Towards Implementing the Grameen Bank Financing Model Among Micro Enterprises in Botswana: Is it a Possibility?

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Abstract

Micro Enterprises (MiEs) in Botswana are neglected by financial institutions in favor of Small and Medium Enterprises (SMEs) that have collateral security and financial records. MiEs could engage unemployed youths and adults to become self-employed and alleviate poverty; but MiEs struggle to finance their businesses because financial institutions require business proposals and collateral security; furthermore, micro lenders charge exorbitant interests. Currently there is no study specifically targeting MiEs financing in Botswana tailoring the Grameen Bank Model (GBM), hence the need for this study. This research explores how financial institutions can adopt the GBM from Bangladesh to finance Botswana MiEs. Apart from literature search, interviews were conducted among three commercial banks in Gaborone, Botswana to explore the banks' awareness and willingness to apply the GBM in Botswana. Purposive sampling was used to select the three banks out of seven, in 2015. Findings show that commercial banks are not ready to accept the GBM as they fear losing money through defaulting customers. It is hoped that the findings will shed light on challenges and opportunities of implementing GBM in Botswana, and the possibility of applying it to reduce unemployment and alleviate poverty. It is recommended that Botswana Government invites Professor Yunus, Grameen Bank founder, to come and hold a workshop for bankers and other stakeholders; introducing GBM and its possible benefits to Botswana. The researchers recommend that local financial institutions should develop funding packages specifically for MiEs to grow their businesses.

Keywords: Poverty Alleviation, Grameen Bank Model, Professor Yunus, Commercial banks, Micro enterprises

Introduction

Micro enterprises (MiEs) play a major role in boosting the livelihoods of average families. Where MiEs get maximum support from funding agencies and government agencies, the enterprises contribute immensely to job creation and economic development. However, due to lack of funding and mentorship opportunities, MiEs tend to struggle to survive and grow. Professor Yunus of Bangladesh pioneered a micro-credit funding model which has since spread to many countries (Bangladesh Bureau of Statistics (BBS), 2014)). It is hoped that Botswana MiEs could benefit from the same model if it will be implemented in Botswana.

Micro Enterprises (MiEs) form approximately 89% of SMMEs in Botswana (Task Force Report on the Policy on SMMEs in Botswana, 1998). MiEs contribute towards employment creation, poverty eradication and economic diversification. Furthermore, if managed properly MiEs could contribute towards the gross domestic product (GDP) of the country (Maksimov, Wang & Luo, 2017; Ogunyomi & Bruning, 2016). In many countries, parents support their families and take their children to school through micro business activities. That is testament to the effect of MiEs empowerment.

However, in Botswana, MiEs face challenges that threaten their survival, chief of which is financing (Jefferis, 2010). When youths are idle and not gainfully employed, they lazy around and indulge in drug abuse (Republic of Botswana, 2012). MiE development keeps youths busy there by reducing idling and mischief. This study's main objective is therefore to explore the opportunities and challenges of financing for MiEs following the Grameen Bank Model. This study will complement the Botswana Government's daily concern with developing entrepreneurship especially among youths to reduce unemployment, curb crime and bring about economic diversification (Mutoko, 2014; Republic of Botswana, 2012).

While a lot of effort has been put by funding agencies, especially by the government to finance SMEs to help them succeed, little or nothing has been done specifically to help the ordinary MiE such as the street vendor, hawker or plumber. According to World Bank (2011) Botswana has had active programs of government support to SMMEs since the 1970s, but none of these have reached microenterprises to a significant degree. One of the reasons could be that there are not many appropriate or affordable financial products and Business Development Services (BDS) for micro businesses.

Furthermore, there is no research published so far in Botswana, on how MiEs can be financed using the Grameen Bank Model.

The aim of this study was to explore how funding agencies and financial institutions can adopt the Grameen Bank Model to finance MiEs in Botswana, thereby helping to alleviate poverty, reduce unemployment, and diversify the economy.

The rest of the paper is organized into a review of literature, methodology, results and discussion, conclusion, recommendations, acknowledgments, study limitations, and references.

Literature Review

The review of literature looks at what other scholars have written concerning micro lending, and the Grameen Bank Model.

The literature review will look at the following research questions:
Q1 What is Botswana's current state of micro enterprises?
Q2 What is the Grameen Bank Model and how does it work?
Q3 What solutions can be put in place for Botswana to finance micro enterprises?

What is Botswana's current state of micro enterprises?

Currently, unemployment in the country stands at approximately 18% (CEICDATA, 2020), which really needs attention from both the private sector and government. Such statistics can be reduced if MiEs, play a part in hiring unemployed and underemployed people (Mutoko & Kapunda, 2017).

There are no statistics currently on how many SMEs and MiEs operate in Botswana. But basing on a 1998 estimate by the Task Force Report on the Policy on SMMEs in Botswana, there were approximately 56, 300 SMME businesses operating in Botswana, employing 125,000 people including business owners (Task Force Report on the Policy on SMMEs in Botswana, 1998). Majority of the SMMEs – about 50 000 were MiEs. This suggests that about 89% of SMMEs in Botswana are MiEs; yet sadly funding agencies and financial institutions concentrate on funding SMEs neglecting the MiEs which are the majority and have potential to grow into SMEs if supported.

A study by FinMark Trust (2011) focusing on "The State of Rural and Agricultural Finance in SADC," found out that commercial banks do not reach rural poor people – there are few or no branches in rural areas. It also revealed that data specific to rural demand for finance was scarce and demand for finance in Botswana was mainly urban. 47% of Batswana are poor, of which the majority live in rural areas. Rural financial landscape was dominated by informal suppliers of finance such as burial societies and savings groups known in local language as *Motshelo*. Formal finance services were weak or non-existent. The formal sector, mainly dominant in urban areas consisted of the Central Bank, Commercial and Investment Banks, Insurance Companies, leasing finance institutions, development banks, savings banks, development corporations and non-bank financial organizations such as micro lenders. Unemployed youths, women and men need low interest loans to start and run their own micro businesses. The Grameen Bank Model is deemed to fit in to this gap and solve the financing challenge of MiEs.

The growth of SMMEs in the Botswana has been aided much by government structures that support entrepreneurship. These include Citizen Entrepreneurial Development Agency (CEDA) which funds SMMEs with very low or no interest loans; Local Enterprise Authority (LEA) which trains and mentors SMMEs; and The Agricultural Youth Grant (AYG) which helps young farmers with financial support to do agricultural business (Republic of Botswana, 2012; Mutoko & Kapunda, 2016). However, it should be noted that government alone may not alleviate poverty. The private sector needs to take a strong stance and support MiEs as a way of alleviating poverty by providing jobs and diversifying the economy.

One main challenge with access to finance by micro enterprises includes discrimination against women by financial institutions (Mookodi, Okurut & Ama, 2016). This is where GBM could be of help in funding of female entrepreneurs who are marginalized by financial institutions.

What is the Grameen Bank model and how does it work?

The Grameen Bank has its roots in Bangladesh, Asia. The area of Bangladesh is about 147,570 square kilometers. Population of Bangladesh as on Population Census-2011 is approximately 156,866,042. Inflation Rate was 6.97% as on June 2014 (Bangladesh Bureau of Statistics (BBS), 2014). The investment bank was founded by Nobel laureate Professor Muhammad Yunus in his country of origin, Bangladesh. As Professor Muhammad Yunus refined a microcredit approach to breaking the cycle of poverty, he also developed a specific method that enhanced the efficacy of microcredit. This became known as the Grameen Method (Grameen Research Inc, 2012). The bank employs over 25000 people. In his own words on 31 May 2013, during the 48th Annual Meeting of the African Development Bank (2013) he says: *"I was teaching economics at university, but I could no longer stand the poverty in my country. That is why I have launched this project, because banks would only lend money to rich people and never to poor people."* The bank was thus born by Professor Yunus' hunger to alleviate poverty in Bangladesh just as in any other developing economy such as Botswana.

Yunus studied economics at Dhaka University in Bangladesh. He attained his Ph.D. at Vanderbilt University in USA as a Fulbright scholar. In 1972, Yunus returned to Bangladesh to head the economics department at

Chittagong University where he formulated and tested his initial ideas of banking to the poor. In 1983, Yunus formally opened Grameen Bank and in 2006 Yunus was awarded the Nobel Peace Prize which he shared with the Grameen Bank (Grameen Research Inc, 2012).

Grameen Bank prioritizes its loans to women living in rural areas, because they were completely excluded from the banking and credit system. Now, thanks to this initiative, they can create their own enterprise. According to Yunus, the Grameen Bank works like a traditional bank, but with very low interest rates. Due to the success of his microcredit bank, Yunus has further created over four clinics where the poor can be treated at a low cost. This has enabled several million people in Bangladesh to undergo cataract surgery thereby preserving their eyesight (AfDB, 2013).

The Grameen Bank (meaning “Rural Bank” in Bangladesh) is a not-for-profit-making commercial bank, owned by borrowers; thus, formed on the idea of social capital. Entrepreneurial-minded borrowers form groups of five to support each other with ideas and strengths. The group is trained to learn about the Grameen Method and how to implement it. Two members are issued insignificant loans and the group meets once a week to repay the loans. The capability to pay back by few borrowers allows other members to also borrow. If a group member fails to pay back the loan, the whole group is unentitled to a new loan. This forces all group members to ensure that the business succeeds and repays loans. The social capital model incentivizes the community to unite and share knowledge (Grameen Research, 2014). According to Mainsah etal. (2004) the small loans range from $35 to $200. Proceeds from the bank are partly owned by the poor people that borrow from the bank which empowers the less privileged to grow economically.

What solutions can be put in place for Botswana to finance micro enterprises?

Botswana could benefit immensely from the Grameen Bank Model as rural men and women are marginalized in terms of business sponsorship. As in Bangladesh where more women have been sponsored, in Botswana this would help most homes because women tend to be bread winners (Xheneti, Madden & Thapa, 2019; Mookodi, Okurut & Ama, 2016).

Sponsoring rural people will also reduce rural-urban migration which is resulting in many people flooding urban centers; putting pressure on resources, and yet there are no jobs (Republic of Botswana, 2012). Furthermore, the majority of potential entrepreneurs in Botswana are the youths. Thus, the GBM could be useful to the marginalized society members – women and the youths, but not leaving out men who need the same.

A study by Mutoko & Kapunda (2017) shows that SMMEs mainly finance their businesses using internal financing (owner’s savings, retained profits, new capital injection from owner/manager) as compared to external financing (debt and equity). In a way, the modified credit rationing theory assumptions are evident in the results. The theory suggests that firms prefer to finance their businesses starting with internal finance for these reasons – they do not have collateral, to reduce chances of failure to pay back and to avoid high interest rates (Huang, 2014; Mwobobia, 2012). According to the study results, 59% of the SMME respondents have never borrowed money for their firms, while 41% have borrowed. Either this is a clear indication that SMMEs fail to borrow or they are not keen to borrow. This further validates the Internal Fund Theory of Industrial Development, which postulates that firms rely on internal sources of financing due to lack of external funding.

Theoretical Framework

Several theories abound on financing SMEs. Due to the limited sufficiency of internal funds, the External Funds Theory of Investment suggests that external sources of finance are essential for investment. These include grants, loans, shares, debentures, sales of bonds, strategic partnerships/joint-venturing, factoring, Angel funding and other forms of borrowing. However, during tough times firms struggle to repay loans, sometimes resulting in bankruptcy (Kapunda, 2014; Almeida and Campello, 2007; Kaplan, Anthony & Warren, 2010). The challenges of External Funds Theory may cause firms to feel more secure using internal financing rather than external financing. Most SMEs struggle to get external financing, so internal financing may be a better option. While SMEs have the luxury of acquiring external finance, most MiEs are left stranded for finance as they do not normally qualify for funding by most institutions.

In June-July 2009 the World Bank and the Botswana Institute of Development Policy Analysis (BIDPA) carried out a pilot sample survey of 800 microenterprises in the Eastern Corridor of Botswana; to identify major capability groups of micro businesses in Botswana and institutional constraints under which they operate, as potential input for the design of formal market assessments for financial services and Business Development Services (BDS) tailored to the needs of the area. Micro enterprises constituted the bulk of the sample compared to SMEs. The micro enterprises were more of one-person managed businesses that struggled with management skills and financing handicaps impeding growth (World Bank, 2011; Moore, Petty, Palich & Longenecker, 2010).

The theory that can support existing MiEs is the Internal Fund Theory of Industrial Development. The theory postulates that firms are financed internally through retained profits. Neither gross profits nor net profits are used for investment, but rather retained profits and depreciation expense (funds set aside as plant, machinery, motor vehicles, equipment and other assets that lose value over time)(Stevens, 1993; Kapunda, 2014; Almeida and Campello, 2007). Internal financing is cheap and easily available compared to external financing which is usually costly in terms of interests and is not easily accessible and in the event of failure to pay back it can result in loss of security. However, not all MEs have internal financing. This still suggests the need for suitable external financing possibly following the Grameen Bank Model.

Methodology

The study was mainly based on Botswana and Bangladesh. The researcher tried to draw lessons on how the Grameen Bank Model works in Bangladesh and other countries so that the ideas could be tailor-made for Botswana MiEs. This paper aims to do the review literature and investigate the potential of Botswana using the Grameen Bank Model in financing micro enterprises. A literature search has been done to find out ideas on how other countries have implemented the model and how Botswana could do the same. The literature search involved journal papers, databases, and government websites, among others. For the literature review, data was gathered from peer-reviewed journal articles, private and public sector reports, official country websites, books, conference papers, published and unpublished technical papers, official blogs, and other related sources.

Furthermore, structured interviews were carried out by the researchers on three commercial bank managers representing three banks out of seven commercial banks in 2015 in Gaborone, Botswana. The number of three bank managers out of a possible seven came about using purposive sampling. The banks chosen were the ones with active SMME programs. Thus, it was deemed that the three bank managers would be suitable for answering relevant questions.

Results and Discussion

This section looks at the results of the literature search and the interviews done with the three commercial bank managers who were heads of SMME banking. The results and discussion of findings are arranged following each research question.

Literature results

What is Botswana's current state of micro enterprises?

A study by Xheneti, Madden & Karki (2019) had the aim to systematize the current empirical evidence on gender, the informal economy and formalization, using a narrative synthesis of 76 papers. The papers were analysed along three main analytical themes – identity, institutions, and constraints and preferences – highlighting their conceptualization in studies of different academic disciplines – economics, sociology, entrepreneurship and development. The review calls for more accurate accounts of formalization decisions by widening the lens through which formalization decisions are conceptualized. These should take account of the rich contextual and temporal dimensions central to these decisions and recognize that gender alone is not a sufficient factor in explaining women's choices in the informal economy. The review also highlights limitations in relation to the limited conceptual and empirical evidence on which development priorities such as formalization are set. The authors propose a research agenda centred on the need for conceptual frameworks that are more sensitive towards the multidimensional contexts of women's choices. This is crucial, bearing in mind that women form a large majority of micro enterprises in Botswana (Rankhumise & Letsoalo, 2019; Mookodi, Okurut & Ama, 2016).

A study carried out by Mookodi, Okurut & Ama (2016) used exploratory factor analysis (EFA) to investigate the role of institutions in promoting the development and growth of SMMEs in Botswana from a gender perspective. The mean distribution of the male responses are higher as compared to women and statistically significant for access to credit and bank technical advice ($p<0.05$). The perceptions of men and women SMME owners on whether institutions for SMME development provide special gender support revealed some disparity. The mean scores with regard to institutional support were lower for women SMME owners compared to male SMME owners and the mean differences were statistically significant ($p<0.05$). This is indicative of institutional discrimination against women by financial institutions, Government agencies (CEDA, LEA), Local Governments, NGOs and business associations. The issue as to whether women and men face equal treatment when they seek help from support institutions was further examined. The mean score for men was higher and statistically different from the women (mean for men 3.66, mean for women 3.55, $p < 0.05$). This is further evidence of discrimination against women. The study recommends that all institutions should adopt gender neutral policies so as to enhance development and growth of female owned SMMEs. This survey further shows that many women are left out during funding, thus the GBM could fill in the gap.

Furthermore, a study by Mutoko & Kapunda (2017) on financing challenges faced by SMMEs revealed that 79 per cent of participants financed their firms using 'own money' or internal financing sources, as the pecking order theory purports. The rest got initial finance either from family and friends (4 per cent), while 14 per cent were financed by the government (including CEDA,) and only 2 per cent got financed by commercial banks, and 1% got financing from micro lenders. Respondents mentioned that commercial bank lending is so low because of the challenges faced by loan applicants when trying to borrow – lack of collateral, long application process which causes applicants to lose patients and lose business opportunities; and assumption by SMMEs that banks do not want to lend them money, poor financial history and high interest rates. The situation arises from the fact that an SMME owner/manager would obviously want to get a loan as quickly as possible to take advantage of an opportunity before competitors take it away. However, as the modified credit rationing theory assumes, banks are aware of information asymmetry; hence, they are not keen to lend money without first verifying the applicant's history and capability to pay back.

What is the Grameen Bank Model and how does it work?

The Grameen Bank which started in 1976 as an experiment has empowered many poor people in Bangladesh, especially women that had no hope of prosperity (Aziz, 2011). According to a study by Rouf (2011) findings indicated that 98% of Grameen Bank women borrower participants were engaged in community organizations and 94% did not face problems with this engagement. He concluded that working in groups by poor women in Bangladesh empowered them to take up unusual leading roles in society which they never used to take.

What solutions can be put in place for Botswana to finance micro enterprises?

In a survey by Kern (2000) it was revealed that prior to introduction of a replication of Grameen Bank in Kenya, the Kenya Rural Enterprise Programme Holdings Limited (K-REP) had a lot of faults. The replica of Grameen Bank, brought institutional sustainability which has benefited many less privileged business people in Kenya, particularly women that had been marginalized by the culture of promoting the boy child at the expense of the girl child as is common in most of the developing world. This also brought about unity among the communities just as what happened in Bangladesh with the Grameen Bank.

Another survey by Sethi & Khan (2017) aiming to find out the pattern of microfinancing in Indonesia. The study revealed that there were four micro financing models used in Indonesia. Of the four models, the Grameen Bank Model was one of the most effective.

Edelman (2019) reveals that a nonprofit community development financial institution and Extension collaborated to conduct a demonstration project to evaluate efficacy of Grameen peer-group microfinance methodology in addressing barriers faced by low income women entrepreneurs in a small metro area. Program performance metrics achieved by 284 low-income, culturally diverse, primarily women entrepreneurs over five years included: a loan repayment rate of 99+ percent, increased average client income, savings accumulation at a local bank, and increased opportunities to improve average credit scores. Client surveys indicated peer-group methods, program structure, incentives for individual behaviors and group responsibilities provided opportunity to develop confidence, leadership skills, and teamwork. This is more proof that the GBM is a suitable solution for financing MiEs.

Furthermore, this model has also worked among the Islam community. In Islam, usury is prohibited (Kassim, Kassim & Othman, 2019). Thus, GBM is a suitable form of social lending that transforms lives of MiEs even in Malaysia. A study by Kassim, Kassim & Othman (2019) in Malaysia showed that GBM has helped many dairy farmers to borrow micro loans from GB and return without paying interest. This has boosted the dairy farmers' ability to finance their businesses.

In Botswana, a study by Molefhi (2019) examined the impact of financial inclusion on employment creation in Botswana using quarterly time series data for the period 2004-2016. Using Autoregressive Distributed Lag (ARDL) model, the researcher found that availability of bank branches, ownership of bank account and borrowing from the commercial bank have a positive impact on employment creation in the short run. Similarly, in the long run, availability of bank branches, ownership of bank account has a positive relationship with employment creation in the long run. Depositors with commercial banks has a negative bearing on employment creation, both in the short run and in the long run. Therefore, policies should be aimed at ensuring easy access into the financial sector by way of reducing costs associated with account opening as well as creating affordable deposit and borrowing windows to the financially excluded groups. It can be concluded that, not only opening of bank accounts would help entrepreneurs, but having access to borrowing the money.

Results from interviews

This sub-section contains results from the interviews that were carried out among the three commercial bank managers.

What is Botswana's current state of micro enterprises?

The three managers unanimously echoed that SMMEs (the bulk of whom are micro enterprises) struggle with issues of creditworthiness, lack of keeping records, and managing the finances. On credit worthiness, one of the managers said, *"entrepreneurs blame the banks that we do not want to finance them, but the challenge is with the loan applicants. 99 per cent of the loan applicants are blacklisted with the credit bureau. That makes it difficult for us to finance the entrepreneurs."* Another manager said, *"more than 50% of the entrepreneurs do not keep business records. That lack of accountability makes it difficult for the bank to finance them."* These responses from the managers show that, while entrepreneurs blame financial institutions for not being keen to finance them, the banks have solid reasons for being skeptical when financing firms, particularly micro enterprise which also lack collateral, to complicate the challenge further (Mutoko & Kapunda, 2017).

What is the Grameen Bank Model and how does it work?

Participants were asked questions about funding SMMEs (that is, MiEs included). The responses are illustrated in Table 1.

Table 1. Responses by participants to questions on the GMB

Interview Question	Commercial Bank Manager for bank one	Commercial Bank Manager for bank two	Commercial Bank Manager for bank three
Entrepreneurs blame the banks for refusing to fund their operations. What do you say?	*It is risky to fund SMMEs. Majority of them fold up within three years. Furthermore, SMMEs rarely keep records. Thus, it is difficult for the bank to lend money to people that keep no records.*	*Are you aware that 99% of the loan applicants (obviously not only SMMEs) are blacklisted due to their debts? Thus, before applying for loans to the bank, they already owe too much elsewhere.*	*You should understand that we are in business, not charity. Most of the SMMEs blame us for not lending them money. But it is their fault. Many of them do not keep up-to-date records.*
Have you heard about the Grameen Bank from Bangladesh?	*No*	*No*	*Yes, but I do not know much about it.*
Given a chance to work with the Grameen Bank Model, where your bank would partner with Grameen Bank to finance SMMEs at low interest rates as social lending?	*No. Our bank is small, and we cannot afford to do social financing at this juncture, lest we lose money.*	*No. If we try that idea of the GBM, our bank will go under.*	*No. Botswana is not ready for that. Do you think Batswana will pay back the micro loans?*

According to Table 1, responding to the question of why banks do not want to fund SMMEs, two respondents said that MiEs could not get loans because of failure to maintain business records. The other respondent said that most loan applicants (including MiEs) had a perennial problem of debt, which made it difficult for the bank to lend them money.

During the interviews, the bank managers were asked whether they knew about the Grameen Bank. Two managers said that they were not aware of the Grameen bank and its activities, while the third manager said that he knew about the Grameen bank, but he did not have enough details about its operations.

The second question which the managers were asked by the interviewer was *“Given a chance to work with the Grameen Bank Model, where your bank would partner with Grameen Bank to finance MiEs at low interest rates as social lending?”*

Although the interviews were done separately with the different managers, all the three managers answered a resounding *"NO"* to partnering with the Grameen bank. They mentioned "our banks are small, and we cannot afford to do social financing at this juncture". One of the bank managers said, *"If we try that (GBM) our bank will go under."*

This suggests that commercial banks in Botswana are not yet ready for GBM. However, this could be because the banks lack enough information on how they could partner with GB to transform the plight of SMMEs in the country. These assertions support the Internal Fund Theory of Industrial Development which suggests that SMMEs end up funding their operations using internal funds as financial institutions are not keen to lend them money (Kapunda, 2014).

What solutions can be put in place for Botswana to finance micro enterprises?

It is evident that MiEs are the majority in Botswana's private sector (Molefhi, 2019), which is similar to Bangladesh (Rouf, 2011), where the GB comes from. Thus, the challenges faced by MiEs are almost similar in terms of funding. The government of Bangladesh put in measures to support MiE growth, however, the GBM became handy in advancing MiE growth. The same applies to Botswana where the government is trying to diversify the economy, and has put several initiatives such as CEDA, LEA and Youth Fund to support SMMEs (Mookodi, Okurut & Arma, 2016). However, in Botswana, just as in Bangladesh, government alone can not solve the challenges of MiEs. There is need for private-public collaboration. This is where commercial banks can apply the GBM to augment the government's efforts in supporting entrepreneurship.

The starting point would be to get the government steering the process by inviting Professor Yunus. Professor Yunus or his representative could come to Botswana and address all financial institutions on what he has to offer. From there, it should be possible for some financial institutions to join hands with GB and transform micro enterprises. This could help create employment for many people in the country (Molefhi, 2019).

Conclusion

The Grameen Bank Model is a proven system of empowering impoverished masses, particularly women. This model has succeeded in other countries such as India, Indonesia, Bangladesh and Kenya. There is no doubt that Botswana entrepreneurs can benefit from the model. This can in turn benefit the country through employment creation, economic diversification, women empowerment, youth engagement which reduces idling, drug abuse and stealing. This can also increase Gross Domestic Product and Foreign Currency.

Recommendations

Having seen reports suggesting that the Grameen Bank was successful in both Bangladesh and Kenya; the researcher would like to call upon the government of Botswana and other stakeholders to try the model in Botswana. Since most Agricultural Entrepreneurs are scattered around the country and do not get the same financing services and accessibility as compared to urban entrepreneurs; it can be a worthwhile effort to experiment with the model to help the rural businesspeople so that they can grow.

Additionally, women and youths are marginalised when it comes to getting financing. Thus, GBM could go a long way in empowering them to start and run successful enterprises that do not lack funding.

Furthermore, Botswana is prone to drought. This means that apart from lack of resources such as capital; rural farmers also suffer from lack of rain. In view of this, the Grameen Bank Model needs to be extended to not only Agricultural Entrepreneurs, but other micro and small businesspeople such as hawkers and street vendors that usually fail to expand due to lack of capital.

Study limitations and suggestions for further studies

Further studies need to be carried out on the possibility of commercial banks and other financial institutions to apply the Grameen Bank Model in financing MiEs in Botswana. The researchers interviewed three financial institutions to find out whether they knew the Grameen Bank Model, what challenges impede application of the Grameen Bank Model and whether they consider it possible for Botswana. However, future research should involve a survey among micro enterprises to find out the challenges they face, and how they can be helped with finances.

Additionally, some of the findings were from combined enterprises that included small and medium enterprises. This was because there are very few studies in Botswana specifically on micro enterprises only. Thus, in future, conclusions should be drawn from studies that are specific to MiEs.

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