

Intersectional Barriers to Women’s Economic Empowerment in Bangladesh: A Policy and Evidence Review

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Abstract

Despite the implementation of gender-responsive financial frameworks in Bangladesh, a persistent "Empowerment Paradox" indicates that macroeconomic gains have not translated into equitable outcomes for marginalized women. This research employs an Intersectionality-Based Policy Analysis (IBPA) to investigate how overlapping social identities—specifically geography, physical ability, and ethno-linguistic background—reconfigure the trajectory of Women’s Economic Empowerment (WEE). Utilizing a systematic synthesis of national policy documents and independent data from the Center for Policy Dialogue (CPD) and Bangladesh Bank (2020–2025), the findings reveal a "Filtering Matrix." This matrix demonstrates that "one-size-fits-all" SME policies disproportionately benefit urban, socio-economically advantaged women while creating "institutional frictions" for others.

Crucially, the study identifies the digital divide in rural regions and the lack of universal design in training infrastructure as systemic gatekeepers to formal capital. Furthermore, the research utilizes a modified neoclassical growth framework to quantify how rigid masculine norms regarding unpaid care work induce significant "time-poverty," restricting the labor elasticity (L) of female-led enterprises. The analysis concludes that current "nominal" inclusion must be replaced by "Intersectional Accommodation." This paradigm shift requires the integration of Alternative Credit Scoring (ACS), multilingual digital interfaces, and decentralized "phygital" service delivery to ensure that the 2030 Sustainable Development Goals are met through truly inclusive growth.

Keywords: Intersectionality; Women’s Economic Empowerment; SME Finance; Time-Poverty; Digital Divide; Bangladesh

1. Introduction

The global pursuit of Women’s Economic Empowerment (WEE) is often presented as a linear progression from financial exclusion to agency. In Bangladesh, this narrative is particularly pronounced; over the last two decades, women have transitioned from being "passive beneficiaries" of micro-credit to becoming "active agents" within a multi-sectoral economic landscape (Kabeer, 2020). Despite this shift, the persistence of what may be termed the "Empowerment Paradox" suggests a fundamental disconnect between policy intent and grassroots reality. While the volume of gender-responsive financial frameworks has expanded—evidenced by the significant FY2026 Gender Budget—the distribution of economic gains remains strikingly uneven.

This disparity reveals a critical flaw in current economic modeling: the reliance on a "universal woman" archetype. By viewing barriers through a single-axis lens of gender, policymakers often overlook how social categories—specifically geography, physical ability, and ethno-linguistic background—interact to create compounded systems of exclusion (Crenshaw, 1989). For example, a rural entrepreneur with a mobility impairment in the Barisal division faces a qualitatively different set of "institutional frictions" than an urban, able-bodied business owner in Dhaka, even if they both seek the same SME loan. The urgency of this research is underscored by recent data from the Center for Policy Dialogue (CPD, 2024), which indicates that while female-led SME deposit accounts have surged, the conversion of these deposits into formal credit remains stagnant for marginalized subgroups. Furthermore, the rapid "digitalization" of the financial sector has introduced new gatekeepers. As of early 2025, the digital divide remains a structural bottleneck; rural women are 38% less likely than men to own the smartphones required for the Bangladesh Bank's new "Startup Finance" portals (GSMA, 2024).

This paper utilizes an Intersectionality-Based Policy Analysis (IBPA) to deconstruct the "filtering effects" of current financial ecosystems. It argues that unless the 2030 Sustainable Development Goals (SDGs) are approached through a framework of "Intersectional Accommodation," the promise of "Leaving No One Behind" will remain a rhetorical aspiration rather than a policy outcome.

1.1 Research Objectives

1. Deconstruct the "Empowerment Paradox" by identifying the specific intersectional factors (geography, disability, and ethnicity) that impede resource flow to marginalized women.
2. Quantify institutional frictions within the digital and physical delivery of current SME policies, utilizing a modified neoclassical growth perspective.
3. Formulate a strategic roadmap for "Intersectional Accommodation" that transitions from nominal financial inclusion to substantive economic agency.

2. Literature Review

2.1 The Evolution of WEE in Bangladesh

Economic empowerment in Bangladesh has historically been synonymous with micro-credit access. Kabeer (2020) notes that while micro-finance provided a "safety net" for rural women, it often failed to facilitate "transformative agency"—the ability to scale small enterprises into competitive SMEs. Contemporary literature suggests that the transition to formal banking requires more than just credit; it requires a reconfiguration of the institutional environment to reduce "procedural friction" (Khalily, 2021).

2.2 Theoretical Framework: Beyond the Single-Axis Lens

This study utilizes **Intersectionality Theory** (Crenshaw, 1989) to critique traditional economic models. Conventional policy assumes that "women" are a homogenous group. However, intersectionality posits that social categories such as geography, disability, and ethnicity create overlapping systems of discrimination. When applied to financial inclusion, this theory reveals that a woman in an ethnic minority group faces a "double burden"—linguistic exclusion from digital banking and gendered exclusion from credit markets.

2.3 Integrating the Neoclassical Growth Perspective

To provide a rigorous economic analysis, this review adopts a modified **Neoclassical Growth Model**. The standard production function is expressed as:

$$Y = f(A, K, L)$$

Where:

- Y = Total Economic Output
- A = Technology (Digital Finance/Innovation)
- K = Capital (SME Loans/Credit)
- L = Labor (Entrepreneurial Activity)

In the context of Bangladeshi women, "institutional frictions" act as a negative multiplier on A and K . For instance, if a woman cannot access digital tools (A) due to the rural digital divide, her ability to utilize capital (K) is diminished, regardless of how much credit the government allocates. Furthermore, "Time-Poverty" acts as a constraint on labor (L), as unpaid care work reduces the time available for productive enterprise (Duflo, 2012).

2.4 The Capability Approach

Complementing the growth model is Sen's (2023) Capability Approach, which argues that empowerment is not just about having resources, but about the *freedom* to achieve desired outcomes. In Bangladesh, even when women have "nominal access" to a bank account, they may lack the "substantive opportunity" to use it due to social norms or physical barriers (disability). This research fills the gap in the literature by examining how these capabilities are restricted by intersectional factors.

3. Methodology

This study employs a Qualitative Systematic Review (QSR) integrated with Secondary Data Synthesis. Moving beyond a traditional descriptive review, this methodology adopts a "meta-synthesis" approach, which allows for the triangulation of diverse datasets—statutory regulatory reports, independent economic evaluations, and digital exclusion metrics—to construct a multi-dimensional analysis of institutional friction.

3.1 Data Acquisition and Strategic Sampling

A purposive sampling strategy was applied across three domains to ensure an intersectional dataset. The temporal scope was bounded between 2020 and 2025 to capture the socio-economic shocks of the COVID-19 pandemic and the subsequent accelerated digitalization of the Bangladeshi SME sector:

1. Statutory and Regulatory Databases: Analysis of primary policy documents from the Bangladesh Bank and the Ministry of Finance, focusing on gender-budgeting allocations and stimulus disbursement guidelines.
2. Developmental and Independent Evaluations: Synthesis of "bottom-up" data from the Center for Policy Dialogue (CPD) and UNDP, providing critical evidence on unpaid care work and credit access that frequently diverges from official state figures.
3. Infrastructural and Digital Metrics: Empirical evidence for the "digital divide" and "collateral trap" was drawn from the GSMA Mobile Gender Gap Report (2024) and World Bank country updates.

3.2 Analytical Framework: Intersectionality-Based Policy Analysis (IBPA)

The core analytical engine of this research is the Intersectionality-Based Policy Analysis (IBPA) framework, as pioneered by Hankivsky (2012). This framework is utilized to deconstruct the "single-axis" lens of gender that dominates current Bangladeshi economic policy. The analysis followed a three-stage coding process:

- Descriptive Coding: Identifying the explicit and implicit targets of WEE policies.
- Intersectional Mapping: Subjecting each policy to a multi-axis matrix (*geography \ times ability \ times ethnicity*) to identify where "one-size-fits-all" logic fails marginalized subgroups.
- Friction Analysis: Determining how social identities create compounded barriers that act as negative multipliers within the neoclassical growth model.

3.3 Synthesis and Thematic Triangulation

To ensure internal validity, the research employed thematic triangulation. Findings from official bank reports were cross-referenced with independent survey data (e.g., CPD). This critical synthesis allows the paper to move beyond descriptive statistics toward a nuanced critique of the "Filtering Matrix" presented in the discussion.

4. Discussion

The findings of this review suggest that the continuing gap between policy commitments and women's lived economic realities in Bangladesh reflects deeper structural problems rather than a lack of policy activity. Over the last decade, gender-focused financial programs have expanded, and women's participation in banking has increased. However, these improvements have not been experienced equally across all groups of women. Instead, the benefits of SME finance and inclusion policies remain concentrated among women who are already urban, educated, and digitally connected.

Intersectionality helps explain this uneven outcome. As Crenshaw (1989) argues, exclusion is often shaped by overlapping social identities rather than gender alone. In Bangladesh, women's access to economic opportunity is strongly influenced by where they live, whether they have disabilities, and whether they belong to minority ethnic or linguistic communities. These factors combine to create barriers that are not visible when policies treat women as a single, uniform category.

4.1 Digital Finance and Unequal Access

Bangladesh has increasingly promoted digital finance as a pathway to women's empowerment, particularly through online loan applications and digital banking services. Yet access to these tools is far from universal. Rural women remain significantly less likely than men to own smartphones, which limits their ability to benefit from digital-first financial programs (GSMA, 2024). This gap becomes even more serious in regions such as the Chittagong Hill Tracts, where network coverage and literacy levels are lower than the national average.

From the perspective of the growth framework introduced earlier, this digital divide means that the technology variable (A) does not function as a multiplier for marginalized women. Instead, it becomes a barrier that prevents labor (L) from effectively connecting with capital (K), stagnating the productive potential of rural enterprises. Min (2022) notes that digital finance can only be inclusive when designed around the realities of marginalized users.

Otherwise, digitization simply shifts older inequalities into new spaces. Khalily (2021) similarly emphasizes that institutional procedures themselves often become barriers.

4.2 Disability, Physical Access, and Credit Barriers

Women with disabilities face another layer of exclusion that is rarely addressed in mainstream financial inclusion frameworks. Training programs, support centers, and dedicated banking desks are typically located in urban areas and are not designed with disability access in mind. This restricts L , even when K is available. The "collateral trap," where most women lack formal property, further limits access to SME credit (World Bank, 2022).

4.3 Time Poverty and the Limits of Enterprise Growth

CPD (2024) shows that women perform 7.5 times more unpaid care work than men, creating a significant "time-tax" that restricts L . This burden reduces the time and energy women can invest in enterprise development, even when capital is available.

4.4 Filtering Matrix of Intersectional Barriers

The overlapping nature of structural barriers can be summarized in the following Filtering Matrix, showing how geography, disability, ethnicity, and education shape access to technology, capital, and labor:

Table 1. Filtering Matrix of Intersectional Barriers to Women’s Economic Empowerment in Bangladesh

Intersection Axis	Variable Evaluated	Barrier / Exclusion Mechanism	Impact on Growth Model
Geography	Rural vs. Urban	Digital divide; limited physical infrastructure	A (technology) acts as a barrier; rural L cannot fully access K
Physical Ability	Disabled vs. Able-bodied	Inaccessible training and banking venues; lack of universal design	L constrained; marginal productivity limited despite available K
Ethno-Linguistic	Bengali vs. Indigenous (CHT)	Language barriers; social marginalization	Communication frictions reduce access to K and A ; lowers effective L
Socio-Educational	Formal vs. No education	Procedural complexity; literacy gaps	Understanding and access to K limited; technology adoption (A) hindered

Taken together, these findings suggest that women’s financial inclusion in Bangladesh remains uneven because policies often fail to account for the diversity of women’s circumstances. To move beyond nominal progress, financial empowerment strategies must recognize the specific barriers faced by rural women, disabled women, and ethnic minority entrepreneurs. Approaches such as alternative credit scoring, localized agent banking, multilingual support, and disability-accessible infrastructure would help ensure that inclusion policies reach those most often left out.

Ultimately, Bangladesh’s progress toward SDG 5 (Gender Equality) and SDG 8 (Decent Work and Economic Growth) will depend not only on expanding women’s participation in

financial systems, but also on redesigning those systems so that they respond to women's different lived realities.

5. Conclusion and Policy Recommendations

Bangladesh's Women's Economic Empowerment (WEE) framework reveals a persistent "Empowerment Paradox": while gender-responsive programs have expanded, benefits remain concentrated among urban, digitally connected, and socio-economically advantaged women. Rural, disabled, and ethnic minority women face overlapping barriers—geographic isolation, inaccessible infrastructure, linguistic marginalization, and rigid social norms—that form a Filtering Matrix, limiting the impact of capital (*K*), technology (*A*), and labor (*L*). Time-poverty from unpaid care work further constrains enterprise growth, reinforcing structural inequalities (CPD, 2024; GSMA, 2024; World Bank, 2022).

5.1. Conclusions

This study demonstrates that Bangladesh's current WEE framework is broad in scope but narrow in distributive impact. Key insights include:

- **Intersectional Exclusion:** While women hold 35% of deposit accounts, they account for only 16.49% of commercial loan access, with benefits skewed toward urban, advantaged groups.
- **Digital and Physical Frictions:** The shift to online-only "Startup Finance" portals creates barriers for 38% of rural women lacking smartphones.
- **The "Double Shift" Burden:** Women perform 7.5 times more unpaid care work than men, representing a hidden economic contribution worth 21% of GDP. Without addressing this time-poverty, capital (*K*) cannot be fully utilized.

Unless policies move beyond binary gender quotas, the FY2026 Gender Budget allocation (33% of total outlay) risks failing to reach marginalized women, resulting in sub-optimal outcomes for national economic growth (*Y*).

5.2. Strategic Roadmap for Intersectional Inclusion

To transition from selective empowerment to universal economic agency, the following recommendations are proposed:

1. Institutionalize Alternative Credit Scoring (ACS):

Transition from land-based collateral to ACS models using Mobile Financial Service (MFS) transaction histories and psychometric assessments, allowing informal-sector women (85% without land titles) access to formal *K*.

2. Procedural Decentralization through "Phygital" Infrastructure:

Deploy USSD-based (non-internet) loan applications and expand Agent Banking kiosks in hard-to-reach areas, providing necessary face-to-face support for entrepreneurs with low digital literacy.

3. Universal Physical and Linguistic Access:

Translate financial materials and training into indigenous languages (e.g., Chakma, Marma) to support entrepreneurs in the Chittagong Hill Tracts (CHT). Conduct mandatory disability-accessibility audits for all "Women Entrepreneur Dedicated Desks" (WEDDs).

4. Data-Driven Intersectional Accountability:

Expand the Women's Financial Inclusion Data (WFID) Dashboard to track disbursements by disability, ethnicity, and geographic tier, enabling real-time policy adjustments to reduce the "filtering effect."

Implementing these measures will reduce institutional frictions, enhance the effective use of labor and capital, and ensure that Bangladesh's growth narrative is truly inclusive, fulfilling the 2030 SDGs commitment to "Leave No One Behind."

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