

WOMEN'S FINANCIAL INCLUSION IN BANGLADESH: EVALUATING THE GENDER RESPONSE OF FINANCIAL POLICIES AND INTERVENTIONS IN POST-COVID ERA

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Abstract

In recent decades, Bangladesh has prioritised the financial inclusion of its citizens in an effort to improve the economy and standard of living of the nation. Since its inception, the government of Bangladesh has implemented a wide range of policies and interventions to promote financial inclusion of women. After the devastating impact of COVID-19 on the national economy, the government and other financial institutions have again placed greater emphasis on promoting women's financial inclusion. Despite the significant number of policies and interventions, women of diverse religious, ethnic, and regional backgrounds have been excluded from the targeted beneficiaries. To fully understand the diversity and inclusivity of women's financial inclusion, particularly in the post-COVID era, this paper examines the current financial policies and interventions through an intersectional lens. In doing so, this research first conducted a desk review of the current policies and interventions by the government and banking institutions relevant to the financial inclusion of women. It then focused on understanding the challenges and constraints of ensuring an equal approach to the financial inclusion of women in the post-COVID era. Key research findings suggest, although various policies and interventions have been implemented to make this process inclusive, the implementation and monitoring of the policies yet remain a major challenge. To address the gaps in women's financial inclusion and make it equitable in every way, this paper concludes with several recommendations.

Keywords : Financial Inclusion, Gender Equality, Public Policies, Sustainable Development, Women Empowerment

JEL Classification : G28, Z13, Z18

1. INTRODUCTION

Women's economic empowerment is commonly viewed as essential to achieving women's rights as well as inclusive economic growth and sustainable development. Enabling women to fully engage in all parts of the economy is essential for building

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economies, achieving internationally agreed development and sustainability goals, and improving the quality of life for women, men, families, and communities (Azim, Menon, & Siddiqi, 2009). In accordance with international norms, Bangladesh has a comprehensive policy framework on gender equality and women's empowerment, with an emphasis on economic development. The Constitution of Bangladesh, the country's supreme law, also endorses equality and contains explicit measures on gender equality and women's empowerment (Huq, 1973).

For Bangladesh to achieve social and economic progress and development, gender equality is crucial. Women's access to and control over financial resources and services is an important part of gender equality. This necessitates the creation and execution of policies that address current gender gaps and barriers in the financial sector. Policies are vital instruments for establishing a shared vision, holding stakeholders responsible, and improving a nation's overall status. In accordance with the United Nations' fifth Sustainable Development Goal (SDG), which calls for women to have equal access to economic resources and property, governments should attempt to eliminate gender-based discrimination and enhance women's economic and social empowerment (Sen, 2019). Although Bangladesh has made significant strides to incorporate gender equity into its national financial policies and strategies, there is always room for advancement given women's poor status. Despite the fact that women's access to finance has increased over time, the total amount of credit extended to women entrepreneurs annually between 2010 and 2017 was just 3% of the amount extended to men entrepreneurs (Nazly, 2021). In order to evaluate the current status of women's financial inclusion in the post-COVID Bangladesh, it is essential to examine how existing policies have contributed and what their limitations are.

While analysing the financial policies, we realized that not all of them were centred on women. Despite the fact that the majority of policies have special provisions for women, such as addressing and recognising women's needs and demonstrating stakeholders' awareness of women's centuries-long sufferings and discrimination in the economic, political, and social sectors, the implications of these policies on women's real-life experiences are frequently adverse. Several obstacles prevent women from utilising the special provisions of small and medium-sized enterprises. These obstacles ranged from the collection of reliable data to the distribution procedure. It appears that these issues continue to plague both private and public banks, as well as other financial institutions, non-governmental organizations, and government agencies.

By analysing financial policies through a feminist lens, it is possible to identify the strengths and weaknesses of the current policy framework, as well as the potentials and challenges associated with increasing women's financial inclusion. In addition, it provides evidence-based recommendations for improving policy formulation, implementation, monitoring, and evaluation. Thus, financial policy analysis can

assist Bangladesh in achieving gender equality in a more inclusive and equitable manner, which is a precondition for sustainable development. The main purpose of this research is, therefore, to investigate the gender responsiveness of current financial policies and interventions in Bangladesh to provide useful recommendations.

2. IMPORTANCE OF ANALYSING POLICIES RELATED TO THE FINANCIAL INCLUSION OF WOMEN

Financial inclusion is regarded a key sign of the success and economic security of the globalised world. Globally, the provision of accessible and affordable financial services has become a primary focus in recent years. G-20 nations have emphasised the significance of financial inclusion as a catalyst for achieving gender equality and other sustainable development objectives (Bhatia & Singh, 2019). Numerous developing nations, including India and Bangladesh, are pursuing an inclusive financial model focused on the equal financial inclusion of women in order to accomplish basic and transformative objectives. For promoting equitable financial inclusion, women's empowerment is a significant strategy, as it aims to shift power dynamics in their favour and is viewed as essential to global advancement.

Bangladesh, although being a developing nation, has always attempted to advance gender equality in its national policies (Imtiaz, 2022). To make Bangladesh an equal, inclusive, and just nation, ensuring gender equality in financial inclusion has been considered as one of the most important factors. Since the country's inception, a series of social, political, and economic developments have heightened public concerns regarding women's position in economic life and in their families. As a result, many policies have opened the ground for gender equality to advance in Bangladesh throughout the decades. In Bangladesh, enhancing women's status was facilitated by the Constitution's political responsibility to create a just and equitable society in the war-ravaged nation. Introduced in 1972, the principle of equality and liberty affirmed the state's commitment to basic security and rights for all citizens, irrespective of gender, religion, or other social divisions (Huq, 1973). Articles 27, 28, 29, and 65(3), which promote equality and liberty, guarantee citizens' equality before the law by prohibiting discrimination based on religion, race, caste, sexual orientation, or place of birth. Hence, the government has intervened to empower women, who constitute roughly half of the population (Azim & Siddiqi, 2009). While the efficacy of the state's commitment has been questioned on a number of occasions, the state's emphasis on women's financial inclusion has been crucial in generating major progress and international acclaim (Imtiaz, 2022).

Prior to the onset of the pandemic, Bangladesh's economy was relatively stable, which helped to reduce poverty and social inequality in various ways. Unfortunately, the pandemic had a devastating impact on economics. The COVID-19 pandemic has had a huge impact on the rapidly changing socio-economic landscape of Bangladesh. While the pandemic's effects may vary by country, it has undeniably exacerbated global poverty and inequality, making the SDGs even more vital. During the lockdown, the poor have become poorer, which resulted in the formation of a

“new poor” group. According to a study conducted by the Bangladesh Institute of Development Studies (BIDS) in May 2020, about 16.4 million people have fallen below the poverty line due to COVID. Almost fifty percent have lost their jobs, and twenty percent now earn less than BDT 15,000 per month (Jamal, 2020).

During the pandemic, a particularly severe sort of loss has been documented in terms of women’s employment. According to a study undertaken by UNFPA (United Nations Population Fund), UN-Women, and the British Medical Journal, COVID-19 has limited women’s work options in the formal sector of Bangladesh by 71%, compared to that of 14% for men. Even in the informal economy, 24% of women have lost employment opportunities. As a result of falling employment in the productive sector, around 36% of women are at danger, versus 26% of men. In addition, the closure of schools and temporary closure of day-care centres had a substantial influence on the financial options of women. Due to these factors, numerous women had to change their types and schedules of work, both within private and public spaces.

In addition, women continued to encounter severe challenges in obtaining the government’s stimulus packages. Some of these challenges are societal and cultural in nature, while others stem from a lack of financial services education and knowledge. The absence of a robust monitoring system to track the proper execution of existing policies that promote women’s economic inclusion is another key challenge. The government of Bangladesh, for instance, recently launched a BDT 200 billion incentive package for Cottage, Micro, Small, and Medium Enterprises (CMSMEs), of which only 5% was allocated to women (Sarker, 2022). In April-December 2020, the SME Foundation disbursed a loan of BDT 220 million, where only 5 out of 282 borrowers were female (Sarker, 2022). In light of the growing marginalisation of women-led CMSMEs, especially in the post-COVID period, this paper examines the gaps and challenges regarding women’s financial inclusion within existing policies and measures. In order to create an equitable and just society, the research also provides recommendations for promoting women’s financial inclusion.

In accordance with national legislation, SDG 5 also emphasises women’s equal access to economic resources, ownership and control over land and other forms of property, financial services, inheritance, and natural resources, as well as their equal access to economic resources. In order to achieve gender equality, measures that address existing gender disparities have a significant impact. To attain SDG 5, it is, therefore, crucial to adopt and execute policies that counteract current gender-based inequalities in the social and economic landscape. This research, therefore, intended to examine Bangladesh’s national financial policies and M&E (monitoring and evaluation) strategy to understand the gender-responsiveness of financial policies and their implementation during post-COVID period.

3. ANALYTICAL FRAMEWORK

This paper uses the intersectionality concept in conjunction with the UNDP (United Nations Development Programme) framework of Gender Responsive Policy

Analysis.⁴ Intersectionality, or the mutually constitutive nature of social identities, is a central tenet of feminist philosophy. It is one of the most important contributions to our current understanding of gender (McCall, 2005). Feminist theorists expose and challenge the gender-based assumptions that undergird conventional theoretical and methodological approaches to gender homogenization (Shields, 2008). Therefore, the concept of intersectionality enables a theoretical shift in how gender is discussed. This perspective also enables us to understand the social position of the individual, as reflected in intersecting gendered identities, in the context of power relations ingrained in social identities (Collins, 2000). In terms of attaining equality for the most marginalised, the separate single-issue approach (targeting only one inequity, such as gender or race) has failed to produce the desired progress. Therefore, it is now acknowledged that pursuing social justice necessitates policymakers and organisations to engage with intersectionality (Christoffersen, 2021).

We chose this framework in order to take into account the gender relations that can influence and be influenced by financial policies, which can limit or facilitate the ability of policy instruments to achieve their goals. The UNDP framework also categorizes a policy as Gender Blind, Gender Neutral, or Gender Responsive based on its impact on gender equality. According to the framework, a Gender Blind policy ignores the different situations, roles, needs and interests of women, men, girls, boys, and third gender persons in economic, legal, and social domains. A Gender Neutral policy does not affect or is not affected by the different situations, roles, needs, and interests of women, men, girls, boys, and third gender persons in economic and social domains. A Gender Responsive policy considers and addresses the different situations, roles, needs, and interests of women, men, girls, boys, and third gender persons in economic and social domains. This guidance was used to determine the gender sensitivity of each policy.

Since the UNDP framework gives specific guidelines for conducting a gender analysis of policies, the following criteria of this framework were used to evaluate the policies. First, using the intersectional lens, we assessed the extent to which policies reflect and meet the many needs, goals, capacities, experiences, interests, and perspectives of women, men, girls, boys, and transgender individuals. The amount of awareness of policies governing the access to and/or control of resources, opportunities, and power by different gender groups was then evaluated. Then, we focused on the possible gains and/or losses for various gender groups resulting from new policy efforts. In addition, we emphasised the recognition of regulations about gender inequalities in social relationships. During this process, we also considered the policies on the various patterns and levels of involvement and representation of women, men, girls, boys, and third-gender individuals in economic, political, social, and legal structures. Finally, we investigated the incorporation of policies addressing

4. For further details, please follow the link below.

https://www.undp.org/sites/g/files/zskgke326/files/migration/asia_pacific_rbp/RBAP-Gender-2012-GEPMI-Module-2.pdf (Accessed on 05 March 2023)

the intersectional consequences of age, ethnicity, race, and economic position for various gender groups.

While analysing the policies and interventions pertaining to financial inclusion, we discovered that women have been identified as a homogenised category from which marginalised women of varying race, ethnicity, and age have been excluded. To understand the current situation of Bangladesh's economic development, we decided to apply an intersectional lens to examine how existing financial inclusion policies may account for gendered realities.

4. METHODOLOGY

Since this article reviews the financial policies and interventions, we have concentrated on the desk review method for analysis. Desk review is commonly referred to as the "De Jure Scenario" based on what is accessible in the papers. It is a secondary data gathering technique that has been utilised in this paper to review the background, purpose, and focus of the financial policies. This process has assisted us in defining the policy's instruments and identifying the data collection points for the second phase. For instance, the study identified the banks, NBFIs, NGOs, and government agencies as well as the many parties involved in the process of sanctioning loans and grants. During this process, the research also analysed what has been accomplished by the policies and to what extent their objectives have been met. Using the desk review, the study determined the gender responsiveness of the financial inclusion policies for women. Finally, the research attempted to identify who is in control of the resources during the various phases of adopting the policies and if any group suffers a loss as a result of the implementation of these rules.

The study considered the following policies for desk review: a) Eighth Five-Year Plan (July 2020-June 2025), b) National Women Development Policy (NWDP) 2011, c) Industrial Policy 2015 (6th draft), d) SMESPD Circular Letter No. 01, and e) Bangladesh Bank's CMSMEs Circulars. Given the researcher's obligation to respect secondary data when doing policy analysis, the arguments have been supported with the appropriate citations.

5. FINDINGS AND ANALYSIS

This section examines the existing economic policies and interventions of the government and other financial institutions, such as banks, and their impact on gender responsiveness, especially in the post-COVID era. First, the study examined the gender responsiveness of financial inclusion using the following public policies: a) the Eighth Five-Year Plan (FYP) (July 2020-June 2025), b) the National Women Development Policy (NWDP) 2011, c) the Industrial Policy 2015 (6th draft), d) the SMESPD Circular Letter No. 1, and e) the Bangladesh Bank's CMSMEs Circulars. Then, the study examined the gender sensitivity of the financial policy initiatives implemented by banks. The section concludes with a discussion of how gender equality is not reached through the implementation of policies and interventions.

5.1 Evaluating the Financial Inclusion Policies and Interventions by the Government

This research selected policies based on their relevance to the promotion of women's financial inclusion. In analysing the policy, we were able to identify its various instruments. For instance, we focused on who was accountable for implementing the policy, what resources were utilised, what was accomplished and to what extent, and how the system operated. In light of these factors, an assessment was done to evaluate its effect on individuals, households, and businesses tackling COVID. We also focused on understanding the execution of policies and strategies to ensure horizontal, vertical, and distributional equity, as well as the intersectional outcomes of ethnicity, race, economic standing, and demographic status.

The policies reviewed in this research contain clear aims and objectives, such as empowering women and ensuring equal rights and opportunities. For example, under the **8th Five Year Plan (FYP)**, focus was placed on boosting women's voice and reducing barriers to their agency, as well as enhancing the mother and child assistance scheme. It is a policy document that describes the objectives and strategies of various government sectors for the period between July 2020 and June 2025. The policy acknowledges the importance of gender equality to economic growth, poverty alleviation, and social development. In addition, it recognises the obstacles women experience due to social norms, a lack of rights, and restricted access to resources and opportunities. The policy proposes various actions to address some challenges. These actions include enhancing women's education, health, and skills; increasing their economic participation and benefits; and enhancing their voice and agency in decision-making. Besides, the policy also aims at strengthening the legal and institutional framework for gender equality; and expanding the social protection programme for mothers and children. This research is particularly relevant to the second purpose of expanding women's economic involvement and advantages. The objective of the policy is to enhance women's access to income, employment, economic resources, and markets. It also seeks to promote female entrepreneurship and financial inclusion, particularly in rural areas.

The 8th Five Year Plan (FYP) also seeks to increase women's economic participation and benefits by tackling a variety of factors affecting their access to income, the job market, and economic resources. In addition to the eradication of impediments to women's economic involvement and the provision of support services, these sectors also include the provision of women's control over productive assets, resources, services, skills, property, employment, income, information, technology, financial services, the work environment, entrepreneurial opportunities, and community resources. The action plan focuses on increasing women's labor force participation and employment opportunities over the short and long term, encouraging and incentivizing the private sector to support women's employment in non-traditional sectors, and monitoring and enforcing equal wage and benefits for men and women. Following the Labor laws, the strategy intends to implement safety net programmes

to create employment for women and to set a target for short-term employment opportunities for women with equal pay in construction and development projects.

In contrast, the **National Women Development Policy (NWDP) 2011** was designed to address different facets of women's empowerment, including their participation in politics, the economy, education, health, and social security. The strategy was based on the 1997 National Policy for the Advancement of Women (NPWA), which was updated multiple times following the Fourth World Conference on Women (FWCW). The primary goals of the strategy were to engage poor women in productive and mainstream economic activity and to offer employment opportunities to both literate and uneducated women. The policy aimed to modify laws, rules, and policies to promote women's employment, to provide training and credit facilities for women entrepreneurs, and to support women in agriculture, fishing, livestock, and forestry sectors. It also aimed to ensure women's financial inclusion through the SME/Microfinance/Pro-Poor Package and social safety net programmes like skills, food security, and maternity allowances, and to offer women with access to extension services, seed, fertiliser farmer's cards, and credit facilities.

For the execution of the policy, the **National Action Plan (NAP) 2013** was implemented. The policy's objectives were to eradicate illiteracy, educate women, and develop them into skilled human resources. To sustain gender equality, the policy also sought to reduce violence against women, ensure equal pay, safeguard the rights of domestic workers, ensure the safety of girl children, and discourage dowry and child marriage. Furthermore, backward and minority women's physical and mental health, nutrition, disability care, and support services were prioritised. This strategy, in its pursuit of gender equality, also aimed to support women in print and digital media, sports, transportation, employment, quota system, climate change, and lending services.

A component of the NAP addresses the rights of disabled women and assigns implementation responsibilities for the NAP's provisions on their behalf. It also assures that disabled women who are unable to enter mainstream school have access to specialised educational facilities. This strategy aims to increase women's economic prospects and autonomy by bolstering their employment, entrepreneurship, financial inclusion, and productive resources. It advises building financial services that cater to the requirements of women, providing diverse kinds of capital and credit, and implementing particular interventions to encourage women's entrepreneurship by facilitating access to land, finance, and business support services.

National Industrial Strategy 2016 emphasised encouraging women entrepreneurs and ensuring their participation and growth in the industrialization process. The strategy also sought to increase women's economic participation and advantages by enhancing their human capabilities. The provisions of the policy are intended to address some of the most significant obstacles that women entrepreneurs in Bangladesh confront, such as a lack of cash, information, training, networking,

market linkages, and social norms that limit their mobility and decision-making ability. The industrial policy, through its various provisions, aims to contribute to the economic, social, and political empowerment of women by promoting their entrepreneurship. One such provision is providing loans to women entrepreneurs from the Bangladesh Bank's fund without a mortgage to launch or expand their firms. It intends to increase the allowances for women entrepreneurs in order to stimulate their participation in the SME sector, which is an essential source of employment and income for women. Another crucial part of the policy is the simplification of existing regulations of loan for the industrial women entrepreneurs, who encounter several problems in accessing finance and markets. In addition to building a database of women industrial entrepreneurs, the policy strives to increase the number and variety of mortgage-free loans for entrepreneurs, particularly rural poor women. Moreover, it attempts to mentor women entrepreneurs prior to investment in order to improve their business management abilities, expertise, and confidence.

The strategy also includes elements that are designed to build an environment conducive to the economic empowerment of women entrepreneurs in general. For example, the action plan mandates: a) establishing women-friendly financial services; b) granting tax benefits and duty-free imports to women enterprises in Export Processing Zones (EPZ); c) reserving 15% of total SME loan for women entrepreneurs at 10% interest rate, which is lower than the market rate; d) promoting women's employment generation in small, medium and cottage industry; and e) giving preference to women in service industries such as ICT (Information and Communication Technology), where they can leverage their skills and potentials in the digital economy. Additionally, the action plan adopts an intersectional approach by taking geographical inequities and industry diversity in Bangladesh into account. It identifies places that are industrially undeveloped and gives them a higher priority for development activities. It also recognises the potential of handicrafts and cottage businesses in tourist zones and encourages their development as sources of income and economic independence for local women.

The **SMESPD Circular Letter No. 01** is one of the most significant policies lately taken by Bangladesh government. The COVID-19 pandemic has created enormous problems to the CMSME sector in Bangladesh, which accounts for around 25% of the country's GDP and employs more than 35 million people. To minimise the detrimental effects of the pandemic on this crucial industry, the government of Bangladesh proposed a stimulus package of BDT 20,000 crore (about \$2.4 billion) in April 2020, which was later boosted to BDT 23,600 crore (about \$2.8 billion) in June 2020. The stimulus package intends to give low-cost loans to CMSMEs through banks and financial institutions, with a special allocation of 5% for women entrepreneurs. The Bangladesh Bank released a circular in May 2020 to provide rules and recommendations for the implementation of the stimulus package. The circular addresses several parts of the loan disbursement procedure, such as eligibility criteria, spending reasons, interest rate, repayment time, monitoring and assessment

mechanisms, and roles and duties of different parties. The circular further says that 15% of the total disbursement should go to rural areas and 70% should be directed to cottage, micro and small firms.

The stimulus package is one of the largest and most comprehensive policy responses to the COVID-19 crisis in South Asia and among Asia's neighbors. According to the estimates, the stimulus package accounts for 3.7% of Bangladesh's gross domestic product (GDP), which is greater than India (1.1%), Pakistan (3.1%), Malaysia (2.8%), and China (2.5%). The stimulus package is also supported by development partners including the Asian Development Bank (ADB) and the World Bank, which have pledged over \$2.6 billion and \$600 million, respectively, to assist Bangladesh in addressing the pandemic and its aftermath. The stimulus package has positive effects on the sector of Micro, Small, and Medium-sized Enterprises (MSME) in Bangladesh, particularly for women entrepreneurs who face several barriers to access capital and markets. By offering low-interest loans with flexible repayment terms, the stimulus package assists CMSMEs in maintaining cash flow, retaining staff, resuming operations, and recovering from the effects of the pandemic.

The final policy examined in this study is Bangladesh Bank's **CMSME circular**. The purpose of this policy paper is to simplify the financing of cottage, micro, small, and medium-sized enterprises in accordance with the 2016 National Industrial Policy. The circular is predicated on the recognition of CMSMEs as a priority sector for Bangladesh's economic growth, employment generation, poverty reduction, gender equality, and industrialization. It establishes the criteria and restrictions for MSME loans, provides refinancing facilities at a lower interest rate, and establishes indicative lending goals for financial institutions. In addition, the circular promotes female entrepreneurship and cluster finance in the CMSME industry. This reflects the best practises stated by the Alliance for Financial Inclusion (AFI) in 2014 for SME finance.

The CMSME circular was released to address numerous objectives associated with the growth of Cottage, Micro, Small, and Medium-sized businesses in Bangladesh. One of the objectives was to clarify the criteria and procedures, which were not mentioned in the 2016 National Industrial Policy, for the entrepreneurs to get loans. A further objective was to ensure that small businesses, particularly those managed by women, could access lending facilities and overcome financial obstacles.

This policy sought to make the loan disbursement process more systematic and structured, and to boost the proportion of CMSME loans to at least 25% of all granted loans by 2024, with a minimum of 15% going to female entrepreneurs. In addition, the circular aimed to give 50 percent of the total CMSME loans to cottage, micro, and small firms, which were previously barred from bank loans due to their classification under the 2016 National Industrial Policy (Ministry of Finance, 2017). Also, the circular highlighted undeveloped areas and communities in terms of industrialization and urged banks to ensure their access to lending facilities through channels such as agent banking, digital finance, and microfinance organisations.

5.2 Evaluating the Financial Interventions by the Banks

In addition to the government's financial policies, we have noted that certain banks are also striving towards the economic inclusion of women. In this section, we discuss how gender-sensitive these initiatives were in addressing the financial inclusion of women. We observed that among the banks that promoted financial inclusion initiatives, Prime Bank, City Bank, and BRAC Bank developed special banking segments for women entrepreneurs with the names "Neera", "City Alo", and "TARA" correspondingly.

The products and services of Prime Bank's Neera are found out to be limited in comparison with City Alo of City Bank and TARA of BRAC Bank. We considered City Alo's banking component to be exceptional, serving as a model for many other financial institutions. As part of its non-financial services, City Alo partnered with North South University to offer entrepreneurship training to aspiring and current female entrepreneurs. Women are provided with exclusive entrepreneurship training and networking opportunities that promote the growth of skills that can improve their personal and professional lives. Informally, City Alo organises numerous day-long workshops for women to provide them with business and financial advice, as well as assistance with product promotion. Moreover, by giving these official and informal courses and sessions, a strong pipeline of female entrepreneurs is developed. Women entrepreneurs with a City Alo business account are also given free access to City Bank-organized trade shows to sell their products. In addition to providing diverse SME loans to women, BRAC Bank's TARA section also provides SME entrepreneurial support services such as business registration, trade licence, etc.

During the COVID-19 outbreak, BRAC became a model financial institution due to the manner in which it managed a scenario favourable to its beneficiaries. In contrast, in order for an entrepreneur to qualify for a COVID-19 loan through BRDB (Bangladesh Rural Development Board), he or she must repay any previous BRDB loans. And in the event of default, he/she is required to pay an interest rate of 11% after the loan term.

The Bangladesh Krishi Bank's Mujib Year special loan scheme stipulates that disadvantaged farmers and women are eligible for the loan. But, neither the definition of the term "poor" nor the selection criteria for women candidates are specified in detail on the website of Krishi Bank. Its website does not indicate whether the loan amount of BDT 300 billion has been fully dispersed. The bank has established a target of BDT 4,000 billion for SMEs for the fiscal year 2021-22, of which BDT 600 billion is designated for women entrepreneurs. However, the website does not indicate if the target amount was determined using a top-down or bottom-up strategy.

5.3 Discussion

This policy analysis found a number of positive aspects, including the government and policymakers' commitment to gender equality and their efforts to reflect this in their policymaking. Although not all policies and programmes are centred on women,

the majority of them have special provisions for women. This demonstrates that the stakeholders are aware of women's centuries-long discrimination in economic, political, and social arenas, and that women therefore require positive discrimination through special provisions to be included in the mainstream.

Although designing a policy with special provisions for supporting women entrepreneurs demonstrates the policymakers' commitment to promoting equality, legal requirements and administrative regulations are one of the major obstacles for women to access the financial incentives offered by government bodies or private banks. Our analysis reveals that there are still substantial policy areas that require improvement.

As an example of an intersectional strategy, the National Industrial Policy included priority areas depending on the development of industries. The areas of the country that are undeveloped in terms of industrialization have been identified as receiving further attention. Handicraft and cottage industries in tourist zones have been included in the policy as prospective industries to pursue in such locations. The NWDP 2011 does not, however, address the diversity and inclusion of Bangladeshi women. It indicates that all women conform to the Quran and Sunnah, regardless of the rights and needs of women of other faiths. Moreover, it fails to amend the discriminatory inheritance laws against women. Also, it disregards the presence and difficulties of non-binary and intersex individuals, who are not protected by a separate ministry or policy.

The Eighth Five-Year Plan (July 2020 - June 2025) lacks defined monitoring and assessment mechanisms, causing a huge number of women and people from underprivileged areas to fall behind as beneficiaries.

In addition, the Industrial Policy 2015 does not guarantee the actual participation of women in enterprises that claim to be women-led, as the definition of 'women-led enterprise' can be easily manipulated by men using the names of their female relatives to receive policy benefits, while the women have no control over the enterprise's resources and profits. Another issue is that the policy's definition of a SME requires a minimum of BDT 75 lakhs in fixed assets. Given that many businesses managed by women have fewer assets, they fall under the category of cottage industry rather than SME, preventing them from receiving loans from banks under the SME enterprise scheme.

The SMEPSD Circular Letter No. 01, published by the Bangladesh Bank in April 2020 to give financial incentives for cottage, micro, small, and medium enterprises (CMSMEs) impacted by the COVID-19 epidemic, has numerous disadvantages. One of them is the demand for considerable documentation and paperwork in order to apply for the loans, which can be problematic for rural women SME owners who lack access to formal records or digital platforms. Another concern is the sufficiency of the allocated finances; BDT 20,000 billion may not be sufficient to meet the needs of more than 10 million CMSMEs across the country, particularly in rural areas where the majority of them are located. Thirdly, there is a lack of segmentation

and prioritisation among the regions and industries that have been hit the hardest by the pandemic and its economic repercussions. Certain regions with a high tourism potential and ethnic diversity, for instance, have experienced greater losses and therefore require more assistance than others. The policy does not address these variations and provides no specific attention or support for them.

Bangladesh Bank's CMSME Circulars are a set of policy documents that advise banks and financial institutions on how to provide loans and other services to cottage, micro, small, and medium companies (CMSMEs) in Bangladesh. One of the flaws of this strategy is the definition of women-led businesses, which is based purely on the percentage of shares held by women, without evaluating their real engagement and influence in the administration and operation of the businesses.

This may not reflect the reality of women's empowerment and financial inclusion in Bangladesh, where men can use the names of their female relatives to establish their businesses and gain access to the advantages, depriving the actual women to have any say or influence over the enterprise's activities or profits. The difficulty and length of the loan application process may also discourage or disqualify rural women entrepreneurs who lack the literacy, skills, or resources to complete the paperwork and provide the requisite documentation. This may undercut the purpose of the circulars, which is to reach and support the majority of CMSMEs in rural areas.

In the CMSME circular, industrially underdeveloped regions are mentioned. This circular has also addressed communities that lack sufficient bank branches and urged banks to ensure that these communities have access to the loan facilities through agent banking, digital finance, or microfinance provider institutions. Bangladesh Bank's SPESPD circular demonstrates demographic inclusivity by reserving 15% of overall disbursements for rural areas.

6. CONCLUSION AND RECOMMENDATIONS

Public policy is a phenomenon with multiple facets that is influenced by both internal and external factors. In Bangladesh, patronage politics are frequently more influential on state policy than on developmental goals. For example, Section II of the Bangladeshi Constitution, Articles 8–25 outline the core principles of state policy. While these policies cover a variety of public policy and development objectives and strategies, they are not always legally binding; rather, their implementation needs legislative action. The cabinet is the highest policymaking authority in Bangladesh which delegates the task of drafting policy to the relevant ministries. In order to create policy ideas, ministries form task teams composed of senior officials and experts under the direction of the ministry secretary. Later, the National Economic Council (NEC) adopts significant economic policies and helps the Planning Commission to develop macro- and micro-economic plans and policies for the government. In addition, the parliament's role in policymaking is restricted because it primarily passes laws submitted by the cabinet. Nonetheless, the majority of members of parliament place personal interests ahead of policy concerns (Lippert, 2009).

The bureaucracy is crucial to the formulation and implementation of policies, and it strives to strike a balance between political interests and established procedures. Rahman (2011) mentions that bureaucracy plays a critical role in policy formulation and implementation, particularly in accommodating donor demands, lobbying, and influence. Yet, the bureaucracy within the Bangladeshi government is viewed as lethargic, risk-averse, and change-resistant (Aminuzzaman, 2010; World Bank, 1996). Hence, although there are numerous well-written policies, they lack follow-up mechanisms. After formulating policies, action plans are gradually implemented, with different ministries responsible for accomplishing different objectives. In the majority of cases, there are two sorts of accountable entities: the Prime Implementation Agency and the Associate. In the action plans, the responsibilities are clearly stated, but there appears to be no mechanism for follow-up. It was unknown from any source as to what extent the objectives had been met, who had benefited, what the overall outcomes and obstacles were, what revisions were necessary, etc. It is not even obvious whether there are sufficient monitoring mechanisms and pertinent academic research in place to regularly examine these policies.

When designing a policy or loan, it appears that a gender needs assessment is rarely conducted. Although it is true that there are special programmes or policies for women to obtain low-interest loans, it has been observed that a large number of “women-led” enterprises are obtaining loans despite being led and managed by males. Women’s decision-making authority is therefore hardly visible, and they have little authority in business. There appears to be no monitoring mechanism to resolve these issues, which require immediate attention from policymakers. The Women in Development (WID) focal point mechanism could have played a significant role in investigating how targeted policies and programmes will benefit the empowerment of women in their personal and professional life.

A major problem for women is to get access to proper information for accessing credit. Most of the lenders do not have a website where important information is updated on a regular basis. It would be difficult for a borrower to gain relevant knowledge, with the intention of choosing the suitable loan scheme among diversified ones for him or her, by merely visiting the website as in most cases, inadequacy of information is traced. For example, the criteria of a loan program of BSCIC (Bangladesh Small and Cottage Industries Corporation) called BINIT is not mentioned in their website. The process of registration is not stated either and this is the case for most of the institutions. The borrower’s sex-based (male-female) ratio, their success rate, or inspiring stories of successful borrowers are also not highlighted that could have inspired women to get access to credit. Whether there is any special package for the disabled women and ethnic minority group is also not mentioned.

As a result, women in general, continue to confront major barriers accessing financial services due to social and cultural factors, as well as a lack of education and awareness. Although all the policies are not geared at women, the majority of them do have specific provisions for women. Even though women are targeted in

financial organization plans and schemes, it is unclear how this can aid women's empowerment in their families and in everyday life. Existing financial policies, once again, are concerned with persons who are not defined by their gender. There are people of various gendered identities who are largely socially marginalized. There are many well-written policies, but there is no guarantee that they will be followed up. There are several government and non-government financial organizations that have been working for people's financial inclusion, but most of them are working for people, with no specific focus on women or other communities. It is a good sign that organizations like City Bank, BRAC Bank, Prime Bank etc. have taken special initiatives for women, but only a few such initiatives are not enough to scale up financial inclusion of women at a large scale. Based on the findings of this study, we think that the following recommendations can help improve women's financial inclusion:

- A lot of paperwork, lack of guarantor, and scanty technological knowledge makes the process of receiving loan harder for women. Building a support mechanism for women entrepreneurs at the root level is required. Special packages and separate help desks at regional and zonal offices, and customer friendly approach for less educated women should be designed.
- According to the guidelines of the Central Bank, under the guaranteed scheme, it is required to fulfil several terms and conditions and attach at least 20 types of documents for the disbursement of loan which makes the process lengthy and tiresome as well. In this regard, innovative and appropriate steps must be taken to ensure proper survival support to SME sector. It must be understood that even if the institutions come up with new ideas, they will be futile without an effective institutional mechanism and doubling down of efforts will be mandatory to implement them. Networking and communication skills with banks and financial institutions are the key factors of flourishing as a successful entrepreneur, and special emphasis has to be given to the training of women entrepreneurs.
- Developing alternative credit rating system must be considered by the financial analysts as the process offers banks or other financial institutions the ability to expand the range of data that they use to assess an entity's creditworthiness. Utilizing alternative data as a substitute for traditional asset-based data to determine the creditworthiness of an SME is an emerging approach for credit scoring. It takes the advantage of new technology to shed light on unexplored sides of the borrower such as an entity's trade payments, sales transaction records, and behavioural traits of their business principals.

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