

Many women still live in poverty, but we can change this

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In its [recent gender](#) snapshot, the United Nations noted that: "Globally, in 2023, women aged 55 to 59 are more likely to live in extreme poverty than men."

Many [women](#) reach old age with few assets and savings, and lack an adequate pension or social protection benefits.

This is due to a higher likelihood of career interruptions, part-time employment, lower earnings, and more time spent on unpaid care responsibilities.

Unless we change the trajectory, the UN predicts 340 million women and girls will be living in extreme poverty by 2030.

Microcredit and micro-enterprise development have been lauded for a capacity to empower women and alleviate poverty.

When we strengthen women's economic security, the benefits flow on to their families' nutrition and health, children's education, and their broader communities.

Yet microcredit can be a double-edged sword—the prevalent neoliberal model passes the high cost of lending to borrowers, exacting a heavy toll on the poor.

The high cost of mainstream microcredit poses a debt trap to vulnerable borrowers. For example, evidence has emerged of families becoming enslaved in Cambodian brick factories with dangerous work conditions as a result of debts they [could not repay](#).

Over-indebtedness has other harmful impacts, such as losing assets pledged as security, or having to forego meals to make repayments.

The stress of unmanageable debt can lead to poorer mental health, relationship problems, homelessness, and at times even suicide.

Our [recent research](#) shows that microcredit can be different and better.

We collaborated with non-profit organization Women of Will (WoW) Malaysia to examine the impact of their microcredit and mentoring program for low-income female breadwinners, most of whom are single mothers.

With support from corporate funders, WoW provides interest-free microcredit, business coaching, skills training, and mentoring to help micro-entrepreneurs build sustainable livelihoods.

Microcredit-enabled entrepreneurship is promoted by leading transnational organizations as a means of addressing poverty and bridging the gender gap.

Corporate-funded interest-free microcredit enables the women to focus on building their micro-enterprises without the worry of escalating debt.

Corporate support also allows a shift in focus towards empowering women and fostering their well-being, and away from the demanding repayment schedules characteristic of mainstream microcredit.

WoW's positive outcomes

Our impact studies reveal that women who participated in WoW's program experienced [positive outcomes](#) across a range of indicators. The positive impacts are reflected in 79.46% participants growing their microenterprises, and 80.33% improving their business knowledge and increasing their household income.

The results of our natural experiment showed that WoW women had better financial capability, well-being and stability than those who had not participated in the program.

The positive impacts were also reflected in participants' personal and

family lives.

Some 71.89% of WoW participants reported that they were able to spend more time with their children. This, in turn, had positive flow-on-effects on their children's education. Overall, 84.86% of women reported higher confidence levels after participating in WoW's program.

Likewise, their increased empowerment, overall confidence levels and self-efficacy in entrepreneurship were evident.

Participants had improved capacity to develop and market new products, predict client demand, and network. They also acquired digital skills that helped them manage the challenges of the COVID-19 pandemic.

Access to affordable finance is often a challenge for single mothers juggling childcare with insecure work. Interest-free microcredit enables participants to focus on developing their micro-enterprise without the worry of escalating debt.

Practical skills training helps them to develop their micro-enterprise, manage their finances, improve their customer service, broaden their customer base, and develop innovative products that attract more sales. Each participant is mentored and given individualized support in growing her micro-enterprise.

It's not just about growing micro-enterprises

WoW participants gain community support and social networks. Participants can opt to join the group initiatives to fulfill corporate orders for festive hampers and other products to earn additional income.

Supportive leaders and peers share with the newer recruits the strategies they've learned to help them overcome similar challenges, and thrive.

And many go on to become leaders in their communities who have a positive influence on other families.

The positive impact of these initiatives on the women's financial security and well-being reflect the value of collaboration between corporations and women's groups. Yet the significant role that corporations can have on gender equality and empowerment is overlooked and under-utilized.

We've made significant strides towards gender equality in corporate leadership, but millions of women continue to live in poverty around the world.

Even in Australia, older women are the fastest-growing group of [homeless](#) individuals, and many are escaping family violence. In 2020, 405,000 women aged over 45 years were at [risk of homelessness](#). This sadly often follows a lifetime of caring for others and economic disadvantage.

Corporate partnerships with women's groups can help contribute much-needed solutions to the problem of gendered poverty.

At the same time, corporations benefit from contributing to socially-impactful projects. ESG investments have grown progressively popular, and making a genuine impact on disadvantaged communities is attractive to investors and talented employees.

Society increasingly expects businesses to be a force for the greater good. It's high time we harnessed this to help at-risk women build sustainable livelihoods, fostering a fairer world.

Provided by Monash University

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