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### **Empowering Women through Microfinance**

Microfinance is an innovative and powerful tool in alleviating global poverty and improving gender-equality in developing countries. I have seen this first-hand. When I traveled to Malawi with the MicroLoan Foundation last June, I met with several women in small, remote villages who had taken microloans and started businesses. I saw how passionately these women worked at their individual businesses and how seriously they took the responsibilities that came with them. I also saw how these businesses changed their lives and their status within their communities. It was clear that the success of their enterprise was directly proportional to their self-empowerment.

Through microfinance, the eyes of both men and women have been opened to the entrepreneurial capabilities of women, whom in many third world countries have long been suppressed. The innovative approach that microfinance takes to solve the issue of female disempowerment and gender inequality starts with self-empowerment for the female entrepreneur, which she achieves through financial inclusion and opportunity.

In many developing countries, it is commonly accepted that men are the leaders of the household and are therefore deemed more capable than women. The success of the women in Malawi and of all women impacted by microfinance proves otherwise. In Malawi, once a woman took the initiative to take loan and consequently began to succeed in her business, her community began to see her in a new light.

Many of the businesses run by female microentrepreneurs that I had the opportunity to visit had a significant positive impact on their communities. Men and women alike bought their tomatoes from Anne's roadside tomato stand, had their rice processed by Nancy, and bought their clothes from Jane. Edith, in particular, stands out in my mind. She is a very tall, confident woman who, thanks to a microloan, now runs a successful tea room and a hotel. She is clearly a leader within her village and well respected

by men and women of all ages. Furthermore, through her success, Edith can now provide safe and comfortable living conditions for her family as well as put her children and grandchildren through school.

As Edith's example clearly demonstrates, not only can a woman empower herself through microfinance, she can elevate the condition of her family, as well. Thus, one of the most important impacts of microfinance is its ability to elevate the productivity and status of women. In Malawi, women spend more time home with the children than men and therefore are more directly involved with the particular struggles of their family. The profits earned from these microenterprises enable women to more effectively address their specific family struggles—hunger, disease, or illiteracy—with success, efficiency, independence, and continuity. Enabling women financially through microfinance, introduces a higher level of focus and efficiency to development aid.

When a woman begins to run her own business successfully and change the condition of her family, she is not only empowered by having control over the money she earns, but her status in her own household is also enhanced. Now valuable contributor to household income, her importance to and power within the household grows and will be recognized by her husband, her children, and the community as a whole.

Thus, microfinance has the potential to reconstruct both economic and gender-based relations. To me, the significance of microfinance and the key to true empowerment lies in the fact that a woman running her own business, earns her *own* profit. From financial independence comes social and political independence. Placing economic control and freedom into the hands of those who spend the most time at home with their families is an effective and targeted approach to poverty alleviation and female self-empowerment.