The service sector employs approximately 35 percent, and manufacturing employs 16 percent of the population (Asian Development Bank, 2016). This indicates that the sectors that have the largest financial influence over Bangladesh's economy do not necessarily employ the largest share of the population. That being said, the recent economic progress has been accompanied with remarkable progress in poverty reduction, making Bangladesh a globally recognized example of rapid development (World Bank, 2016c). According to the World Bank (2016c), Bangladesh reached lower middle-income country status in 2014, and is scheduled to graduate to high middle-income by 2021. Its main priority to reach this goal is to reduce poverty and boost prosperity through job creation (Ibid). However, Sumner (2011) warns that when countries graduate from one classification to the next, aid donors may redirect their

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<sup>3</sup> The G7 is an organization comprising the seven countries: United States, Canada, France, Germany, Italy, Japan, and the United Kingdom. Together, they represent 46 percent of the global GDP (Sawe, 2017).

funding to countries classified as low income countries, thus not reaching the share of people living under the international poverty line in middle income countries.

When it comes to Bangladesh's social advancements, women have particularly benefited from them. An article by the Economist (2012) argues that these advancements are often the result of organizations' (especially local ones, such as Grameen and BRAC) large-scale programs and government policies (such as family planning schemes) designed to empower women (Out of the basket, 2012). The family planning programs that the government of Bangladesh implemented in the 1970s as an attempt to slow down the country's population growth have contributed to women's increased influence within the household, as they now are the ones who control the size of the family (Ibid). Additionally, women's increased participation in the labor force is also believed to be a major contributor to the social and economic progress of Bangladesh. Certainly, for the role of women, employment and the possibility to earn an income has enhanced women's economic capabilities to spend, save and invest their money (Khosla, 2009). Nevertheless, women's labor force participation is still only estimated at approximately 33 percent (World Bank, 2017c). In terms of entrepreneurship, a report by the organization Micro Industries Development Assistance and Services (MIDAS) (2009) estimates that women entrepreneurs constitute less than 10 percent of the totality of entrepreneurs in Bangladesh, and their enterprises are predominantly micro-sized and in rural areas (Ibid). A study regarding women's financial inclusion in Bangladesh shows that approximately 46 percent women have access to some kind of financial service, while only 14 percent women have access to services provided by banks (InterMedia, 2017). In spite of social progress, the country is still facing challenges and organizations such as Solidaridad can play a pivotal role in overcoming them.

## 4.2 Solidaridad Network in a Global Context

Organizations have long been at the forefront of development praxis and much foreign aid has been channeled through large and small organizations. Nevertheless, literature on organizations has become more critical as it scrutinizes the role of organizations' service provision in the realm of development (Mercer, 2006). Lange (2015) offers a rich discussion on how states in the global south can both suffer and benefit from the presence of external actors such as international organizations. Theories that are concerned with the world system or dependency agree that external actors may be constrained to pursue domestic interests, in favor of external interests. However, dependency on external actors can also be leveraged and used to benefit domestic interests (Lange, 2015). Consumers, especially in high-end markets, increasingly care about governance

systems in developing countries in terms of human rights and environmental norms, hence consumers make use of market mechanisms to make firms' business practices comply with these norms (Börzel & Risse, 2010). International organizations can in fact play a crucial role in enabling a sustainable and effective governance system, which means the provision of collective goods that intend to coordinate social action in human society (Börzel & Risse, 2010; Risse, 2012). Thus, an organization can take the role as a *functional equivalent* in areas where limitations of governments prevail (Börzel & Risse, 2010). Organizations may thereby engage in multi-level governance, by providing collective goods on a shared ground with public and private partners (Risse, 2012).

Solidaridad is a good example of that. Established in 1969, Solidaridad today constitutes an international network organization whose aim is to create sustainable supply chains (Solidaridad, 2018a). The organization is specifically promoting the sustainable production of 13 different commodities. Their portfolio includes cotton, livestock, tea, sugarcane, fruit and vegetables, gold, soy, cocoa, textiles, palm oil, aquaculture, dairy and coffee (Solidaridad, 2018b). It is argued that prices of commodities are commonly prone to high volatility, and many developing countries are dependent on these primary products as a source of income (Jacks, O'Rourke, & Williamson, 2009). Solidaridad is founder of the Max Havelaar Foundation and fair trade coffee, and co-founder of UTZ Certified, and has thereby laid the foundation for the global fair trade movement. Besides, the organization participates in several round tables and "supports mainstream, business-driven initiatives that strive to include all stakeholders" (Solidaridad, 2018a). To achieve that, Solidaridad works with a variety of players, including local producers, associations, private companies, governments, civil society and consumers (Solidaridad, 2018a). The partnerships' long-term goal is to foster better living standards and working environments along the supply chain (Saiful, 2018; Unilever, 2014). In so doing, Solidaridad is providing a collective good whose aim is to develop and sustain social action at large. The organization sees the private sector, coupled with the government's policies, as a driving force to change the market, whereas the organization itself takes the role of a so-called matchmaker that nurtures knowledge and capacity building (App. D: 9). Currently, Solidaridad's secretariat is based in Utrecht, Netherlands, and is the liaison to the nine regional offices which have their own supervisory structure (South America, Central America, West Africa, East and Central Africa, Southern Africa, South and South-East Asia, China, Europe and North America). The regional offices are further divided into specific countries. For instance, South and South-East Asia is composed of Bangladesh, India, Indonesia, Malaysia, Myanmar, Sri Lanka and Vietnam (Solidaridad, 2018c).

### 4.3 Solidaridad Network Asia in Bangladesh

Solidaridad Network Asia in Bangladesh, hereinafter Solidaridad Bangladesh, is an arm of the Solidaridad South and South-East Asia regional office. It employs approximately 60 people spread out in four offices across Bangladesh (Dhaka, Khulna, Jessore, Noakali). In 2012, Solidaridad received a 15 million Euro funding from the Dutch embassy for its launch of the Sustainable Agriculture, Food Security and Market Linkages (SAFAL) program in Bangladesh, to improve living and working conditions of families and producer groups within the aquaculture, fruits and vegetables, soy and dairy industry (Solidaridad, 2017a, 2018d, 2018e). These industries were identified as particularly important since a large portion of the population in Bangladesh lives in the rural area and is employed in the agricultural sector (Solidaridad, 2017a). Efforts within the aquaculture industry particularly concentrate on sustainable fish and shrimp farming and mangrove forest protection (Solidaridad, 2018f). The fruit and vegetables sector is one of the largest and most vital sectors in the world and thus its distribution system is of high importance for health economies. Solidaridad is actively contributing to the cultivation and production of sustainable food, drinks and animal fodder. The latter is a product made of byproducts and waste of the fruit and vegetables sector (Solidaridad, 2018g). In Bangladesh, aquaculture products and fruit and vegetables are exported (App. D: 15). Attention is given to the widely-consumed commodity soy because it is a component of vegetable oil, feed for farm animals, and biofuels (Solidaridad, 2018h). Finally, dairy and milk production is a crucial pillar for Solidaridad Bangladesh, and also the focus of our thesis. Many dairy farmers in developing countries operate on a small scale with a relatively high environmental impact. The dairy production is a lucrative business, thus a stepping stone for dairy farmers to sell on the formal market and a stimulus to develop the local market (Solidaridad, 2018i). Dairy products are well-known for their healthy properties and include various types of products such as raw milk, milk powder, butter and cheese (Chandrasekhar & Schaan, 2013; Ramirez & Modrow, 2015). Due to raw milk's short shelf life, it is usually produced and consumed locally (Chandrasekhar & Schaan, 2013). Currently, Bangladesh has a milk deficit, meaning that 80 percent milk is imported, and the domestic milk production is dependent on a reconstruction of the infrastructure that provides efficient quality and cooling systems (App. D: 13). However, the dairy and livestock industry provides livelihood and income opportunities for abundant households and accounts for 2.9 percent of the GDP with an annual growth rate of 5.5 percent as of 2015 (Solidaridad, 2017a). Notably, the majority of dairy farmers in Bangladesh are female (App. D: 7).

The SAFAL program is divided into two phases. The first phase of the project ran from the 1<sup>st</sup> of November, 2012 until 30<sup>th</sup> of June, 2017 and has contributed to the creation of inclusive business processes based on

sustainable agricultural practices. Various instruments were put in place, such as capacity building through peer models which facilitate learning processes and promote growth of farm businesses, farm management, business linkages to promote commercial agriculture, and gender sensitive approaches. Several actors have played a crucial role for the accomplishment, including lead farmers, milk collectors, input suppliers and community nutrition volunteers. Lead farmers, including men and women, provide technical assistance on how to adopt eco-friendly farming and on how to step into new business ventures in the supply chain. Milk collecting and input supplying gives women an additional source of income, and ensures the provision of quality inputs such as fodder and fertilizer. Community nutrition volunteers provide health and nutrition advising and sexual health products for women (Solidaridad, 2017a). As a matter of fact, the project both intends to improve livelihoods and working conditions of the entrepreneurs, while transforming the governance system within the supply chain to produce qualitative and sustainable food that meets global requirements (App. D: 9). The second phase aims to build on the first phase, by fostering inclusiveness in the supply chains and to promote smallholder farmers to become successful agriculture entrepreneurs by 2021 (Solidaridad, 2017a). The VSM serves as a market place where farmers can sell their products in bulks directly to buyers, thereby cutting out middlemen and shortening the supply chain, and leaving the farmers with a higher margin (App. D: 12). Furthermore, the VSM sells qualitative input products (App. D: 13), and has a partnership with a local private bank that offers financial services (e.g. counter for loan applicants, ATM). Thereby, the VSM aims to create a bridge between financial institutions and entrepreneurs. In addition, the VSM is characterized by a well-developed digital infrastructure (e.g. digital registration and transaction systems) and reserves a space exclusively dedicated for women (e.g. for nursing) (App. D: 12).

#### 4.4 Female Entrepreneurship and Financial Inclusion

Solidaridad considers the equal inclusion of women and men to be necessary for sustainable development. Their 'Gender Inclusivity' approach focuses on removing barriers to allow for equal participation in the public and private spheres (Feenstra, 2017). Solidaridad strongly advocates for the gender inclusive approach as a *business case*, as it can generate better decisions, better cooperation, and better results at large (Solidaridad, 2017b). The gender inclusivity approach has three building blocks: equity, equality and empowerment. *Equity* refers to identifying barriers to equal participation. *Equality* is concerned with overcoming existing barriers by creating an enabling environment, which in turn will *empower* women socially and financially (App. D: 7). The fact is higher proportions of women than men are excluded from the



financial system (Murray et al., 2017). To remedy this situation, Solidaridad argues that *financial* inclusion is a necessary step to reaching *social* inclusion (App. D: 3). At an initial stage, the SAFAL program has assisted in connecting farmers with providers of financial services (Solidaridad, 2017a). However, the financial inclusion component of the gender inclusivity approach is yet to be explored within the SAFAL project.

The institutional contexts in which female entrepreneurs are embedded largely influence the ways in which women do business, and how they live their lives in general. Women's entrepreneurship is subject to many barriers, and one of them is women's limited access to financial services. We have seen that the removal of the barriers to financial inclusion may fuel economic and social progress, both for female entrepreneurs and for the society at large. Therefore, private banks should as much as possible adapt their products and services to cater to the needs of female entrepreneurs. For that, it is also crucial that banks are embedded in an enabling environment. Based on that, our research wishes to address how contextualized financial services can contribute to the development and sustainability of female entrepreneurship in the dairy industry in Bangladesh. The ultimate purpose of this paper is to further the research on the topic of female entrepreneurship and financial inclusion by identifying the barriers to women's financial inclusion, and uncovering how these barriers can be removed to economically empower women. Thus, our research approach is in line with Solidaridad's gender inclusivity approach. The aim of this paper is to support Solidaridad (and other development actors) in their work towards financial gender inclusivity in Bangladesh.

## 5. Analysis

The data analysis builds on our conceptual framework and, coupled with insights from theories, helps answer our research questions. The analysis is divided into three sections. The first section presents the results which help answer the first sub-question: *To what extent do institutional factors shape female entrepreneurship in the dairy industry in the Khulna cluster in Bangladesh?* As the data was collected through interviews with female entrepreneurs, it explains the research from a woman's perspective. The data is analyzed through a feminist institutional lens. The next section is concerned with the second sub-question: *How can local commercial banks contribute to financial inclusion of female entrepreneurs in Bangladesh?* Thus, it compiles and analyzes data from private bank officers and renders possible an understanding of attributes to female entrepreneurs' financial inclusion in Bangladesh. The last section is devoted to analyzing the research question: *'How can contextualized financial services contribute to the development of sustainable female entrepreneurship in the dairy industry in Bangladesh?'* which is mirrored through the merge of the two sub-questions.

### 5.1 Women's Entrepreneurship seen through a Feminist Institutional Lens

This sub-chapter presents and analyzes the empirical findings from our research in the light of feminist institutional theory. Throughout the literature review, discussions with employees from Solidaridad, and findings in our empirical data, five key themes of female entrepreneurship have been identified as particularly important: agency, informality and networks, attitudes to female entrepreneurship, human capital, and corruption.

#### 5.1.1 Agency

Agency refers to the ability to make decisions regarding one's own life (Klugman et al., 2014). Women's increased agency, and the corresponding lowered gender inequality, constitutes a valuable instrument for poverty reduction (Ibid). As discussed in the literature review, factors that affect women's agency include physical and mental security (particularly in the home), women's economic position, as well as their ability to make their voices heard and thereby raise awareness.

#### Security

Freedom from violence is a crucial expression of agency, particularly in the home where intimate partner violence is a common barrier to women's agency (Klugman et al., 2014). This is illustrated by the case of Ranya.

She shares that her husband used to beat her, and during that time he also took the majority of the decisions in the household. Ranya reports that her husband does not beat her anymore and she has more influence over decisions, both regarding her business and her family matters. Thus, her agency has increased as her security in the home has improved. She has the power to make decisions that concern her entrepreneurship.

Feminist institutional theory regards gender in itself as an institution, in which power relations between men and women are inhabited (Barker & Kuiper, 2003). Gender based violence can be seen as a manifestation of men's power over women, and in turn, a reflection of the institution that is gender. However, regarding gender as an institution signifies that power relations between men and women are susceptible to change (Ahl & Nelson, 2010). The institutional change can be observed among the female entrepreneurs in the Khulna cluster. Dina explains that when she became a milk collector, some members from the community threatened to break her legs if she continued with her business. Nevertheless, she persevered with her business. In the meantime, the community members no longer menace her and rarely pressurize her. Dina's case illustrates that maintaining a strong agency and controlling the factors that affect agency are key factors influencing a women's desire and ability to resist external threats and successfully engage in entrepreneurship.

### *Economic Position*

It is argued that women's economic position can play a defining role for their level of agency. Klugman et al. (2014) claim that women's access to paid work may increase their level of agency, as it reduces their financial dependency on their spouse. Several of the interviewed women say that since they are earning an income, they can partially or fully decide on how to spend the money (App. B: 1, 2, 3, 11, 14). One example is Rafsan, a community nutrition volunteer from Jessore. She explains that she used to ask her husband for money. However, since she started earning an income, she is the main breadwinner of the family. The roles within the family have changed, and her husband regularly asks her for money when he needs it. Being the primary financial provider of the family, all financial decisions are taken by Rafsan. Jennifer tells a similar story. She took the chance to become an entrepreneur, as a means to achieve financial independence. Jennifer says that even though her income may not cover all expenses of the household, she can at least sustain herself without relying on her husband. The stories told by Rafsan and Jennifer demonstrate that women's level of agency may increase through access to paid work.

Literature suggests that access to paid labor can increase women's status in their communities (Kabeer et al., 2017). In Bangladesh, a gendered division of labor is embedded in the country's normative and cultural

structures (Bose et al., 2009). Nevertheless, the empirical findings indicate that women engaging in paid labor can generate a change in these normative and cultural structures that define gender roles. Jennifer is a lead farmer from Jessore. She runs an input shop where she sells, for instance, cow fodder. She says that when she was selected a lead farmer, some community members would initially tease her. Today, she is highly respected in the community, and people often come to her for advice. Jennifer's story is in line with the argumentation presented by Kabeer et al. (2017), as it shows that when women are engaged in paid work, their status in the community may increase.

### *Voice and Awareness*

Gammage et al. (2016) pinpoint the ability to raise one's voice in matters regarding one's own life as a key contributor to a woman's agency. In other words, the ability to be heard (in, for example, family decisions) is a meaningful expression of agency. Many of the interviewees state that they are involved in decision-making processes in their homes (App. B: 1, 2, 7, 8, 9, 14). Some of the women explicate that all family-related decisions are taken collaboratively. For example, AURONA, a lead farmer from Jessore, says that she makes decisions jointly with her husband and her parents-in-law. In the case of RODELA, the family income is kept in one place, and each family member can spend from the common pot. When we ask ANUVA how decisions are made in her family, she answers that she first discusses major investments with her husband before making any decisions. However, she takes decisions about smaller purchases herself, without consulting beforehand. Our findings also show collaborative decision-making patterns but with inverted roles of husband and wife. This is the case for RANYA, who explains that her husband consults with her before making any decisions. Besides, several of our interviewees state that they have full decision-making power over selected areas. Such is the case of FARIHA, who decides over which furniture the family shall have. Lastly, some of the women have entirely independent decision-making power, such as RODELA, who spends her money as she wishes. The empirical findings therefore suggest that many of the interviewed women show an expression of agency in terms of voice within their families.

Several of the female entrepreneurs seem to have voice in their communities (App. B: 1, 3, 4, 6, 8, 13, 15). DINA explains that when she started working as an entrepreneur, she was met with resistance from her community members. Nonetheless, she persisted and meanwhile she is well-respected in her community. Likewise, NAOMI says that her community members listen to her since she is a lead farmer. Their stories indicate that some women have voice in their communities. Klugman et al. (2014) argue that when women come together and

raise their voices, they can contribute to raising awareness around issues that they face. This is in line with the empirical findings from the Khulna cluster. In fact, many of the interviewees work to inform their communities about sexual and reproductive health. Ishika is a community nutrition volunteer. She goes to girls' colleges and girls' clubs, and informs adolescent girls about the importance of menstrual hygiene. Ishika explains that girls are increasingly aware of the value of using sanitary napkins, and that the awareness and knowledge has lifted girls' voices in that matter. Ishika's story illustrates that women can support one another in raising their voices in matters that concern them. This is in spite that the open discussion about menstrual health can be inappropriate to some husbands and fathers, as it goes against their cultural values (App. D: 10).

The stories show how cultural-cognitive values are shaping women's ability to raise voice. In Bangladesh, men are the main decision makers in the family (Bose et al., 2009). Women's increased ability to speak their minds indicates that there is an ongoing shift in cultural-cognitive institutions that influence women's decision-making ability. This shift is a gradual process, though, and will not happen overnight.

### 5.1.2 Informality and Networks

Institutional voids may lead entrepreneurs to put their trust in their networks, rather than in formal institutions (Tracey & Phillips, 2011). We first analyze the influence of support networks and then the influence of institutional voids on female entrepreneurship.

#### *Support Networks*

It has been argued by Puffer et al. (2010) that networks of family members, friends and colleagues may support entrepreneurs in their endeavors. When talking to the interviewees, we observed that many of them rely heavily on support from their immediate family members in order to carry out their entrepreneurial activities.

Family members may help relieve women of their household work by helping them with cooking, laundry and child care (App. B: 5, 10, 12, 14). Many say that their husbands are the most important enablers for their engagement in paid work. Ishika mentions that her husband's support is fundamental for her, because without it, she would not be able to go out for work. For instance, he takes care of their daughter when Ishika participates a training, even though care labor traditionally is the responsibility of women. According to Afroz, the workload is reduced when husband and wife help one another carry out their responsibilities. Conversely, we observed that when husbands are opposing their wives' engagement in entrepreneurship, managing household work as well as paid work becomes a challenge for female entrepreneurs. Rafsan explains that

although she receives some support from her family, the workload is overwhelming at times. As a consequence, she expresses that she does not have the time to focus on entrepreneurial activities such as business expansion.

Women's parents-in-law can play a significant role in female entrepreneurs' support networks. Farah narrates that her in-laws support her more than her husband when it comes to household chores. Her mother-in-law helps her to prepare meals for the family, and her father-in-law cuts grass to feed the cattle. Thereby, her in-laws support her by reducing her workload in the home. Most of the interviewed female entrepreneurs live in their husbands' house together with the husbands' family, which shapes women's networks. The support from the in-laws seems to be a particularly important enabler of female entrepreneurship.

Besides lightening women's household work, family members can also directly support female entrepreneurs in their business activities. In Jennifer's case, her mother-in-law sells products from her input shop when Jennifer is absent or unavailable. In Rodela's family, her husband and son support her work related activities. Concretely, her husband helps her to pick up supplies, and her son delivers products to Rodela's clients. However, for Rodela, not only her family members play a supportive role, but also her neighbors. Like Rodela's son, her neighbors occasionally help delivering products to her clients. This kind of collectivism reflects the claim by Tiessen (1997) that group-based cooperation and extensive relational networks may contribute to entrepreneurship.

The institutional factors that dictate gendered roles and the division of labor constitute a barrier to female entrepreneurship (De Vita et al., 2014). Many of the female entrepreneurs are associated with care-taking, and in charge of family and household responsibilities. In line with the argument presented by Eagly and Steffen (1984), the cultural-cognitive models seem to have translated prevalent gender roles into gender stereotypes. As Rodela explains, some people in her community think that it is odd for a man to carry out a woman's work (e.g. cooking and taking care of the children) (App. B: 9). This indicates that there are strong gender stereotypes in place that reinforce gender norms.

### *Institutional Voids*

Institutional voids shape entrepreneurial landscapes in developing countries. In contexts where formal financial institutions (such as commercial banks) have low reach, informal structures are created to span the institutional voids (Lin & Sun, 2006). Our findings illustrate how institutional factors shape female

entrepreneurs' access to financial services. The majority of the interviewees employ informal means to access finance (App. B: 2, 3, 5, 7, 9, 11, 15).

Weak or non-existing formal institutions in the rural areas in Khulna may generate informal systems for accessing finance. Ahlstrom and Bruton (2006) argue that developing country entrepreneurs frequently rely on personal connections in order to access capital. Collectivist societies often have culture-cognitive models that gear people towards a network-based approach to accessing financial support (Tiessen, 1997). In line with that, several of our respondents say that they rely on family members for financial support (App. B: 2, 3, 5, 6, 9, 11). For example, Fariha borrowed start-up capital for her business from her mother. Amelia is a widow, her husband passed away nine years ago. She explains that she occasionally needs financial help, and thus turns to her sister and sister-in-law.

Other types of void-spanning informal financial services are also prevalent in the Khulna cluster. Credit sales and credit purchases are particularly common. The service enables the entrepreneurs to buy supplies for their shops when needed, while postponing the payment. Ranya says that credit sales and purchases are crucial for her to run her business as it gives her more flexibility. Trust is an important factor for credit sales and purchases. Afroz explains that she is able to make credit purchases thanks to her network. She is well-known among her community members and they trust her that she will pay back in due time. To some, however, credit sales and purchases may pose challenges. For example, Naomi occasionally sells her products on credit and finds herself in a situation where she does not have sufficient finances to purchase supplies for her input shop. This requires her to tap into her private savings in order to pay for the supplies.

### 5.1.3 Attitudes to Female Entrepreneurship

Attitudes to female entrepreneurship may be influenced by internal and external attributes. The internal attributes correspond to women's own attitudes to entrepreneurship, and are based on the definition of the entrepreneur provided by Timmons and Spinelli (2007): opportunity obsession, holistic approach and leadership. The external attributes refer to how female entrepreneurship is perceived and affected by forces that are external to the entrepreneur. The external attributes investigated are formal institutions, sector-specific attributes and social and normative structures.

#### *Opportunity Obsession*

According to Mair and Marti (2009), motivations for entrepreneurship may be driven by both necessity and

opportunity. As previously argued, opportunity obsession among female entrepreneurs can be viewed as both the necessity to create opportunities for entrepreneurship, as well as the capacity to identify opportunities in the market. As of Amine and Staub (2009), women in developing countries often enter the path of entrepreneurship in response to limited employment opportunities. Naomi tells that her family is not rich, and she works out of necessity to provide for her family. However, she also pursued entrepreneurship out of opportunity driven motives. Naomi dreamt of being a jobholder in the city, but since she did not have access to education, she decided that the entrepreneurship path was the best opportunity for her to engage in paid work. Her story indicates that necessity and opportunity driven motives may go hand in hand.

De Vita et al. (2014) argue that women with young children are likely to become entrepreneurs. This claim can be supported by looking at the case of Aurona. She explains that she applied for formal employment but when she was offered a position in a non-governmental organization (NGO), she turned it down. The decision to reject the position was out of necessity to take care of her young daughter. As a lead farmer, it is easier for her to combine work and family responsibilities. Thus, women's internal attitudes to entrepreneurship may shape their level of opportunity obsession. The cases of Naomi and Aurona indicate that their motivations for entering the path of entrepreneurship may be guided by other dimensions than mere opportunity. In line with underpinnings from feminist institutional theory (van Staveren, 2003), love, duty, and a sense of responsibility motivate them to engage in entrepreneurship in order to generate an income and take care of their children.

### *Holistic Approach*

It is argued that women have a holistic approach to entrepreneurship, as they juggle domestic and paid work (Eversole, 2004). Some of the female entrepreneurs mention that managing both household work and paid work was initially demanding. However, the balancing act has meanwhile turned into a routine, and is thus less of a burden. Fariha explains that she wakes up early every day and takes care of domestic work before going out for business. At lunchtime, she returns home and takes care of the remaining chores before going out for work again in the afternoon. Similarly, Amelia tells us that she wakes up at four in the morning in order to complete her domestic work for the day.

The majority of the women explain that their main motivation for engaging in entrepreneurship is to pay for their children's education (App. B: 3, 5, 8, 10, 12, 14, 15). Farah explains that she needs to plan her business in a way that she can provide the finances for school admission in January, as well as to buy the books that the children need for their studies. According to Ishika, it is important to prioritize the children's education, which



is difficult with only one income. Therefore, she works to contribute to the family's expenses for the children's education. The holistic motivations observed among the female entrepreneurs in the Khulna cluster can be mirrored through the feminist institutional approach to decision making. A combination of altruistic emotions may drive women to engage in entrepreneurship in order to provide for their families and invest in their children's education (Van Staveren, 2003).

### *Leadership*

According to Timmons and Spinelli (2007), leadership is a central attribute for entrepreneurs. In their view, a leader is someone who shows leadership skills by building *trust*, *inspiring* others, and who is *honest* and *reliable*. We observed these attributes among the participants. When it comes to building *trust*, Naomi is a prime example. She informs that her community members trust her. If she would call someone from her community in the middle of the night, they would not hesitate to come to her aid. Rodela's experience of working with pregnant women has helped her build trust within the community, which is the reason why she was elected as a community nutrition volunteer by the community members. Rafsan tells a similar story. She has tied close bonds based on trust with other female community members, particularly with schoolgirls. As a community nutrition volunteer, she provides women with necessary products to take care of their sexual and reproductive health. Trust is important for community nutrition volunteers, as they discuss sensitive topics with their community members.

As of Elam and Terjesen (2010), higher visibility of female leadership can inspire other women to become entrepreneurs. Many of the female entrepreneurs demonstrate the ability to *inspire* others. According to Saba, a person needs to do well for herself before others will follow her lead. She says that she cannot expect others to follow the practices she teaches, if she cannot first prove the validity of the practices. In Ranya's case, during community meetings she tries to inspire others by being vocal and speaking up about women's rights. Jennifer shows leadership skills when she explains that she does not consider the criticism that she sometimes receives. She will continue to pursue entrepreneurial activities as long as she makes an *honest* living. In Sabas opinion, an ideal leader is someone who supports others in time of need. Recently, her community members were facing financial problems, whereby Saba held a community meeting to talk about their problems. Saba shows that she is a *reliable* leader when her community members face challenges.

As argued by Tsai, Chang and Peng (2016), confidence can play a supportive role for entrepreneurs. For Amelia, her confidence has helped her overcome barriers to entrepreneurship. She explains that she was facing a lot of

resistance and limited support from others when she became a lead farmer. Yet, she continued the path and today she is accepted in her community and she can do her work freely. On the other side of the coin, some of the women say that they used to lack confidence, but since they are working they feel more self-assured. Afroz's words; she used to be scared to go out, but now she feels so self-confident that she could even talk to ministers. According to North (1990), people constitute the motor of institutional change. Afroz's story reflects an ongoing change in the institutions that govern human behavior in Khulna. The cultural-cognitive structures that shape her internal attitudes are increasingly supportive of her female entrepreneur development. In turn, women's own attitudes towards entrepreneurship may transfer onto the normative attitudes in society at large.

Additionally, our results show that some female entrepreneurs manifest leadership skills in areas external to their work, whereas the definition of Timmons and Spinelli (2007) does not make an explicit link between leadership skills and work external to entrepreneurship. Dina's motivations for working as an entrepreneur was to earn an income, and thereby being able to lead her family better. In her case, leadership skills are not directly demonstrated in terms of entrepreneurship. Rather, she is taking on a leadership function for her family. Another example of a woman who shows leadership skills outside of her entrepreneurial endeavors is Fariha, who runs a club for adolescents where she teaches them cultural activities, such as dancing, singing and acting.

### *Formal Institutions*

Women's access to formal financial services may be determined by the presence and nature of formal financial institutions. As outlined in the literature review, limited access to financial services poses a major challenge for female entrepreneurship in developing countries (Warnecke, 2013).

A few of the participants have previously taken loans from formal financial institutions. Nazia explains that she took a loan from a commercial bank for the initial investment in her business, which she is currently paying off with the profits from her business. Ranya took a loan from an MFI to invest in her son's education. Rodela also borrowed from an MFI to buy a cow and a sewing machine. Some of the participants expressed their desire to take a loan from a bank sometime in the future. Anuva explains that she will need to take a big loan from a bank to expand her business. However, she does not want to put herself in debt before being certain that she has the capacity to pay back the full amount. Ranya is also interested in taking a loan, but she believes that the procedures to access a loan are complicated. Moreover, she does not want to use her land as collateral. She is

thus rather reluctant to approaching a bank, but she still intends to inform herself about the requirements. Amelia says that she is aware of the requirements needed for taking a loan from a bank, and she is open to the idea in case she would need it.

Some of the female entrepreneurs seemed reluctant to get involved with financial institutions. For Saba and Naomi, the requirement of weekly installments is the main reason they do not want to take a loan. Furthermore, Naomi believes that it is difficult to pay the interest rates. Even though her husband tries to convince her of the advantages of taking a loan, she is unwilling to do it. Similarly, Fariha expects it to be risky to take a bank loan, and generally feels uncomfortable with any form of credit since she does not like to be in debt. She is not familiar with the procedures of borrowing, and not confident that she would be able to pay it back in due time. The findings of several respondents' reluctance to take a loan may indicate a certain level of risk averseness (Jianakoplos & Bernasek, 1998), and distrust in the formal financial institutions. This can affect women's entrepreneurship, as they tend to turn to informal sources of finance instead of commercial banks (Khandker et al., 2013).

#### *Sector-specific Attributes*

Attributes specific to the sectors that women work in may affect female entrepreneurship (Ahl, 2002). The respondents highlight certain challenges that are specific to the dairy industry. Jennifer and Ishika explain that distance constitutes the main barrier to female entrepreneurship, as they need to walk long distances to fetch supplies. The inputs that they sell are heavy, and carrying sacks of fodder can be a painful task. In addition, the area is prone to floods during the rainy season and thus complicating the transportation of the supplies, as well as it increases the prices of the supplies (App. B: 3).

Dairy farmers face risks that the milk may perish before it reaches the collection center. Dina, who runs a milk collection center, explains that on particularly hot days, the milk has a shorter shelf life. Therefore, she aspires to invest in some form of cooling storage facility that will ensure high quality of the milk. Nevertheless, female entrepreneurs in the dairy industry are relatively privileged compared to women in, for instance, the aquaculture industry. While the dairy industry is female-led, the majority of people in the shrimp industry are male. Women's low integration into the shrimp industry is partly due to cultural and religious reasons (App. D: 11). This could be explained with the lower normative and cultural structures imposed on female entrepreneurs in the dairy industry than in other industries.

### *Social and Normative Structures*

Social and normative structures may influence female entrepreneurship in various ways. The structures may be reflected in gender roles, which play a part in shaping attitudes towards female entrepreneurship (Brush et al., 2009). Gender roles are prevalent in the Khulna cluster. Ranya explains that household work is her obligation. It is also her responsibility to wash and feed the cows, and she is in charge of cooking as well as cleaning the home. Ranya wanted to open a shop, but because she is a woman she was not able to do it. She explains that this is grounded in social stigmas. Rodela's husband regularly takes care of cooking, which her mother-in-law disapproved of before she passed away. Her mother-in-law did not want her son to cook, as it is a woman's duty to prepare the family's meals. Conversely, Rodela finds that it is the man's responsibility to take care of his wife by any means. Rodela's case supports the literature which suggest that in some countries, women's engagement in entrepreneurship is frowned upon because it symbolizes that the husband is not capable of providing for his family (Amine & Staub, 2009).

Social and normative structures may limit women's mobility. In certain contexts, it is considered inappropriate for women to leave their homes (Brush et al., 2009). Many of the female entrepreneurs faced gendered social stigma when they began working outside their homes. Afroz explains community members used to gossip about her when she participated a training for one or two days, and she used to feel ashamed. For Naomi, community members were supportive of her work, but not her husband. Rafsan was threatened by some of her community members when she started working as an entrepreneur. Yet, she succeeded in reducing the social stigma and convincing them to accept her as an entrepreneur, as her work benefits the community. She moved from door-to-door, and tried to make her community members understand and support her endeavors. For Saba, a different approach proved to be fruitful. Initially, neighbors were not supportive of her going out for work, but she did not pay heed to their criticism. Once the neighbors realized that Saba was competent, their criticism ceased.

#### *5.1.4 Human Capital*

Human capital refers to a person's level of education, skills, and experience. It is mentioned as one of the major determinants of business success for entrepreneurs (Ahmed & McGillivray, 2015). The level of formal education varies among the participants. Afroz, Jennifer and Amelia have completed secondary school. Nazia explains that she initially failed the examination for the higher secondary school certificate. At that time, she was already married and it was difficult for her to study for the exam. Eleven years later, she was admitted to a

college and she obtained the higher secondary school certificate. Nazia believes that this education has contributed to her general knowledge. As for Fariha, she is currently studying commerce at university. She says that her studies facilitate her entrepreneurial activities, as she has a good understanding of business procedures. Aurna, on the other hand, says that her studies are not of much use. She has a master's degree in Bangladeshi literature, but has not managed to find work within her field. For this reason, she entered the entrepreneurship path.

Apart from formal school education, other sources of knowledge are essential for entrepreneurs (Zafar & Khan, 2013). Several of the participants refer to the training they have received from the SAFAL project and other NGO-programs. The entrepreneurs have received training from Solidaridad, and the acquired knowledge supports them in their daily work. Aurna explains that she did not know much about inputs needed for dairy farming before she received the training. Ishika explains that the training has enabled her to teach mothers how to breastfeed correctly, and inform women about important hygiene topics. Besides, the entrepreneurs have received trainings from SAFAL on book keeping. Amelia uses the ledger book provided by SAFAL to keep track of her financial matters.

Previous work experience may support the female entrepreneurs (Shaw et al., 2010). Ishika's former work experience related to women's health issues has assisted her in becoming a community nutrition volunteer. Similarly, Rafsan works as a community nutrition volunteer and makes use of her knowledge that she gathered from previous experience as a paramedical in a regional surgery clinic. Rafsan explains that she wants to expand her knowledge on women's health issues. As of Anuva, there is no end to learning, and she would like to learn English. Grounded in normative structures that define the gendered division of labor, women generally have lower human capital when it comes to education and previous work experience. However, the fact that women increasingly engage in entrepreneurial activities or employment may trigger an upward spiral. The growing possibilities for women to engage in remunerated work encourages parents to invest more in their daughters' education (Klugman et al., 2014).

#### 5.1.5 Corruption

The empirical data collected with female entrepreneurs in the Khulna cluster sheds light on how corruption-related issues may influence female entrepreneurship. A weak regulatory system is commonly linked to corruption, as it fails to legally sanction corrupt behaviors such as bribery and nepotism. According to Aurna, the only way to access employment is through bribery, and she does not have enough money to engage in

corrupt practices. In a similar vein, Rafsan explains that her father-in-law lent her husband a large sum of money to use as a bribe in order to access formal employment. However, the money was embezzled, and Rafsan's husband was left jobless and indebted. Dina shares a story from the other end of the spectrum. She explains that when she set up the milk collection center, some of the local milk-men tried to bribe her to not open the center. They were worried that their milk would not meet requirements, and that they would no longer be able to sell their products.

#### 5.1.6 Sub-Conclusion

The setting of the Khulna cluster in Bangladesh illustrates how feminist institutional factors may shape female entrepreneurship within the dairy industry. To analyze the regulative, normative and culture-cognitive factors, a framework built on five key themes has been outlined: agency, informality and networks, attitudes to female entrepreneurship, human capital, and corruption.

The entrepreneurs showed expressions of agency in terms of freedom of violence, improved economic position and ability to raise their voices. The findings indicate the agency to resist threats may increase women's probability to engage in entrepreneurship. Access to paid work can augment their financial independence and advance their status within the communities. Many of the entrepreneurs are part of decision-making processes in their homes as well as in their communities. The findings reveal that there is an ongoing institutional change in the normative structures that increase women's agency.

The setting of the Khulna cluster is underpinned by informal arrangements which influence female entrepreneurship. Husband's support is key for the female entrepreneurs to successfully engage in entrepreneurship. Moreover, the results indicate that the women's parents-in-law may constitute a critical cornerstone to female entrepreneurs. Spouses and in-laws may assist female entrepreneurs by taking over some of their domestic responsibilities, or by supporting them in their business activities. Yet, gender roles are still prevalent and often define the division of labor in the families. Additionally, broader personal networks support female entrepreneurs in overcoming institutional voids by, for instance, providing access to informal sources of finance. Credit sales and credit purchases are a common practice to overcome financial hardship. The findings point to low levels of trust in formal financial institutions among some of the female entrepreneurs.

Findings regarding attitudes to female entrepreneurship in the Khulna cluster illustrate that women can simultaneously have necessity and opportunity driven motives for entrepreneurship, but they can also be

inspired by duty, love and responsibility. Specifically, the female entrepreneurs showed a holistic approach to entrepreneurship by juggling their domestic work with paid work. Their main reason for engaging in entrepreneurship was to pay for their children's education. Contrary to neoclassical economic assumptions, it suggests that the female entrepreneurs do not act solely out of self-interest, but that they pursue paid work for altruistic reasons such as providing for their families. The entrepreneurs show leadership skills, by building trust-based relationships with their community members, and by being an inspiration to others. The manifestation of increased leadership and self-confidence among female entrepreneurs exemplifies how culture-cognitive attitudes are changing how women view themselves.

We have identified three pillars that shape external attitudes to female entrepreneurship, namely formal institutions, sector-specific attributes, and social and normative structures. Focus was given to formal financial institutions. Although some of the women had access to some type of financial service, most of them were not connected to formal financial institutions. The findings regarding sector-specific attributes indicate that women in the dairy industry may be less constrained by normative structures than women in other sectors. Nonetheless, social and normative structures seem to govern behavior in the society at large, thus also including the dairy industry. Gender roles are visible in the division of labor between men and women, and women's mobility may be limited due to normative structures.

The level and nature of human capital varies among the female entrepreneurs. Their level of formal education ranges from secondary school to graduate level. Some have previous work experience that serves them in their daily work. Due to normative structures that generate a gendered division of labor, women generally have lower human capital when it comes to education and previous work experience than their male counterparts.

The female entrepreneurs' stories reflect a weak regulatory system that fails to sanction corrupt behavior. We learn from the empirical findings that corruption leads to higher entry barriers to the conventional labor market, which in turn pushes women down the path of entrepreneurship. Overall, the five outlined themes are generally analyzed through a cultural-cognitive and normative institutional lens, which leads to the question of how female entrepreneurship in the dairy industry in Khulna is shaped by formal institutions, if existent at all.

## 5.2 Efforts to Increase Women Entrepreneurs' Financial Inclusion

We identified six relevant key themes to analyze barriers to women's financial inclusion and to explore how commercial banks can help overcome these barriers. The key themes include risk-related attributes, income-

related attributes, product-related attributes, geography and infrastructure-related attributes, informality-related attributes, gender-related attributes and awareness and knowledge-related attributes. The themes were identified based on the extensive literature review and on our empirical findings from the primary data, which is in line with our abductive research approach.

### 5.2.1 Risk-related Attributes

The lack of collateral is a burden to a lot of entrepreneurs that wish to apply for a loan (Afrin et al., 2017). Lacking collateral reduces the security for a bank as a service provider, and therefore entails higher transaction costs due to monitoring activities. Besides, other factors put rural entrepreneurs in more risk-prone positions, such as an interrupted market that prevents them from linking up with buyers, and the impediment to sell their products due to quality issues (e.g. damaged or rotten food products) (App. C: 4). The subsequent higher interest rates imposed by financial institutions may be difficult for smallholders to cover (Khandker et al., 2013). The evolution of technologies such as mobile banking will eventually help reducing transaction costs and interest rate charges, and thus it becomes easier to reach the unbanked population (App. C: 4). Moreover, there is a tendency that private banks in Bangladesh acknowledge the rigidity of their screenings and risk evaluations (App. C: 1, 4, 6). Saturn and Neptune Bank have introduced a loan scheme that accepts personal guarantors as testimonies for risk mitigation. Thereby, the banks complement the more traditional requirement of collateral such as land. Guarantors may include any person, for instance, an affiliate or friend from an entrepreneur's circle. This allows the bank to not increase the interest rate charges while still serving entrepreneurs in rural areas with lower income. Nevertheless, the applicant needs to prove some form of entrepreneurial capabilities, for instance, by showing a dynamic attitude towards establishing an enterprise within the agriculture industry. After all, the bank operates as a commercial firm and takes the role as an intermediate service provider and has an underlying profit orientation, thereby requiring some sort of security (App. C: 1, 3). This does not mean that economic and social goals are separate, but rather firms can incorporate them as one unit (Bruton, 2010). As of Haresh (App. C: 4), banks have to design alternative products that minimize the risk for themselves while simultaneously facilitating certain segments' access to financial services. He contends that MFIs' high interest rates are not feasible for rural people. That way, commercial banks may account for the limitations of MFIs which are frequently associated with inordinately high interest rates (Khandker et al., 2013). Besides, MFIs' interest rates are gradually dropping due to policy schemes that set a maximum ceiling (App. C: 4). This finding is backed by the argument that development and banking logics are gradually merging (Kent & Dacin, 2013). In Haresh words: "But on the other hand, financial institutions can



provide loan with minimum interest, much lower than the MFIs, that is the difference. I feel that if there is a partnership taking place between financial institution and MFIs, then it will be... The horizon will be opened". Jupiter Bank in fact sees the higher riskiness as inferior to the potential of untapped segments, which constitute an interesting market.

### 5.2.2 Income-related Attributes

Closely related with the riskiness of entrepreneurs is the fact that their possibly low income may pose a challenge for them to pay for financial services. Chaman explains that the expansion of commercial banks into rural areas has the potential to substitute MFIs that often charge elevated interest rates. Notably, different sectors must play together to increase financial inclusion and Eshan and Haresh stress that government policy schemes can tremendously contribute. For example, several private banks in Bangladesh have received funding from the central bank. The funds are aimed at facilitating a contextualized product provision to financially include people through subsidies (App. C: 4). According to Haresh, the provision of financial services to low-income entrepreneurs is initially costly and banks (and its shareholders) generally pursue rather short-term goals. However, he says that the short-term focus will gradually change and that in the long-run it is unquestionably profitable to serve low-income customers, owing to the large size of the customer segment. This shift is also foreseen by Prahalad (2010), who argues that firms will have to compensate the lower profitability with the sheer size of the unserved population. Similarly, Jupiter Bank pursues a low-pricing strategy to increase its customer base: "If we can increase the number of costumers, every customer is a point of earning ... The rural economy is boosting" (App. C: 5). Focus is particularly given to the large size and potential of the female population in Bangladesh (App. C: 6).

As argued by Beck and Demirgüç-Kunt (2008), several financial institutions are starting to turn to group lending schemes, which spur the creation of networks that educate borrowers and foster peer pressure regarding repayments and monitoring. Several banks in Bangladesh are now adopting group lending schemes (App. C: 1, 4). Chaman explains that it has been observed that women often work collectively to create a good or service, and thus there is potential for group lending schemes. Women in rural areas that do not possess any collateral are encouraged to group up, for instance, with five group members that are engaged in the same type of entrepreneurship. This way, they can improve their ability to obtain financial services in spite of low income, while simultaneously increasing the investment security for the bank, thereby keeping the interest rates moderate (App. C: 4).

### 5.2.3 Product-related Attributes

According to Haldar (2016), agricultural credit programs with low interest rates and female entrepreneurship trainings are examples of innovative product adaptations. In line with that, Saturn Bank is targeting women by supporting their business expansion such as nutrition and cultivation of land or poultry. Chaman describes that they are meeting female entrepreneurs in rural areas on a regular basis (monthly or bimonthly), where they sit together and exchange information such as the women entrepreneurs' procurement of raw materials, family responsibilities and market-related challenges. This serves as a basis for Saturn Bank to create products "depending on their needs, depending on their activities, depending on their production" (App. C: 1). Similarly, Venus Bank analyzes women entrepreneurs' demand in order to tailor products for them. For instance, banks provide microfinance services and small loans, while charging a comparatively lower interest rate of approximately nine percent instead of the conventional 14.5 percent (App. C: 3,6). The product adaptation is enhanced and extended by the provision of women-dedicated desks that are located in banks' branch offices (App. C: 3, 6). In that, the bank perceives it as "an opportunity that ... [they] have to design something differently for women" (App. C: 5). This is in line with what Panum and Hansen (2014) refer to as the co-creation of a product, which may leverage trust and allow for the firm's social value creation (Simanis et al., 2008). In some cases, women entrepreneurs with only one year business experience are given loans, whereas their male counterparts are required two years (App. C: 5). Furthermore, a specific product has been designed for women that includes the provision of inexpensive deposit cards and cash-back through the collection of reward points for paying grocery purchases with the card (App. D: 6). However, this product seems well-suited for women in urban areas, embedded in a more developed infrastructure. According to Haresh, only few banks serve rural villages and "there is a huge opportunity to shifting our banking concentration from urban area to rural area" (App. C: 4).

Jagad clarifies that their managing director has announced to intensively focus on developing financial services for SMEs, as they "are planning to shift the concentration from corporate world to micro small and medium enterprises" (App. C: 5). Facilitating women entrepreneurs' financial inclusion is on the government's agenda, and guidelines by the central bank are directing extensive subsidies to commercial banks. By this means, commercial banks can provide collateral-free loans or adapt the price structure of the financial products to meet women's needs (App. C: 2, 3, 4, 5).

#### 5.2.4 Geography and Infrastructure-related Attributes

One of the main challenges for commercial banks in Bangladesh lies in reaching remote areas (App. C: 5). Allen et al. (2016) argue that the proximity to a bank branch is a determining factor for financial inclusion, and thus the skewed distribution system is problematic. People living in rural areas have limited mobility to commute to villages in order to access banking products (App. C: 3). To make up for the geography-related barriers to access finance, several banks in Bangladesh have introduced so-called 'agent-banking' (App. C: 1, 3, 4, 5, 6). Chaman from Saturn Bank explains: "Agent banking is a financial inclusion approved by Bangladesh Bank. It started 2013. Now we are ... about 2000 agent banker working in the remote place all over the Bangladesh. 2000 people are working in the remote place." Similarly, Venus Bank's branches are limited to 113 offices in Bangladesh, which do not reach remote areas. Thus, Venus Bank has set up approximately 50 agent bankers as an extension to bank branches and aims to further increase the amount (App. C: 3). In other words, instead of opening a costly branch on behalf of the bank, an agent banker serves as a representative and can fulfill several banking activities in rural areas (App. C: 1, 4, 6). Haresh highlights that the purpose is to make up for the absence of formal institutions: "Where there is no financial institution, there is an agent banking."

Agent banking is not only a response to geography-related barriers, but also to infrastructure-related barriers. As Saturn Bank is a digitized bank, it needs a network in place in order to open a new branch. Due to its dependence on a functioning infrastructure and network service, its ability to open bank branches is limited in some areas. In this case, agent banking spans the void since it does not require a developed network (App. C: 1). Jagad suggest that in spite of agent banking's contribution to improve geographical reach, it is still important to gradually develop the infrastructure and technology (App. C: 5). Some agent bankers use novel forms of digital support systems that collect fingerprint signatures through biometric devices. The customers can, for instance, withdraw money with their fingerprint and are not required to be literate. At the same time, the security is increased as the fingerprint is tied to the customer (App. C: 1, 3). Chaman contends that almost everyone in the rural area possesses a mobile phone, so there is potential to connect them with mobile banking services (App. C: 1). Haresh supports this claim: "Out of 160 million population in our country, almost 110 million people have mobile usage." (App. C: 4). Thus, the agent banking will market mobile banking (App. C: 4). Users have the possibility to apply for a loan through mobile banking (App. C: 5). According to Beck (2008), the development of such technological services may radically change the availability of financial services. It is expected that the expansion of agent banking and mobile banking will gradually decrease prices of financial services (App. C: 4).

In addition to agent banking, Saturn Bank sets up new ATMs in certain locations. For example, the bank will open an ATM in the VSM that Solidaridad has established (App. C: 1, D: 12). Furthermore, the bank currently considers establishing a platform at the VSM to provide financial services at a low rate and a modern digitized banking system.

#### 5.2.5 Informality-related Attributes

Contrary to MFIs, commercial banks monitor their customers less closely and in turn require more formal documentation (App. C: 4). Eshan acknowledges that many rural people may be constrained in acquiring formal documentation that is needed to access banking products (App. C: 3). Nonetheless, Eshan explicates that when “you want to open a deposit account, you have to leave photograph, national ID-card, verify your residence, you have to submit to us a utility bill, it may be electricity bill, it may be telephone bill, it may be tax certificate” (App. C: 3). The same way, Saturn Bank requires a female entrepreneur’s trade license before issuing a loan to her (App. C: 1). This finding is in line with literature proposing that commercial banks’ frequently require formal documents, which are unobtainable in many rural areas, having the informal sector as a crucial source for income generation and well-being (Beck et al., 2008; Engström & McKelvie, 2017). As a matter of fact, Saturn Bank collaborates with the ‘Union Digital Center’, a governmental institution that helps people acquire formal documents such as birth certificates (App. C: 1). Rafi explains that many women entrepreneurs in rural areas keep track of their sales, receivables and transactions in a rather informal way without regulatory documentation, so Neptune Bank advises on how to attain and prepare these formal documents (App. C: 6). Several bank officers mention that people living in informal settings are more likely to be illiterate and not habituated to bank services, which in turn reduces their awareness of financial services and their ability to access them (App. C: 1, 3, 4). The rural landscape’s informal nature induces informal lending schemes that charge tremendously high interest rates (App. C: 1). Saturn Bank intends to remove these so-called ‘loan-sharks’. Private banks may embrace the informal nature of the rural customer segment and support it with contextualized, yet formalized services: “Some informal banking or transaction is existing everywhere, especially in rural areas, so for us, we are just going to reach that area because this market is totally untouched, and there is no formalized way of banking in the rural areas” (App. C: 5). Moreover, the instrument of using fingerprints as means of identification may replace requirements of formal documentation.

### 5.2.6 Gender-related Attributes

Mpuga (2010) found that women tend to shy away from applying for credits, which is in line with some bank officers' claims. According to Chaman's experience, women in rural Bangladesh are rather shy and cautious to get acquaintance with formal banks, and may rely on family members instead. Women may feel less comfortable going to an ATM and withdrawing money (App. C: 6). Barriers to women's financial inclusion are associated with cultural, religious and social factors. The society is of a rather patriarchal nature, which may lower women's awareness about their rights, their empowerment and their economic importance. This can also limit a women's mobility in a wide variety of areas in the business arena. The situation is changing, though at a modest pace, since cultural transformations usually take time (App. C: 4). One bank officer expresses the desire to serve women entrepreneurs: "We know ... that the default ... rates of female entrepreneurs is lower than men borrowers" (App. C: 3). The notion by Kent and Dacin (2013) and Wellalage and Locke (2017) that female borrowers are characterized by comparatively high repayment rates and are economically profitable are mirrored in Aashi's statement: "If you see the root level of our country ... The small businesses are done in the villages by the ladies in the family ... they make clothes, they have small dairy farms, handicrafts ... most families usually have the women also working ... it is not a rare thing in Bangladesh, most work probably in the school, doing the business, office ... These women ... have some ... savings, so if they have a bank where they can keep this money as a deposit ... get better interests, preferential rates, which will be better for them, as well as the bank ... as part of financial inclusion" (App. C: 6). Female entrepreneurs' financial inclusion can increase women's independence, and their contributions can benefit the economy as a whole (App. C: 2). The agent banking is thus correspondingly designed to target women in order to create a stronger linkage with them (App. C: 1). In addition to the agent banking, Venus Bank is supporting MFIs, which have already built up a large network to serve the female population in Bangladesh. What is more, the women-dedicated help desks that have been integrated in several banks aspire to create more security and trust for the women when they enter a bank office (App. C: 5). Eshan believes that a conjunction of government initiatives and undertakings by commercial banks and MFIs can contribute to a sustainable financial inclusion of women entrepreneurs and thereby strengthen women's self-confidence. (App. C: 3). Neptune Bank aims to reinforce the self-confidence by sharing stories of female entrepreneurs and leaders, including, for instance, a female entrepreneur, a woman employed in the labor market or a homemaker (App. C: 6). This contrasts with literature that suggests self-reinforcing discriminatory mechanisms among women (Coleman, 2000; Wellalage & Locke, 2017), and argues that self-reinforcing confidence *building* can take place.

Neptune Bank acknowledges that gender sensitization should not only have an external focus (i.e. customers), but should also be inward looking (i.e. employees). This lives up to the recommendations of policy makers that discourage a mere focus on female-centric financial inclusion, but rather recommend a general empowerment of women, aiming to reduce the gender gap (Tulasi et al., 2017). Employees at Neptune Bank (both male and female) frequently receive training sessions where they learn about gender sensitization and products designed for women. The trainings emphasize the importance of empathetic treatment of female customers that may initially feel inferior or inexperienced when accessing financial services. Moreover, the training sessions underpin the significance of assisting women in filling in formal documentation. Moreover, Aashi informs that maternity leave in banks is six months, while in most other companies it is three months (App. C: 3). This shows that the bank is both internally and externally concerned with gender-related attributes.

### 5.2.7 Awareness and Knowledge-related Attributes

The last attribute that we observe in our findings is concerned with awareness and knowledge. It is apparent that most bank officers plead for knowledge and awareness creation of financial services. Both the creation and the capacity of knowledge about financial products are assumed to be a relevant factor for financial inclusion. First, female entrepreneurs are not always aware of the existence or utilization of financial services. People living in rural areas may have received less formal education (App. C: 4). Saturn Bank, collaboratively with government authorities that pursue the so-called 'one house one farm' program, engages in creating higher awareness and instructs women on which documents they should prepare if they desire to access formal financial services. Similarly, Jagad says that it is utmost important to build awareness and capacity, but it is difficult for commercial banks to increase recognition of their services without the support of other actors. He argues that governmental policies, such as the introduction of agent banking, are indispensable for creating higher awareness. Foreign investors, partners, donors and organizations can also play crucial roles. Moreover, capacity building in Bangladesh is largely taking place through MFIs and NGOs (App. C: 4). In the second stage, the banks aim to support and educate women in how to sustainably run their businesses. This is not per se a profit-point for the bank in the short-term, but part of its social responsibility (App. C: 1). According to Jagad, "banks take initiatives to train woman entrepreneurs", for example, with annual fairs for women entrepreneurs, provision of advisory services, training programs and knowledge sharing sessions. These activities take place throughout the country (App. C: 5). Furthermore, banks address barriers grounded in (financial) illiteracy, by helping entrepreneurs to fill in loan application forms collectively and supporting them in obtaining the necessary information (e.g. business transactions) through simple book keeping (App. C: 6).

### 5.2.8 Sub-Conclusion

The officers of private banks in Bangladesh were deliberately chosen as a building block for our analysis, in order to give a holistic picture of contextualized financial services' contribution to female entrepreneurship, and to add the perspective of formal financial institutions regarding development through financial inclusion. To that end, the private bank officers allow for an inquiry of the barriers that banks encounter in the pursuit of increasing female entrepreneurs' financial inclusion. In the same vein, a deeper comprehension of the barriers to financial inclusion gives room for analyzing the endeavors of banks to narrow or close the gaps and overcome these barriers. In order to analyze how local commercial banks may contribute to sustainably include female entrepreneurs in Bangladesh, a framework of six influential attributes to financial inclusion has been outlined. Risk, income, product, geography and infrastructure, informality, gender, and awareness and knowledge are decisive attributes interrelated with women's sustainable financial inclusion.

Banks' provision of financial services entails *risks*, as female entrepreneurs in rural areas of Bangladesh may be prone to risks while not possessing collateral as a guarantee. Rather than translating the associated riskiness into higher interest rates, commercial banks may in fact charge comparatively low interest rates (contrary to e.g. MFIs), and thus their financial services may be desirable for female entrepreneurs. Private banks in Bangladesh are increasingly issuing collateral-free loans, and accepting personal guarantors as an alternative security. The analysis of *income-related* attributes suggest that low income may account for financial exclusion. Banks' focus on the sheer size of the female population compensates for the problems associated with low income. Furthermore, banks have started applying group-lending schemes, which can make up for the problematic of low income. An important component of financial inclusion is the adaptation of a bank's *products*. Our findings suggest that banks engage in co-creation of financial services together with female entrepreneurs. Also, several banks are following government policies that involve the creation and provision of tailored products for small and medium enterprises and women entrepreneurs. *Geography and infrastructure-related* aspects are closely interlinked with financial inclusion, in that it may be challenging to create a physical or virtual link between financial institutions and (rural) female entrepreneurs. As a matter of fact, formal financial institutions in Bangladesh have introduced 'agent banking', a program that supports the banks to penetrate rural areas without having to open a costly branch. Furthermore, technological shifts have led banks' to increasingly provide financial services through mobile phones, and it is expected that in the future mobile banking services will be further enhanced. One bank explains that they are setting up a new ATM in the VSM which is located in the rural area, thereby illustrating its engagement in increasing the physical touchpoints of

financial services. *Informality* shapes financial inclusion, and is important for many female entrepreneurs that are often embedded in an informal environment. Although informal settings constitute a significant source of income and livelihood for numerous women, over reliance on these informal arrangements may prevent male entrepreneurs access to needed banking products. Banks are working to mitigate this over reliance by advising female entrepreneurs on how to complete the necessary applications for banking products and how to acquire the required personal identity and financial verification documents. Again, several banks express that public policy and advisory schemes are a crucial cornerstone to overcome barriers related to informality. We identified *gender* as an institution itself that affects financial inclusion. Thereby, our results reveal that some banks both adapt their activities externally and internally. The external component refers to how banks contextualize their services for female customers. The banks agreed that women constitute a highly important market, and as a response several branches have set up a women's dedicated desk that should stimulate higher confidence among female customers. As an internal component of gender sensitization, one bank officer elucidates that they have regular employee trainings that deal with the topic 'gender'. Moreover, the bank's policies are supportive of women's childrearing by advocating six months' maternity leave, while in most other workplaces it is shorter. The last analyzed pillar of financial inclusion is reflected in *awareness and knowledge*. Bank officers emphasize that awareness about financial services needs to be increased. They argue that awareness and capacity building is facilitated with the support from public actors and foreign partners, investors, organizations or donors. In a next step, the banks give training programs to female entrepreneurs that assist them in sustainably running their enterprises.

### 5.3 The Interface between Women's Entrepreneurship and Financial Inclusion

This chapter seeks to scrutinize the research question '*How can contextualized financial services contribute to the development of sustainable female entrepreneurship in the dairy industry in Bangladesh?*' by looking at the combination and juxtaposition of the analysis of the two sub-questions. Figure 3 gives an overview of the main findings from the two sub-questions. The results of the sub-questions clearly reveal that there seems to be an interest from both perspectives to develop female entrepreneurship in Bangladesh. Moreover, the prevalence of leadership skills among the interviewed female entrepreneurs, coupled with the sheer population size of women and their characteristic of high repayment rates, are in line with banks requiring women to show an entrepreneurial and dynamic attitude (Khavul, 2010; B: 3, 5, 7; C: 3). Nonetheless, the nature of the institutional framework in which the formal banks and the female entrepreneurs are embedded is rather



divergent. The informal normative and socio-cultural institutions that shape female entrepreneurship in the Khulna cluster stand in contrast to the financial services that are of a more formal and regulative nature. For instance, the suggestion of bank officers to instruct female entrepreneurs on how to acquire formal documentation is not very congruent with the concept of female entrepreneurship in the dairy industry in Khulna. Rather, female entrepreneurs are concerned with agency and network building, freedom of movement, holistically juggling entrepreneurial and household work, reliance on internal structures, industry-related matters, and the acquisition of knowledge through formal and informal trainings. This calls for a more contextualized approach of commercial banks that allows to interweave the institutions.

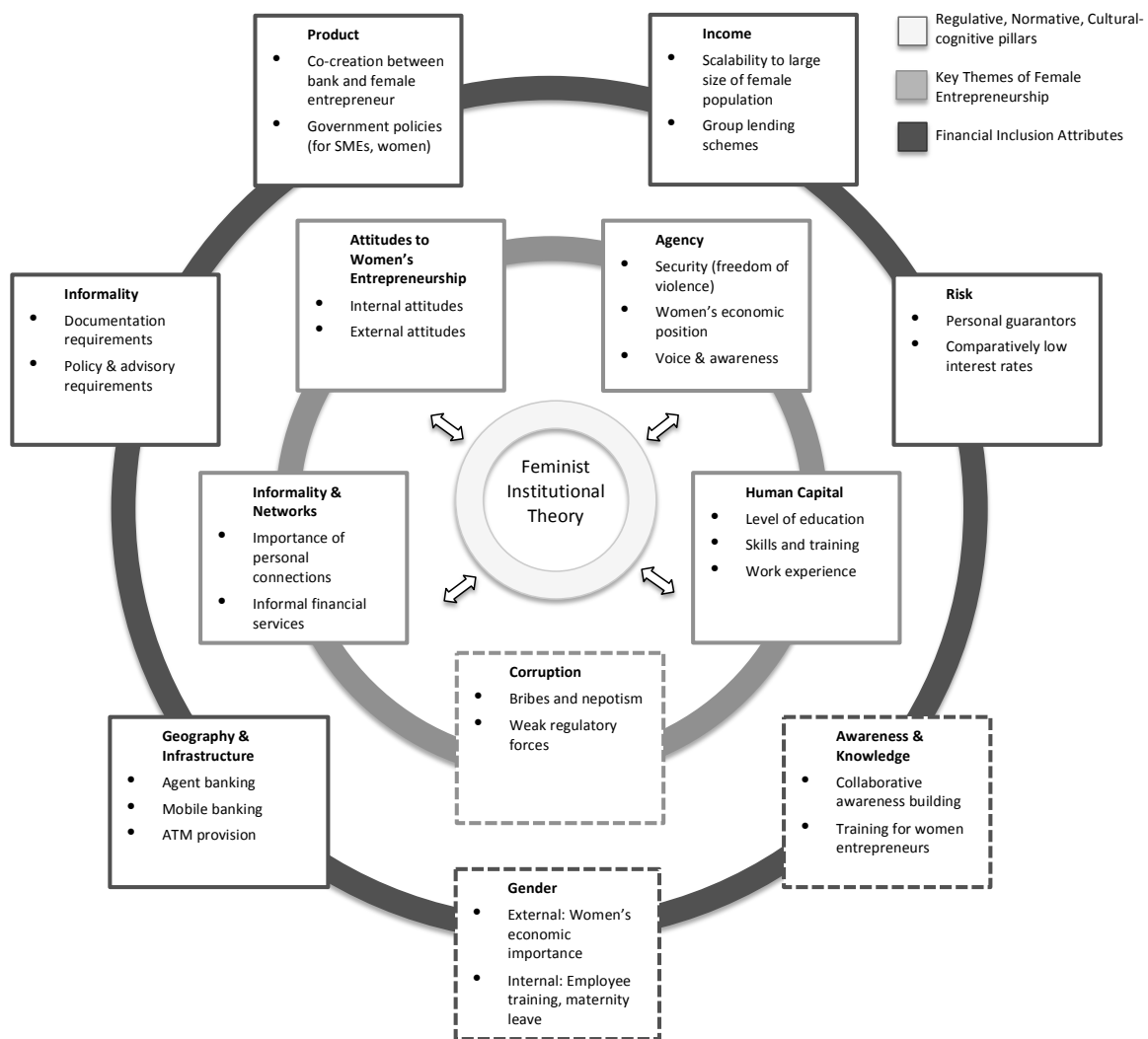


Figure 3: Conceptual Framework with Main Findings. Source: Own Creation

### *Agency and Network Building*

The analysis of female entrepreneurship in the Khulna cluster indicates that there is an ongoing shift in the cultural-cognitive institutions that influence women's decision-making ability. As argued by Klugman et al. (2014), women can amplify their voices by coming together to speak their minds about matters that concern them. The ability to collectively have a voice in important matters may lead to increased confidence among participants. A study by Tsai et al. (2016) has demonstrated a positive correlation between confidence and opportunity recognition, which in turn increases the likeliness of women to engage in entrepreneurial activities. The findings from the analysis of commercial banks show that banks are increasingly providing services that are contextualized to female entrepreneurs, such as group lending schemes (App. D: 1, 4). As previously noted, the female entrepreneurs take a collectivist approach to entrepreneurship based on relational networks. Group lending schemes may prove to be advantageous in collectivist societies as they promote network-based thinking, which may leverage peer pressure regarding repayments and monitoring through lenders' networks (Beck & Demirgüç-Kunt, 2008). This kind of collectivist pattern can be observed in the case of Saba, who explains that financial problems are dealt with collectively within the community. The fact that banks are gearing towards group-lending schemes illustrates that commercial banks are increasingly taking inspiration from MFIs, thus implying a gradual assimilation between the development logic and the banking logic (Kent & Dacin, 2013). Some scholars criticize group-lending practices, as they believe that group-lending undermines individualistic and innovative thinking; two attributes that have been argued as critical for entrepreneurial success (Hirth & Pestonjee, 2016). However, both Tiessen (1997) and our findings discredit this argument by pinpointing that collectivism also contributes to entrepreneurship, though in a different form than individualism.

### *Freedom of Movement*

Geographical distance is a crucial factor for financial inclusion (Allen et al., 2016). Social and normative structures may constrain women's freedom of movement (Brush et al., 2009), and thereby reduce their possibilities to access banking products. The findings from the analysis of female entrepreneurship exemplify these social and normative structures. Some of the women explicate that they were previously criticized for going out for work (App. B: 5, 6, 14). Nonetheless, their communities have learned to accept their mobility, and now their range of movement has increased. Banks in Bangladesh are aware of rural women's limited mobility (App. D: 3). To overcome this barrier, several banks have introduced agent-banking, a system that provides

rural people with financial services (App. D: 1, 3, 4, 5, 6). Thus, banks contextualize their distribution systems to better serve people living in rural areas. The results indicate a geographical approximation between the female entrepreneurs and the banks, decreasing geographical financial exclusion.

### *Holistic Awareness Building*

Though the physical distance between banks and female entrepreneurs is decreasing, several of the female entrepreneurs still seem reluctant to get involved with banks. The reasons are often related to limited knowledge about existing products and services, as well as lack of trust in the financial system. As a matter of fact, female entrepreneurs tend to turn to their networks for financial support (Khandker et al., 2013). The analysis of commercial banks in Bangladesh describes their efforts to raise awareness among women about the existence and utilization of financial services. These efforts directly target women, which is an important step for dispersing knowledge about products and procedures. Nevertheless, findings regarding the female entrepreneurs show that women's husbands and parents-in-law play particularly important supportive roles for female entrepreneurship. Pursuing business expansion may prove difficult for the female entrepreneur without the support of the husband and parents-in-law. The gendered division of labor often puts women in charge of the household work and limits their time for entrepreneurial activities, which may hamper female entrepreneurs' business expansion plans. Thus, banks' awareness raising efforts could benefit from further contextualization by holistically including husbands and parent-in-laws, as they may increase female entrepreneurs' likeliness to seek formal financial support for business expansion purposes. This argument is supported by Bose et al. (2009), who emphasize the importance of integrating men in efforts to reduce gender inequality.

### *Reliance on Internal Structures*

One bank officer argues that there is no formalized banking in the rural area and that it is a completely untouched market (App. C: 5). The findings from the interviews with the female entrepreneurs, however, disclose that there appear to be governing structures that influence their internal, self-sufficient financial system. In that, the notion of 'completely untouched and not formalized banking' may fall short of explaining the rural area's financial landscape. In fact, a community itself may take the role as a functional equivalent to lacking or underdeveloped governance systems by creating self-governing structures (Börzel & Risse, 2010). For instance, the female entrepreneurs use credit sales and credit purchases that allow them to sell or buy products, while postponing the payments. Trust and close ties with their network and community members are

enablers for this type of governance system. Many female entrepreneurs rely on family members for financial support (App. B: 2, 3, 5, 6, 9, 11). These structures plead for banking schemes that allow personal guarantors as a security. Saturn and Neptune Banks' contextualized terms and conditions replace the more traditional requirements, and in areas like Khulna that have strong network-based structures it is appropriate to adapt the financial services accordingly. One female entrepreneur expressed that she is reluctant to use land as a collateral for obtaining a loan (App. C: 7). With a guarantor-based security requirement, she may turn to members within her family or community instead.

### *Industry-related Attributes*

Several dairy products and especially raw milk have a short shelf life (Chandrasekhar & Schaan, 2013). One of the female entrepreneurs explicitly talks about the difficulties of milk's shorter shelf life (App. C: 13). Closely related with that, the officer from Mars Bank explains that an interrupted market or supply chain may prevent rural suppliers to link up with buyers (App. C: 4). Solidaridad's establishment of the VSM may help overcome this barrier and create a stronger linkage between sellers and buyers, thereby ensuring the preservation of quality. Saturn Bank supports the VSM by, for example, setting up an ATM. Thereby, Saturn Bank increases the geographic reach of its financial products.

### *Acquisition of Knowledge through Formal and Informal Training*

Several bank officers talk about the bank's plan to train women entrepreneurs on how to sustainably run their businesses (App. C: 5). The capacity for banks to train women entrepreneurs throughout Bangladesh is limited, and Jagad stresses the importance of support from both public and private actors, including the government, MFIs, NGOs, foreign investors, donors, and partners. In line with this, the female entrepreneurs agree on how some type of education has supported them in running their businesses. Formal school education, training sessions via Solidaridad and other organizations, and previous work experience has largely benefitted them in their pursuit of entrepreneurship. As noted by one women; there is no end to learning. Public and private actors' commitments to provide education and training sessions to female entrepreneurs may benefit the society at large, owing to many women entrepreneurs' holistic approach. Most female respondents explain that their principal motivation for engaging in entrepreneurship is to pay for their children's education (App. B: 3, 5, 8, 10, 12, 14, 15). This may create an upward spiral for present and future generations.

## 6. Discussion

In light of our analysis on contextualized financial services' contribution to the development of female entrepreneurship, we now discuss and reflect upon our theories, implications of our applied methodology, followed by practical implications of our findings.

### 6.1 Theoretical Implications

This chapter discusses the theoretical implications from our research. First, we revisit the conceptual framework. Second, we reflect upon the applied literature. Last, we present our reflections regarding the theoretical background.

#### *The Conceptual Framework*

The conceptual framework is useful to answer our research question. Given the broadness of our topic, the conceptual framework allows us to study female entrepreneurs' financial inclusion from several angles, thereby reducing the risk of leaving out relevant components. The framework is holistic, and it has a deep focus within development studies. The framework applies a feminist institutional theory and thereby narrows the breadth of our topic. Notably, our conceptual framework incorporates a blend between female entrepreneurship and financial inclusion. A framework that combines the two strands is, to our knowledge, novel and underexplored. Another advantage of the framework is its adaptation to the context of Bangladesh, since it was developed abductively by integrating findings from theory and practice.

#### *Reflections on Applied Literature*

Given that the conceptual framework partially built on theory (and partially on practice), we acknowledge that our ability to critically assess the theory may have been reduced, which is in line with our critical realist position. In hindsight, we attempt to reflect upon the main theories and concepts of our thesis.

We extensively reviewed concepts of entrepreneurship in our paper. It is mentioned that Western concepts of entrepreneurship may not be in line with female and developing country entrepreneurship (Ahl, 2006; Imas et al., 2012). Similarly, we believe that existing concepts do not fully embody the complexities of life and work in an informal setting. For example, during the field trip we observed that many female entrepreneurs did not clearly distinguish between entrepreneurial and domestic work. This leads us to ask where we shall draw the line of what is considered entrepreneurship. Therefore, we argue that the Western concepts should be revised,

using language that mirrors the experience of female entrepreneurs in developing countries. Moreover, this paper uses financial inclusion with a rather positive connotation. It assumes that financial inclusion is desirable for most individuals and societies. Yet, we would like to invite to reflection on the concept of (capitalist) financial inclusion. Similar to the criticism of the notion of 'development' (Ziai, 2013), we argue that the definition of 'financial inclusion' and the language surrounding it should be reflected upon.

### *Reflections on Theoretical Background*

Feminist institutional theory is broad within the studies of human development, as it deals with wide ranging factors that govern human behavior. Thereby, the theory was not supportive in narrowing our focus and may have led to blurry concepts. Moreover, institutional theory does not embody factors such as geography (e.g. Bangladesh's geographical location, delta of Ganges-Brahmaputra), climate change (e.g. flooding, drought, rising sea level) or biology (e.g. health, sex, pregnancy). Yet, feminist institutional theory has proved useful for our study as it is flexible and open for extension.

## 6.2 Reflections on Applied Methodology

In this chapter, we critically reflect upon our applied methodology. We start out by discussing the applied philosophy of science. Then, we reflect on our collaboration with Solidaridad, followed by a scrutiny of the tools and techniques that we have used throughout the study.

### *Philosophy of Science*

This thesis adopted a critical realist perspective, which considers the existence of a real world which is independent of human knowledge. Causal language tries to approximate the real world by describing structures. Critical realism may be criticized for its vagueness and thereby, the philosophical position does not give clear guidelines for research practices. Yet, the choice of critical realism was suitable for our research, as it allowed us to examine phenomena that are social constructions and simultaneously part of the real world. Furthermore, we have mitigated the blurriness of critical realism by complementing it with a feminist approach, thereby narrowing the research object to women and their financial inclusion. Nonetheless, it may be fruitful to include men as objects of research.

### *Reflection on the Collaboration with Solidaridad*

There are several advantages to collaborative studies. Solidaridad provided us with valuable practical insights to the topic of female entrepreneurship and financial inclusion. In turn, we hope that our knowledge sharing has and will contribute to Solidaridad's work. We appreciate the support of Solidaridad during our field trip in Bangladesh, as they provided us the contacts of the female entrepreneurs, and the private bank officers. However, we acknowledge that the embedment of our study under the umbrella of Solidaridad may have narrowed our research paper (e.g. limits of sampling groups, influence on our interpretations).

### *Reflection on Tools and Techniques*

Qualitative research is valuable to explore and explain certain phenomena. We argue that the topic of female entrepreneurship and financial inclusion has so far not been thoroughly explored, and thus the use of qualitative methods is rigorous. In addition, qualitative methods are useful for motivating future research. Nonetheless, we acknowledge that mixed methods may be fruitful to study the case. Adding a quantitative component to the study of female entrepreneurship and financial inclusion in Bangladesh adds more breadth.

Bangladesh, as the country where we conducted our field trip, has provided relevant and interesting insights. Studying female entrepreneurship and financial inclusion in Bangladesh is appropriate for our case, since the country has been labelled as a lower-middle income country. Besides, as we were new to the context of Bangladesh, we may see the topic from a new and fruitful angle. However, the language barrier was a major drawback during the data collection and limited information and knowledge sharing. Settings where participants (i.e. interviewer and interviewee) speak the same native language may be more rich. Additionally, we limited our study to the dairy industry, which employs many women. It may be useful to understand dynamics and institutional factors in other industries, such as the shrimp industry which is more male-led.

## 6.3 Practical Implications

In the following sub-chapter, we will discuss the practical implications of our findings from a rather macro-oriented perspective. We outline three scenarios to illustrate how efforts of financial institutions to sustainably develop female entrepreneurship in Bangladesh may translate into praxis: Financial inclusion spurs sustainable development of female entrepreneurship; financial inclusion hampers sustainable development of female entrepreneurship; financial inclusion forms a bridge between female entrepreneurs' economic and social

endeavors. Based on that, we provide a recommendation for development actors, including public, private and organizational (i.e. Solidaridad) entities.

#### *Financial Inclusion Spurs Sustainable Development of Female Entrepreneurship*

In a first scenario, financial inclusion has positive practical implications for the sustainable development of female entrepreneurship. A well-functioning financial system is systematically associated with factors such as poverty reduction and welfare increase, well-developed physical and technological infrastructures, investments in education, lower gender inequalities and crowding out of alternative exploitative financial service providers. Formal financial institutions charge comparatively low interest rates and the cost-efficient services are advantageous for rural SMEs. In that, financial inclusion has positive implications for female entrepreneurs in the Khulna cluster in Bangladesh. At the same time, it is attractive for formal banks to acquire a larger customer base of female entrepreneurs, which constitutes a largely untouched market with high potential. For this reason, private banks in Bangladesh are growingly giving attention to the female population and specifically female entrepreneurs.

We identified *two* themes that particularly support the notion of financial inclusion's positive implications for development of female entrepreneurship. *Freedom of movement* illustrates how institutional factors lead formal banks and female entrepreneurs to approximate one another and thereby increase financial inclusion. Several actors play a crucial role to enhance freedom of movement in Bangladesh, including private firms (i.e. banks), MFIs, government(s), organizations, communities and individuals. *Industry-related* attributes shape female entrepreneurship and financial inclusion in the dairy industry in the Khulna cluster. Thereby, Solidaridad's establishment of the VSM enhances the development of the industry with a praxis-oriented lens. Attempts to increase transparency of and shorten market chains may develop industries by creating a self-sufficient market, which ultimately benefits the private sector and the economy as a whole. We therefore argue that activities aiming to increase financial inclusion spurs sustainable development among female entrepreneurs in dairy industry in Khulna. **We encourage development actors to continue advancing policy schemes and action plans that trigger increased financial inclusion of female entrepreneurs.**

#### *Financial Inclusion Hampers Sustainable Development of Female Entrepreneurship*

In a second scenario, financial inclusion has negative practical implications for the development of female entrepreneurship. Our findings reveal that self-governing structures prevail and shape female entrepreneurship in the dairy industry in Khulna. These structures are a functional equivalent to a formalized



governance system. It leaves it up for question whether the functional equivalents should be extended or replaced by more formalized governance structures. To give an illustration, perceptions and evaluations of natural resources occasionally diverge. Companies may quantify the value of the natural environment in monetary terms, whereas local communities may value the environment for its sacred and indigenous meaning (Banerjee & Maher, 2017). We recall the definition of ‘Sumak Kawsay’, which pursues ecological and sustainable development with a long-term focus, by putting emphasis on social rights, collective citizens and the rights of nature (Radcliffe, 2012). With the support of this illustration, we contend that formalization does not necessarily lead to sustainable development.

We identified *two* themes that particularly support the notion of financial inclusion’s negative implications for developing female entrepreneurship. Female entrepreneurs in the Khulna dairy industry often *rely on internal structures* to access and use financial services. Claims that a financial system is absent in the rural areas of Bangladesh may fall short of explaining the reality, and interventions to change the structures may be critical. Moreover, female entrepreneurs in Khulna frequently build on *informal sources of knowledge* to develop their entrepreneurial capacity. Formal trainings on how to employ formal financial services may cushion these informal sources of knowledge. Thus, we argue that financial inclusion, which is often accompanied by formalization processes, hampers sustainable development of female entrepreneurship. **We encourage development actors to reassess policy schemes and action plans that trigger increased financial inclusion among female entrepreneurs in the dairy industry in Khulna.**

#### *Financial Inclusion Forms a Bridge between Female Entrepreneurs’ Economic and Social Endeavors*

In a third scenario, financial inclusion forms a bridge between female entrepreneurs’ economic and social endeavors. As discussed in the literature review, firms may pursue a hybrid of profit-seeking and social value-seeking goals. In line with that, both secondary sources and our findings suggest that banks are gearing towards group-lending schemes, thereby illustrating that commercial banks are increasingly taking inspiration from MFIs. In the same vein, it is argued that the interest rates of MFIs are steadily decreasing (App. C: 4). This implies a gradual assimilation between the development logic and the banking logic (Kent & Dacin, 2013). It can be argued that the merge between the development logic which focuses on social value creation, and the banking logic that is concerned with economic growth, may endorse female entrepreneurs’ holistic approach of entrepreneurship. Financial inclusion’s contributions to develop female entrepreneurship may, for example, help balance work and household related responsibilities.

We identified *two* themes that particularly support the notion of financial inclusion as a bridge between female entrepreneurs' economic and social endeavors. Many female entrepreneurs in the dairy industry in Khulna are in charge of household work, while they at the same time engage in entrepreneurial activities. Thus, private banks' efforts to *holistically build awareness* about financial services can benefit women's entrepreneurial activities, by offering services that help balancing entrepreneurial and domestic work. Several banks in Bangladesh pursue group lending schemes. The female entrepreneurs' increased *agency stimulates a collectivist approach* to entrepreneurship that is based on relational networks. Group lending schemes may prove to be advantageous in collectivist societies as they promote network-based thinking (Beck & Demirgüç-Kunt, 2008). The two themes indicate how efforts and schemes to increase financial inclusion can span a bridge between female entrepreneurs' economic and social aspirations. **We encourage development actors to take a contextualized approach to female entrepreneurship and financial inclusion by focusing on the hybridization of profit-seeking and social value-seeking aims.**

## 7. Conclusion

This thesis sought to answer how contextualized financial services can contribute to the development of sustainable female entrepreneurship in the dairy industry in Bangladesh. The purpose was to explore the interface of the concepts of female entrepreneurship and financial inclusion which is, to our knowledge, rather novel and underexplored. In collaboration with Solidaridad, we collected primary data during a field trip in Bangladesh in May 2018. The data collection was conducted through semi-structured interviews with 15 female entrepreneurs in the dairy industry in Khulna, as well as with 6 bank officers in Khulna and Dhaka.

The analysis shows that financial services contextualized to female entrepreneurship may be shaped by following factors: agency and network building, freedom of movement, holistic awareness building, reliance on internal structures, industry-related attributes, and acquisition of knowledge through formal and informal training. In the discussion, we reflected upon the applied theory and methodology, followed by practical implications. The practical implications of the discussion laid the foundation to answer our research question, by proposing three scenarios. In the first scenario, financial inclusion has positive practical implications for the sustainable development of female entrepreneurship, whereby we encourage development actors to continue advancing policy schemes and action plans that trigger increased financial inclusion of female entrepreneurs. In the second scenario, financial inclusion has negative practical implications for the development of female entrepreneurship. In this case, we encourage development actors to reassess policy schemes and action plans that trigger increased financial inclusion among female entrepreneurs in the dairy industry in Khulna. In the third scenario, financial inclusion forms a bridge between female entrepreneurs' economic and social endeavors, whereby we encourage development actors to take a contextualized approach to female entrepreneurship and financial inclusion by focusing on the hybridization of profit-seeking and social value-seeking aims. To conclude, contextualized financial services can contribute to sustainable female entrepreneurship under certain premises.

The thesis calls for future research on the topic of female entrepreneurship and financial inclusion. We see potential in applying mixed methods in order to add both breadth and depth to the study. In Bangladesh, we observed many efforts by the private and the public sectors and organizations to socially and economically advance women's position. Thus, a longitudinal study that examines the development of sustainable female entrepreneurship could prove fruitful. We believe that by striving towards a common goal, we can achieve equal rights for all. We just need to give it more time.

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## 9. Appendices

### Appendix A: Question Guides

Participants:  
Date and time:  
Location:  
Language:  
Roles:

#### Question Guide for Female Entrepreneurs

*RQ1: To what extent do institutional factors shape female entrepreneurship in the dairy industry in the Khulna cluster in Bangladesh?*

##### 1. Introduction

The below guideline is to provide an overview of themes that may be covered during the 1-1 in-depth interviews. Prior to starting the interview, a short introduction of the participants and of the research purpose will be given, and confidentiality issues will be explained to the interviewee. Furthermore, it will be defined whether the interview can be recorded.

##### 2. Background Questions

- Introductory questions and let her talk a bit about herself (name, age, education etc.)
- Could you tell us something about your family?
- How does a usual day look for you?
- How do you balance your time between your work as a [lead farmer/CNV] and household work?

##### 3. Core Questions

The aim here is to identify which institutional factors shape female entrepreneurship in the dairy industry in the Khulna cluster in Bangladesh. Some core themes to be covered are mentioned below, but the list is open for extension and change.

**Initial question:** Could you tell us about how you have managed to become a [lead farmer/CNV]?  
(or in other words: Could you tell us about which factors have influenced your path to become a [lead farmer/CNV]?)

- (Follow-up: Could you talk a bit about the factors that supported you the most?)
- Follow-up: Could you talk a bit about the factors that have been challenging?)
- **Attitudes to entrepreneurship**
  - Could you tell us how you (personally) experience working as a [lead farmer/CNV]?
    - Follow-up: Could you tell us why you were motivated to become a [lead farmer/CNV]?
    - Follow-up: To what extent would you like to grow/expand your business/service provision?
    - Follow-up: How do you think you are being perceived (by others) as a [lead farmer/CNV]?
- **Human capital (education and training)**
  - How did you learn the required skills to do your work as a [lead farmer/CNV]?
    - Follow-up: Could you tell us in what way you have learned your skills through other people?
    - Follow-up: Could you tell us in what way you have learned your skills through [household work, previous work experience]?
    - Follow-up: Could you tell us how your school education has helped develop your skills?
    - Follow-up: Could you tell us to what extent/how you have learned to handle finances related to your work?

Participants:  
Date and time:  
Location:  
Language:  
Roles:

- Follow-up: Could you tell us how organizations (such as Solidaridad) have helped develop your skills?
- Follow-up: Could you tell us about other skills that you would like to improve or learn?

- **Informality**

- Could you tell us about the network of people that is important for your work?
  - Follow-up: To what extent are [buyers, suppliers, financial supporters, family, friends, organizations etc.] important for your work?
    - *Specifying question: Can you give an example of a [buyer, supplier, financial supporter, family, friend, organization etc.]?*
- To what extent do you exchange personal (or work related) information within your community?
  - *Specifying question: Can you specify who within the community and why?*
- Could you describe how you get financial support for your work?
  - Follow-up: Have you used a service provided by a bank before?
    - *Specifying question: Could you describe the process of accessing the service?*
    - *Specifying question: Could you talk more about who provided you the service?*
    - *Specifying question: Could you tell us which specific service you used/use?*
    - *Specifying question: To what extent did/does the service support your work?*
  - Follow-up: To what extent do you get (physical) financial support from your family when needed (e.g. for tuition fees, food, health care, business purposes etc.)?
  - Follow-up: To what extent do you get (physical) financial support from friends when needed?
  - Follow-up: To what extent do you get support by people around you when you have finance-related questions?

- **Agency**

- How has working as a [lead farmer/CNV] influenced your personal life?
  - Follow-up: Which family decisions are your responsibilities?
    - *Specifying question: Which decisions are other family members responsible for?*
  - Follow-up: To what extent does your work as a [lead farmer/CNV] help you when you want/need to buy things?
- Could you tell us how you save up for something?
  - Follow-up: In what way is your family supportive when you want/need to save up for something?
- To what extent does your work as a [lead farmer/CNV] require you to leave your home?
  - Follow-up: How does your leaving home influence your daily life?

- **Support networks:**

- How are you supporting one another in your family?
- How are you supporting one another in your close network of people?

Participants:  
Date and time:  
Location:  
Language:  
Roles:

- Follow-up: Could you tell us about the network of people that is important to you?
- [Entrepreneurship] Follow-up: How do you think you are being perceived (by people close to you) as a [lead farmer/CNV]?
- Who supports you when you need advice/help?
  - *Specifying question: Who supports you in relation to your work?*
  - *Specifying question: Who supports you in relation to personal questions?*
  - *Specifying question: In what ways does/has Solidaridad support(ed) you?*

- **Other attributes (to be changed/extended)**

#### **4. Additional Questions**

- May arise during and after interview

#### **5. End of the Interview**

- Ask for contact details for follow-up questions if they agree on it
- Ask for further valuable contacts

#### **6. Changing the Role**

Do you have any questions you would like to ask us?

## Question Guide for Banks

*RQ2: How can local commercial banks contribute to sustainably include female entrepreneurs in Bangladesh?*

### 1. Introduction

The below guideline is to ensure that certain themes are covered during the 1-1 in-depth interviews. Prior to starting the interview, a short introduction of the participants and of the research purpose will be given, and confidentiality issues will be explained to the interviewee. Furthermore, it will be defined whether the interview can be recorded.

### 2. Background Questions

- How do you interpret the context of financial inclusion?
- How do you interpret the context of female entrepreneurship?

### 3. Core Questions

The aim here is to identify which challenges the local banks in Bangladesh face when serving female entrepreneurs (in general or in rural areas), in order to shed light on the topics of financial inclusion and female entrepreneurship. Some core themes to be covered are mentioned below, but the list is open for extension and change.

**Initial question:** Could you tell us a bit more about in what ways it is challenging to increase financial inclusion here in Bangladesh? (or in other words: If you were asked to provide a set of factors that hamper financial inclusion in Bangladesh, which would be the factors? Please elaborate)

- **Product/service related attributes**
  - In what way does [name] bank differentiate financial services from other banks' services?
    - Follow-up: To what extent does [name] bank offer alternative financial services?
      - *Specifying question: Can you please explain more about [name] bank's program (e.g. scholarships, education loans, development loans, women entrepreneurship program etc.)*
    - Follow-up: In what way does [name] bank differentiate products from microfinance institutions?
    - Follow-up: In what way is [name] bank learning from microfinance institutions?
      - *Specifying question: To what extent does [name] bank consider group lending services as valuable services?*

- How does [name] bank relate product/service adaptation to female entrepreneurship?
  - Follow-up: In what way does [name] bank adapt products to female entrepreneurs?
    - *Specifying question: To what extent are the terms and conditions of [name] bank's services adapted to female entrepreneurs?*
    - *[Income-related] Specifying question: To what extent is the price of [name] bank's services adapted to female entrepreneurs?*
- *Specifying question(s)*
- **Income related attributes**
  - In what way is a client's income relevant/a determining factor for [name] bank?
    - Follow-up: How does [name] bank's services account for clients with lower income?
      - *Specifying question: In what ways is a client's income relevant for [name] bank when she/he requires protective services such as saving / credit accounts?*
      - *Specifying question: In what way is a client's income relevant for [name] bank when she/he requires transfer services (e.g. transfer and receipt of money via, for example, mobile banking)?*
  - In what way is a female entrepreneur's income a relevant factor for [name] bank?
  - *[Product-related]* To what extent is the price of [name] bank's services adapted to female entrepreneurs?
    - Follow-up: To what extent does [name] bank consider female entrepreneurs in rural areas as particular clients?
  - *Specifying question(s)*
- **Risk related attributes**
  - How does [name] bank evaluate the riskiness of a (potential) client?
    - Follow-up: To what extent does [name] bank serve more risk-prone clients?
    - Follow-up: How can external partners contribute to serve more risk-prone clients?
      - *Specifying question: To what extent may organizations contribute to serve more risk-prone clients?*
      - *Specifying question: To what extent may investors contribute to serve more risk-prone clients?*

- How would you relate female entrepreneurship to riskiness of a client?
  - Follow-up: To what extent does being a female (or male) client/entrepreneur play a role when [name] bank evaluates the client's riskiness?
- *Specifying question(s)*
- **Geography and Infrastructure related attributes**
  - Can you tell us about how geographical reach shapes [name] bank's services?
    - Follow-up: To what extent does [name] bank expand the geographical reach of its services?
    - Follow-up: In what way does physical and technological infrastructure (e.g. mobility and transportation, electricity, telecommunication network etc.) determine the provision of [name] bank's services?
    - Follow-up: How do you relate geographic reach to female entrepreneurs?
  - How does [name] bank create awareness of its services (e.g. with marketing) across Bangladesh?
- **Informality related attributes**
  - How would you define the 'informal sector'?
    - Follow-up: How would you relate informality to female entrepreneurship?
    - Follow-up: How would you define financial literacy?
  - *Specifying question(s)*
- **Other attributes (to be changed/extended)**

#### 4. Additional Questions

- May arise during and after interview

#### 5. End of the Interview

- Ask for contact details for follow-up questions if they agree on it
- Ask for further valuable contacts

#### 6. Changing the Role

Do you have any questions you would like to ask us?

## Appendix B: Overview Interview Participants: Female Entrepreneurs

	<b>Invented Name</b>	<b>Date</b>	<b>Time</b>	<b>District</b>	<b>Language</b>	<b>Who</b>
<b>1</b>	Aurona	04.05.2018	12.15-13.35 (80 min)	Jessore	Bengali	So, S
<b>2</b>	Fariha	04.05.2018	13.15-14.20 (65 min)	Jessore	Bengali	M, C, N
<b>3</b>	Jennifer	04.05.2018	15.15-16.20 (65 min)	Jessore	Bengali	M, C, N
<b>4</b>	Ishika	05.05.2018	11.15-12.25 (70 min)	Bagerhat	Bengali	M, C
<b>5</b>	Afroz	05.05.2018	11.20-12.00 (40 min)	Bagerhat	Bengali	So, S, N
<b>6</b>	Saba	05.05.2018	13.40-14.25 (45 min)	Bagerhat	Bengali	All
<b>7</b>	Ranya	05.05.2018	16.55-17.55 (60 min)	Bagerhat	Bengali	So, S, N
<b>8</b>	Anuva	05.05.2018	17.05- 17:50 (45 min)	Bagerhat	Bengali	M, C
<b>9</b>	Rodela	06.05.2018	10.35- 11:35 (60 min)	Khulna	Bengali	N, C
<b>10</b>	Nazia	06.05.2018	10.55-12.15 (80 min)	Khulna	Bengali	M, S
<b>11</b>	Amelia	07.05.2018	11.25-12.00 (35 min)	Khulna	Bengali	M, C
<b>12</b>	Farah	07.05.2018	13.10- 13:45 (35 min)	Khulna	Bengali	M, S, C
<b>13</b>	Dina	08.05.2018	10.00- 10.50 (50 min)	Khulna	Bengali	M, S, C, N
<b>14</b>	Rafsan	09.05.2018	10.30-11.40 (70 min)	Jessore	Bengali	M, S, C, N
<b>15</b>	Naomi	09.05.2018	12.40-13.40 (60 min)	Jessore	Bengali	M, S, C, N



### Appendix C: Overview Interview Participants: Private Bank Officers

	<b>Invented Name</b>	<b>Invented Bank Name</b>	<b>Date</b>	<b>Time</b>	<b>Location</b>	<b>Language</b>	<b>Who</b>
<b>1</b>	Chaman	Saturn Bank	06.05.2018	16.15-17.50 (95 min)	Khulna	English	S, C, N, M
<b>2</b>	Darsh	Mercury Bank	07.05.2018	16.40-17.50 (70 min)	Khulna	Bengali	S, C, N, M
<b>3</b>	Eshan	Venus Bank	09.05.2018	16.30-17.40 (70 min)	Jessore	English	S, C, N, M
<b>4</b>	Haresh	Mars Bank	10.05.2018	10.00-11.15 (75 min)	Dhaka	English	S, C
<b>5</b>	Jagad	Jupiter Bank	10.05.2018	15.10-15.50 (40 min)	Dhaka	English	S, C
<b>6</b>	Aashi & Rafi	Neptune Bank	13.05.2018	11.00-12.45 (105 min)	Dhaka	English	S, C

## Appendix D: Overview Meeting/Interview Participants: Solidaridad Employees

	Invented Name(s)	Date	Time	Language	Purpose
1	Julia, Zera	16.02.2018	09.00-10.00 (60 min)	English	Discuss potential research collaboration
2	Julia, Zera	06.03.2018	15.00-16.00 (60 min)	English	Further discuss research collaboration and give feedback on research proposal
3	Islam, Zera, Aisha	13.04.2018	10.00-11.00 (60 min)	English	Discuss relevance of researching female entrepreneurs in the dairy industry in Bangladesh; discuss next steps for rolling out research
4	Aisha	21.04.2018	16.00-17.00 (60 min)	English	Discuss occupations of female entrepreneurs (CNV, LF)
5	Zera	23.04.2018	13.20-14.45 (85 min)	English	Answer our questions regarding previous research in Bangladesh; incubation; impact investment; funding
6	Islam, Ahnaf	29.04.2018	17.30-18.00 (30 min)	English	Meet and greet
7	Islam, Ahnaf, Mehruba, Barsha	30.04.2018	10.00-17.00 (7h)	English	Presentations from both parties
8	Mehruba, Abanti	02.05.2018	11.00-17.00 (6h)	English	Discuss logistics and question guides. Meet translator
9	Mehruba, Islam	03.05.2018	15.00-17.00 (2h)	English	Discuss question guides
10	Golam	07.05.2018	09.00-09.30 (30 min)	English	Discuss our research
11	Saba	07.05.2018	10.30-10.55 (25 min)	Bangla	Visit an entrepreneur within service provision in the shrimp industry
12	Abdul	08.05.2018	12.00-13.00 (1h)	English	Visit the village supermarket
13	Umar	09.05.2018	15.00-16.00 (60 min)	English	Answer our questions regarding the SAFAL project
14	Islam	10.05.2018	17.30-18.00 (30 min)	English	Say thank you and goodbye
15	Abir	16.05.2018	8.00-8.40 (40 min)	English	Answer questions regarding impact investment; investment in the shrimp industry; SAFAL in terms of finance

Appendix E: Transcripts (please find on stick)