

Chapter 9

How Women Entrepreneurs Impact: Poverty Reduction and Social Change in Rural Areas

ABSTRACT

In this chapter, a case study of women entrepreneurs provides the avenue to understand the challenges of poverty reduction and social change at the grassroots level, particularly in rural areas. This case is first among three cases that are worth noting in this book because this case exemplifies women entrepreneurs in a rural setting, where they mobilize groups of women to transform their household and community, to help impoverished Tanzanian rural women increase earnings and autonomy through nonfarm business. From these perspectives and lessons garnered, there is a tacit but general agreement that women's economic role at the local level is critical for development and that women entrepreneurs are a great resource in the Sub-Saharan Africa region.

INTRODUCTION

Millions of women in Tanzania who are poorest, not only have they low incomes but are often marginalized in several ways, notably, socially devalued, dislocated, restricted from making their own decisions, and in most cases, victims of coercion. Chapter 7 in this volume explained how African women are poor, in part because they find themselves victims of a cultural heritage steeped in patriarchal practices and traditional inheritance laws, circumstances which have accounted for gender inequality and disparity between the sexes. The underlying assumption of inequality was found to be centered around gender differences, particularly around the gendered unequal and unfair daily practices of poverty in women's and men's experiences, with respect to a vast spectrum of intersecting issues including family, migration, assets, paid and unpaid work, health, sexuality, human rights, and violence (Chant, 2010).

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To make sense of the challenges of poverty reduction and social change at the grassroots level, particularly in rural areas, we build the arguments here based on the insights gained from the discussions in Chapter 7. The African cultural landscape is a particular scenario and a specific arena of poverty alleviation struggles. A profile of this arena of rural poverty is unproportionate, unequal, and, as explained previously, sometimes unfairly affects women more than men. The persisting question this chapter grapples with is how can women free themselves from years of economic oppression, adverse geography, and disadvantaged rural surroundings that lack the much-needed infrastructure which is necessary to support entrepreneurship, and ultimately free women's households from hunger and the poverty trap?

This chapter presents the case of women's *Jitahidi* cooperative formed recently by women entrepreneurs in Tanzania. The case study analyzed the story of their aspirations and efforts to address poverty and social change to overcome gender discrimination, socio-economic inequalities, and *disempowerment*. This team of women entrepreneurs is a group of social agents who engage other women in businesses they conducted every day at the farmers' markets. Through these supportive endeavors and struggles to escape poverty, the *Jitahidi* women hope to define the possibilities for fellow women in rural areas who seek to mitigate poverty or working hard to increase literacy levels or the desire to master and apply post-literacy skills for social change. In this case, social change is a process that aimed to transform individuals and embraces the capability approach to augment years of gender discrimination, socio-economic inequalities, disempowerment, and reduce poverty.

To situate the story of the *Jitahidi* women, first, this chapter opens with a theoretical discussion concerning the rethinking and re-evaluation of wellbeing and of the involvement of grassroots organizations. Second, the narrative explains how women through cooperative endeavors empower themselves to generate better living standards in communities in which they operate. Third, analysis of survey data and focus group interviews conducted between 2009 and 2012 provided the support and basis for the stories of the women's business ventures and process of empowerment.

We chose to include the *Jitahidi* Women's case in this book because the author worked with this women's group. The central goal is to document how the women entrepreneurs addressed poverty and social change by establishing grassroots *cooperative* business activities (Semali, 2015). This experience revealed that the link between women and poverty alleviation, is alive and palpable when women cooperate and collaborate in income generating enterprises that may take different forms, either communal, intergroup, or even personal or individual.

Cooperative enterprises are widely and officially becoming recognized as an avenue for poverty eradication. Also, the study showed that Community banks and small banks have taken interest in microcredit, as well as many Non-Governmental Organizations (NGOs) and non-profit organizations. Because of these developments, women are economically more active in the Sub-Saharan Africa region than in any other region (World Bank, 2011). This case, therefore, analyzes the invisible but vital roles African women play in feeding their families and their contributions to development (Semali, 2015).¹ There is a tacit but general agreement however that women's economic empowerment is critical for development and women entrepreneurs are a great resource in the Sub-Saharan Africa region (Hallyward-Driemeir, 2013).

In recent years, microcredit lending institutions (e.g., Savings and Credit Co-operative—SACCOS) have boosted women's economic cooperative enterprises everywhere, and in Tanzania, even though microcredit practices are still relatively new (Kato & Kratzer, 2013; Nkomolla, 2007). In this case, microcredit, the package of financial and non-financial services including lending, savings, insurance, leasing, transfers, and social intermediation provided by either formal, semi-formal, or informal institution(s), has become a famous tool for development in rural as well as urban areas in many parts of the developing economies

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