V. Barvinok, U. Prykhozhai, Master students
N. Kostyuchenko, PhD in Economics, research advisor
L. Hnapovska, PhD in Philology, language advisor
Education and Research Institute for Business Technologies "UAB"
of Sumy State University

MICROFINANCE AS A TOOL OF ENSURING GENDER EQUALITY IN WOMEN ENTREPRENEURSHIP

This study aims at investigating the issue of women's inequality in economy and finding ways to facilitate women's entrepreneurship potential and thus ensure gender equality by means of microfinance tools.

In many scholars' definitions, the term "gender" refers to social, behavioral and cultural characteristics, expectations and norms associated with belonging to the female or male sex. The notion of "gender equality" describes the relationships between women and men determined by these aspects, as well as the resulting differences in their capabilities (L. Benveniste, A. Kuduel, J. Das, M.Goldstein, A.Maria Munios Bey and K. Sanchez-Paramo, S. Akhtar et.al.).

Gender equality has strong impact on world development in all spheres. With respect to economy, it can increase economic efficiency and improve other outcomes in three possible ways. Firstly, the removal of barriers that prevent women from obtaining equal access to education, economic opportunities and means of production can provide a large-scale increase in productivity, which appears especially critical against the background of increased competition and globalization in the world. Secondly, raising the status of women contributes to many other development outcomes, including women's impact on future generations` development. Thirdly, gender equality can also have a strong influence on the world labour force structure. Statistically, nowadays women account for more than 40 % of the total labour force, 43% – of agricultural workers and more than half of university students in the world. To have the biggest economic output, it is necessary to use the skills and talents of women in those activities in which their potential will give the highest result [3].

Gender discrimination, including segregation in economic activity, covers the following aspects: gender gaps in salary levels, men and women's different responsibilities in household and their role in the family, inequalities in assets ownership, and obstacles women face in both private and public spheres.

The most significant obstacle is the discrimination of women in entrepreneurial activity. Barriers include lack of access to education and limited access to information and communication technologies, market information and finance. The number of women-owned small and medium-sized enterprises (SMEs) with reliable funding sources is small, partly because land is often required as collateral for a loan in the regions where women make up a small minority of landholders.

There exist many international organizations that help women to set up their own business. For example, National Association of Women Business Owners (NAWBO) founded in 1975, positions itself as 'the unified voice of over 9 million women-owned businesses in the United States' and is the only dues-based organization representing the interests of women entrepreneurs across all industries. Business and Professional Women's Foundation aims at creating successful workplaces that embrace and practice diversity, equality and work- leisure balance. Women's Microfinance Initiative has the mission to establish village-level loans and hubs administered by local women, to provide capital, training and support services to females from rural districts [1]. An increase in the number of such organizations has contributed to the growth of female entrepreneurs in the world.

Engaging more females in economic activities has recently become an effective way to overcome the inequality of women. The Asia-Pacific region (ASEAN) with the increased number of women entrepreneurs is one example of this. Women entrepreneurs in ASEAN countries have been particularly successful. Today the proportion of firms with female owners stands at nearly 70% in the Philippines, over 60% in Thailand and over 50% in Vietnam. This has been achieved through gender-responsive budgeting, programs to support SMEs, and strong civil society advocacy to ensure women's entrepreneurship prioritized in the national policymaking [6].

While the number of women entrepreneurs in developed countries has increased, the issue of inequality has remained particularly acute in developing countries. Since it is women who represent the main target group of microfinance organizations in developing countries, microfinancing women's business is one of the tools to achieve the goal to overcome gender inequality there.

In terms of economic theory, microfinance traditionally refers to specific financial and credit relations between financial organizations and small forms of management in conditions of territorial proximity and personal contact, involving the accumulation of financial resources and their simplified provision on the principles of pay back, short term, repayment, trust and targeted use for stable economic development. The goal of microfinance is to create a highly dynamic and efficient system of lending to small enterprises to further stimulate the production and distribution of goods and services, and to support start-up entrepreneurs in acquiring the experience of making a profit and accumulating capital [2].

Microfinance gets its popularity and fame from Mohammad Yunus, who in the 1970s began experimenting with lending to poor women in the village of Jobra (Bangladesh) during his tenure as a professor of Economics at Chittagong University. Since then, various forms of microfinance programs have been successfully implemented in many countries. For example, in Bangladesh, as in many other countries, women do not face equality with men in a household or a community.

Families benefit, too, from loans granted to women. Providing women with microloans raises their status, gives them more influence in the family, and also helps to empower them by giving them self-confidence: it makes women feel important members of both – the family and the community, and allows them to play an active role in combating poverty [4].

Conceptually, microfinance enables poor women to engage in income-generating activities that help them become financially independent and strengthen their decision-making power within the household and society. As economists agree, microfinance has the potential to reduce gender inequality. In 2016, the global index of microfinance was 84% for women and 16% for men. In Eastern Europe and Central Asia these figures resulted in 54% for men and 46% for women; in South Asia – 8% for men and 92% for women; in East Asia and PACIFIC – 6% for men and 94% for women; in Latin America and the Caribbean – 34% for men and 66% for women; in Africa – 34% for men and 66% for women; in the Middle East and North Africa – 40% for men and 60% for women) [5].

To put the issue in the long-term perspective, it's worth highlighting that gender discrimination has significant impact on global world economic development. Gender equality can produce positive effect on labour market and more rational resources allocation all over the world. Gender equality can be implemented through breaking various barriers for women that list above. Using microfinance as the tool will enable women with low incomes to get engaged in income-generating activities, which, in its turn, will help them become financially independent and enhance their role as decision-makers within the household and society at large.

REFERENCES

1. 6 Organizations That Support Women in Business [Electronic resource]. – Mode of access: https://www.bluehost.com/blog/small-business/6-organizations-support-women-business-6678/– Title from the screen.
2. Development of the microfinance sector [Electronic resource]. – Mode of access: http://vpk34.ru/data/documents/Microfinance-Grib.pdf – Title from the screen.
3. Gender equality and development [Electronic resource]. – Mode of access: http://www.un.org/ru/development/surveys/docs/worlddev2012.pdf – Title from the screen.
4. How microfinance reduces gender inequality in developing countries [Electronic resource]. – Mode of access: http://world.edu/microfinance-reduces-gender-inequality-developing-countries/ – Title from the screen.
5. Microfinance Barometer 2017 [Electronic resource]. – Mode of access: http://www.convergences.org/wpcontent/uploads/2017/09/BMF_2017_EN_FINAL.pdf – Title from the screen.
6. To Achieve Gender Equality, We Need Women Entrepreneurs [Electronic resource]. – Mode of access: http://www.indrastra.com/2018/03/GenderEquality-Women-Entrepreneurs-004-03-2018-0013.html – Title from the screen.