

## Socio-Economic Impacts of Women Entrepreneurs in Bangladesh: Challenges and Anticipations

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### Abstract

*This study emphasized on women entrepreneurs and related issues for achieving economic independence and women's empowerment and also the potentiality of the women in national economy in Bangladesh. This article focuses major challenges that obstruct smooth development of women entrepreneurs and socio-demographic profile of women entrepreneurs. Secondary data were used. The researchers have meticulously reviewed the relevant credentials and literatures. The study tried to explore the social perspectives of women entrepreneurs, their conditions and position in family. Overall perception of women entrepreneurs about existing business environment were also tried to discover through this study. It was also conducted to come up with recommendations and suggestions to address existing problems to promote a hassle free business enterprise. This study conveys the message that if the women are provided with appropriate training and need-based financial and related assistance, they will enter into the entrepreneurial occupation in a large number and will prove their worth to contribute to the economy of Bangladesh. Both the government organizations and private sector have a major responsibility to promote entrepreneurship development for women. Without their interventions the advancement of women and women entrepreneurship cannot be achieved.*

**Keywords:** Women Entrepreneurs, Women Entrepreneurship, Women Empowerment SME Entrepreneurs, GOs and NGOs, BSCIC, CWCCI, NAYE, WASME, Grameen Bank, ASA, Small Enterprise etc.

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## 1. Introduction

Existing sex ratio in demographic structure of Bangladesh indicates that women comprise almost 50% of the total population (BBS, 2006). They are essential part of nation's human resources. Due to this demographic structure, the issue of the participation of women in the mainstream economy is imperative. Without a meaningful and active participation of women, half of the total population, in regular economic activities, a dynamic and sustainable economy is impossible. A sustainable economy is a precondition for national growth and prosperity including institutionalization of a democratic system. It is also impossible to achieve the target of a poverty-free society without incorporation of women in the mainstream economy. Women's economic empowerment is an inevitable part of development discourse. Excluding women from the mainstream development program, institutionalization of a sustainable development process is just unthinkable. It is inspiring to mention here that a new woman's entrepreneurs' class is increasingly emerging each year taking on the challenge to work in a male-dominated, competitive and complex economic and business environment (BWCCI, 2008).

Bangladesh is a resource-limited and overpopulated country where society is highly stratified, services and opportunities are determined by gender, class and location. However, women make nearly half of the population which means huge potential to be utilized for socio-economic development of the country. Development and enrichment of women entrepreneurship are the means of promoting national competitiveness and sustainability. Its represent the individual and community level initiative and contribution towards the greater national economy, poverty alleviation models pursued by both the GOs and NGOs consider the above mentioned phenomenon as one of the prior sector of intervention. Bangladesh is one of the countries, which rectified the UN Convention on the Elimination of all Forms of Discrimination against Women (CEDAW). The Constitution of Bangladesh also grants equal rights to women and men in all spheres of public life [Article 28(1), and 28(3)]. The Constitution also keeps an obligation for the state to ensure women's active and meaningful participation in all spheres of public life (Article-10). Half of the population of Bangladesh is female and it is very important to engage this segment in greater development of the nation. For this reason, policies need to be made, with the existing one, to avail the utmost opportunities. SME entrepreneurship is a vital sector to emphasize by the concerns to develop the women in contributing the individual, national and thus international arena. Government of Bangladesh has identified 32 thrust sectors and thus has been formulating policies for development (Raihan and Haque, 2009). The major initiatives undertaken by the Government so far include the establishment of a separate ministry on women's affairs, the formulation of the National Policy for Advancement of Women in 2008, and the National Action Plan (which was prepared in response to the Beijing Platform for Action). The Government has also formed a National Women Small and Medium Enterprise (SME) Forum under the SME Foundation of the Ministry of Industry to promote women's participation in formal economic sectors. Bangladesh's Poverty Reduction Strategy Paper (PRSP), which is now the main document for Bangladesh's national development, also incorporated some noteworthy issues to ensure women's participation in social and economic life. The industrial and SME policies of 2005 have emphasized women entrepreneurship development, particularly in the SME sector (BWCCI, 2008).

It is inspiring that a new women entrepreneurs class is increasingly emerging in Bangladesh by taking the challenge of working in a male-dominated, competitive and complex economic and business environment (Brush and Hisrich, 1999). Bangladesh with its existing human resource endowment can propitiate development process. Entrepreneurship is an imperative to spur this process. Enterprise initiative with virtual qualities can accelerate the industrialization process. For this, women workforce may be motivated by policy interventions. This paradox should contain the attributes of enterprise initiative by the women workforce. The important proponents of the policy paradigm may be the following:

- Development of entrepreneurial skill through training and capacity building;
- Venture capital and technological support for project launching;
- Counseling service for enterprise management and marketing of products/ services;
- Policy provisions to support the women entrepreneurs.
- Create friendly and favorable socio economic environment for women entrepreneurs development;

## **2. Objectives of the Study:**

The goal of the study is to search out how to bring the most unutilized potential women entrepreneurs under formal economic activity to promote the economic development and at the same time enable their social, political and economic empowerment and improve their overall situation. The objectives of this research are as follows:

- ❖ To understand the perspectives of both the potential and existing women entrepreneurs about the issue;
- ❖ Liberate, reform and modernize the society through economic empowerment of women;
- ❖ To assess the socio economic conditions and impact of women entrepreneurs as well as barriers in starting and operating women-run enterprises;
- ❖ To identify the challenges and prospects regarding women entrepreneurship; and
- ❖ To recommend and suggest preparing an economic policy measures to promote a gender-friendly business environment for women entrepreneurs.

## **3. Methodology:**

This study is descriptive in nature. Both qualitative and quantitative research methods adopting participatory data collection processes were applied to explore information from different sources. Secondary data are used to analysis the findings in qualitative manner. For relevant secondary data from reputed journals, books, annual reports, government policies, CCCI, CWCCI, Publication from Finance Ministry, MIDAS, BSCIC, WEA, WEAB, DCCI and World Bank, UNDP publications and study papers was collected. In depth interviews were conducted with some women entrepreneurs to have the overall scenario. The study, in fact, follows the method of descriptive analysis on related issue of women entrepreneur and development issue in the context of Bangladesh.

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#### 4. Literature Review

Women entrepreneurship has been playing a pivotal role in terms of economic growth employment generation and industrialization. Although the role of women entrepreneurship is different at different stages of economic development, their role is particularly important for developing countries. The following studies focus on various issues related to entrepreneurship and the socio economic environment in Bangladesh.

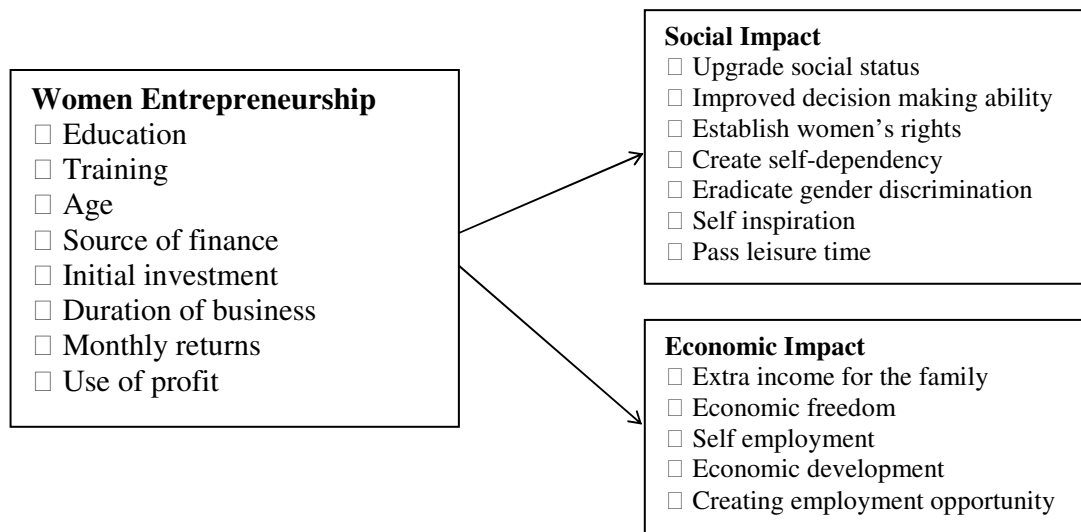
In a recent study (Chowdhury, 2008) the author emphasized on the problems faced by the women entrepreneurs and some of these are in terms of resource, marketing, raw materials, utility services, infrastructure, official formalities and so forth. Another study (Rahman, 2008) stated that the technological advancement in terms of ICT is the solution of the female entrepreneurs. Ahmed (2008) analyzed the governmental policies to elevate the overall scenario of the women entrepreneurs in Bangladesh. Nawazesh (2007), in her research, has revealed that female entrepreneurs believe that entrepreneurs are made, not born. In a nut shell it can be said that in starting and operating women-run enterprises, the women faced many problems. The overall scenario can be drawn as follows. They are isolated, disadvantaged, believe in fate and luck, beyond education opportunities, remain out of employment opportunities, have no savings, out of supporting niches of the NGOs, extreme poor standing keep them away from edges and so forth. Mazumder and Choudhury (2001) suggest that there has been need for an Entrepreneurship Development Institute. Though the authors cited the overall problems of managing SMEs, they do not provide any specific problems for women entrepreneurs. They also provide limited suggestion for the removal of problems and development of SMEs. Karim (2001) points out that illiteracy excludes women entrepreneurs almost totally from entrepreneurship as they have fewer possibilities to access information through which they could identify and assess different entrepreneurial opportunities. Also, their relative ability to exploit an opportunity is severely hampered. Not being able to read, write and count subjects an individual to two risks: first, a higher probability of being financially exploited by others and second, a higher probability of having to operate in the informal sector. Afsar (2008), who collected information from various disbursement reports of the Bangladesh

Bank, observed that up to December 2007, six financial institutions have disbursed and refinanced Tk. 3.9 million (about US\$56,000) to women entrepreneurs. Comparing this amount to the total SME funds of Tk. 6.2 billion (about US\$90 million), funding for women entrepreneurs appears highly insignificant (only .06 percent). Nawaz (2009) analyzes a variety of critical factors of women entrepreneurship development in rural Bangladesh. She depicts an analytical framework based on institutional theory, which focuses on three kinds of factors: regulative, normative, and cognitive. Regulative factors refer to different rules and regulations of the Government that facilitate women entrepreneurship development in rural Bangladesh. Normative and cognitive factors include norms, rules, regulation, and values of society. Based on the analysis of these factors, Nawaz provides various policy implications on how to improve women entrepreneurship development in rural Bangladesh.

## 5. Conceptual Framework

Entrepreneurship can be defined as the process of using private initiatives to transform a business concept into a new venture or to grow or diversify an existing venture or enterprise. Women entrepreneurs, for the purpose of this study, can be defined as women running their own SMEs within the formal or informal sector.

**Figure : Conceptual Framework**



Source: Author's Framework

The framework of this study depicts influences of women entrepreneurship on the social and economic arena. Women entrepreneurship depends on the variables such as source of capital, initial investment, training, education Karim (2001) age, business duration and monthly returns. Women entrepreneurship has a direct and positive impact on women's social status, women's rights, self dependency, the eradication of gender discrimination, and self inspiration. At the same time, it has a great impetus on the socio-economic sphere as it helps women earning extra money for the family, enjoying economic freedom, creating employment opportunities for themselves and others, and gearing up the process of economic development. This study will try to establish the relationship between women entrepreneurship and its impacts on the socio-economic sphere of life. In this research „women entrepreneurship“ and its „socio-economic impact“ were respectively identified as independent and dependent variables on the basis of a causal relationship (C. A Al-Hossienie,2011).

## 6. Woman Entrepreneurship Development in Bangladesh

It is important to note that nearly half of the total populations in Bangladesh are females. In more specific, the female entrepreneurs deserve special attention to foster, promote, and persuade economic growth. In developing countries, the role of various NGOs like BRAC, Proshika, ASA, Swanirvar etc. for woman entrepreneurship are well-known. They provide support services mainly to the rural women in income generating activities.

These organizations successfully make Problems of Woman Entrepreneurship Development in Bangladesh: A Case Study of RAKUB Pertanika J. Soc. Sci. & Hum. 20 (3): 605 - 614 (2012) 605 arrangements for finance, training for income generating projects, assisting in marketing their products, providing educational facilities, raising consciousness and building up self-confidence among the rural womenfolk. In developing the rural woman entrepreneurship, the role of various NGOs is strongly felt in every nook and corner of the country (Pervin & Akther,

2001). Today, there are several NGOs contributing to entrepreneurship development in the country. The major ones are the National Alliance of Young Entrepreneurs (NAYE), the World Assembly of Small and Medium Entrepreneurs (WASME) Rural Development and Self Employment Training Institute (RUDSETIs). In Bangladesh, the impact of micro credit on poverty alleviation is limited, despite its fame. Hashemi (1998) argues that although micro credit in Bangladesh through Grameen Bank, BRAC, PROSHIKA, ASA and other Governmental and Nongovernmental agencies has succeeded in reaching a quarter of all poor rural households, poverty still persists. One major reason for this may be the limits to micro credit in effectively targeting all of the poor, specifically in leaving out large sections of the hardcore poor, the distressed (Khandker, 1998; Hashemi, 1998; Kabeer, 1998; Johnson & Rogaly, 1997). In order to build up woman entrepreneurship on a small scale in the rural areas of Bangladesh, the role of Grameen Bank (GB) is unique. It is true that GB is engaged in bringing dramatic changes and improvements in the socio-economic condition of the rural Bangladesh by providing credit through its non-traditional credit delivery system. In fact, GB has been successful in developing entrepreneurship among the women in villages. Probably, GB is the only coveted financial institution which can claim continued rate of recovery of their loan at 98%. In a free market economy, the role of commercial banks or commercial bank in developing entrepreneurship is always very important. In the case of development of woman entrepreneurship, the role of such banks is equally important. Therefore, the role played by banks and financial institutions for the development of entrepreneurship among women is still not seen in a large scale (Pervin & Akther, 2001). Most of the literature and studies on the development of entrepreneurship among women provided credit by NGOs.

## **7. Policies and Programs Encouraging and Supporting Women Entrepreneurship**

According to the Bangladesh's demographic structure the total population consists of 50% women. But they constitute a very negligible proportion of the total entrepreneurs only 10% of the total business entrepreneur in Bangladesh. Entrepreneurial traits and competencies have not been well developed amongst the women entrepreneurs. They are the neglected sections in the society. The much low literacy rate 31.8%, low work participation rate 26% and low urban population share 10% of women as compared to 53.9%, and 54% respectively of their male counterpart well confirm their precarious position in the society (Afiya Sultana, 2012). The importance of women entrepreneurs in the national development process has been acknowledged by successive governments and steps initiated to realize these objectives. Consequently, under successive Five-Year-Plans, women's development initiatives have been gradually integrated into the macro framework and multisectoral economy to bring women into the mainstream of economic development and encourage potential women entrepreneurs realizing their business plans.

In all Development Plans, from the First to the last i.e. the Fifth-Five-Year-Plan, development of women in all spheres of our national life has been given priority considerations. The First Five Year Plan (1973-78), as for example, emphasized a welfare-oriented approach and focused on rehabilitation of war-affected women and children. The Two-Year-Plan (1978-80) was characterized by a shift from welfare to development efforts. The Second Five Year Plan (1980-85) emphasized creating a congenial atmosphere for women's increased participation in development through expanding opportunities for skill development, credit and entrepreneurship development program. The Third-Five-Year-Plan (1985-1990) had specific objectives to reduce disparity between development of men and women. The

Fourth-Five-Year-Plan (1990-95) placed women within the context of macro framework with multi-sectoral thrust and focused more on the development of poor and disadvantaged women.

In the Fifth-Five-Year-Plan (1997-2002) as many as 24 goals and objectives are set for development of women and children in the country. These goals and objectives if implemented properly will definitely contribute with the participation of women in every sphere of our national life.

**Table 1: Percentage distribution of women entrepreneurs by the year of the establishment of their enterprises;**

Year of Establishment	Percentage	Cumulative Percentage
1977	1.1	1.1
1982	2.1	3.2
1990	1.1	4.3
1992	3.2	7.5
1993	2.1	9.6
1994	1.1	10.7
1997	5.3	16.0
1999	1.1	17.1
2000	13.8	30.9
2001	2.1	33.0
2002	10.6	43.6
2003	10.6	54.2
2004	7.4	61.6
2005	8.5	70.1
2006	14.9	85.0
2007	15.0	100
<b>Total</b>	<b>100</b>	

**Source:** Bangladesh Women Chamber of Commerce and Industry (BWCCI) 2008, P: 19

During 1990s, government and non-government bodies have paid increasing attention to women entrepreneurs through formulation of various policies and programs and introduction of new schemes and incentives. It adopted a multi-disciplinary approach for development of women entrepreneurs. Women entrepreneurs were given top priority for implementation of programs under agricultural and its allied activities of dairy farming, poultry, handicrafts and small scale industries, etc. Women were given priorities in all the sectors including small scale industries sector. In view of the need to bring the rural womenfolk in the development stream of the economy, the government, the NGOs and others related agencies have provided ample opportunities to promote entrepreneurial skill among women. As a result, the number of women entrepreneurs has increased over the years. It is evident from the above data of the year of establishment of enterprises in the sample were established between the years 2000-2007. That indicating women are gradually interested in self employed business and entrepreneurial activities. It also indicating that women's visibility in economic sector is increasing.

## **8. Analysis**

### **8.1 Foretaste of Women Entrepreneur Scenario in Bangladesh**

Bangladesh is an overpopulated country with limited resources and higher social stratification. Economic, political and social recognition are determined on the basis of gender, class and location (WED, 2001). Turban areas have greater opportunities for business development while rural areas lag behind. Nearly half of the populations are women (sex ratio 106). The enormous potentiality of the population has been unutilized as few women participate in the mainstream of economic activities. For instance, only 16% of women are self-employed out of 66% self-employed citizen (based on entrepreneurship status). Encouragingly, there is a rising of a new class in rural Bangladesh, they are the women entrepreneurs who have accepted the challenges of life and have emerged as leaders in the socio-economic development, thus earning for themselves and for their families and contributing towards the socio-political upliftment of women. Consequently, entrepreneurship has become an important profession among women in both rural and urban areas. Women in rural areas are being self-employed through the agricultural and nonagricultural sector, as entrepreneurs (L. Parvin, J Jinrong and M. W. Rahman,2012). These activities are cropping, livestock and poultry rearing, fish farming, nursery and tree planting, tool making, handcrafting, food processing, tailoring, rice processing, etc. Nevertheless, it is very difficult to quantify the contribution of micro, small and medium enterprises (MSMEs), particularly estimation of the contribution of women due to lack of available data. Alam and Miyagi (2004) reported that MSMEs contribute Tk. 741 billion (US\$10.15 billion), which is equivalent to 20 to 25% of gross domestic product (GDP). About 40% of the populations (above 15 years old) are employed in this sector in both rural and urban areas. The International Consulting Group (ICG) comprehensive survey in 2003;



**Table 2. Summary of micro, small and medium enterprise definition in Bangladesh**

Types of enterprise	Types of industry	Employees	Capital	Loan size
Microenterprise	Commerce and service, manufacturing, transportation and construction etc	Mainly family members	Less than Tk. 1 million	Av. bank loans- Tk. 408,081, and MFIs Tk. 38,250
Small enterprise	Commerce and service, manufacturing, transportation and construction etc.	Less than 25 workers	Less than Tk, 15 million	Tk. 50,000 to 5 million
Medium enterprise	Commerce and service, manufacturing, transportation and construction etc.	25 to 100 workers	Tk. 15 to 100 million	5 million and above

. Source: Bangladesh Bank (2010), MIFA (2009)

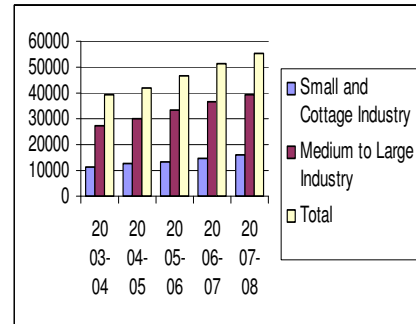
## 8.2 Contribution Women entrepreneurs

In the Bangladesh Economic Review (2008) it is observed that in small and cottage industry sector, the contribution is tk. 16090.9 crore with 8.25% rate of increase. From medium to large industry sector, the amount is tk. 39142.4 crore with 7.22% rate of increase. Then the total is tk. 55233.33 crore and combined rate of increase is 7.52%. According to World Bank report (1999), 65% of the total employment in Dhaka was in the urban informal sector and SMEs employ ten times more than that of the heavy industry sector. The 2003 National Private Sector Survey of Enterprises in Bangladesh co-financed by US Agency for International Development (USAID), reveals that the SMEs employ around 30 million people and contributes 25% to the GDP.

However, since small in size and infant in appearance, these SMEs are not in a formal manner in their operations. They are in lack of proper technology, skills, funds and market linkage and mostly run in such inefficient manner that in majority of the cases resources are not utilized optimally and opportunities are missed frequently to make them more competitive. Hence to work with SMEs and for pragmatic and comprehensive policy making and effective implementation of such policies, it is very important to understand its operational, technical, marketing, financial, and more importantly socio-cultural dynamics that shape their work environment, productivity and market reach.

**Table 03: The contribution in manufacturing sector**

Industry	2003-04	2004-05	2005-06	2006-07	2007-08
Small and Cottage Industry	*11496.5	12408.5	13551.5	14865.1	16090.9
Medium to Large Industry	27572.3	29860.5	33268.2	36507.1	39142.4
Total	39068.8	42269.0	46819.7	51372.2	55233.3



Source: The Economic Review, 2008; \*the amount is in crore taka

In Bangladesh, around 10% of the total business entrepreneurs are women but in advanced countries, the percentage raises up to 25. Though men and women ratio is 53:50, in business it is very less in term of women entrepreneurs. In one study (Morshed, 2008), it is found that female participation has increased considerably in service sector and wholesale and retailing sector over the years. Morshed (2008) again stated that becoming an entrepreneur is an evaluation of encountering, assessing, and reacting to a series of experiences, situations and events produced by political, economic, social and cultural changes.

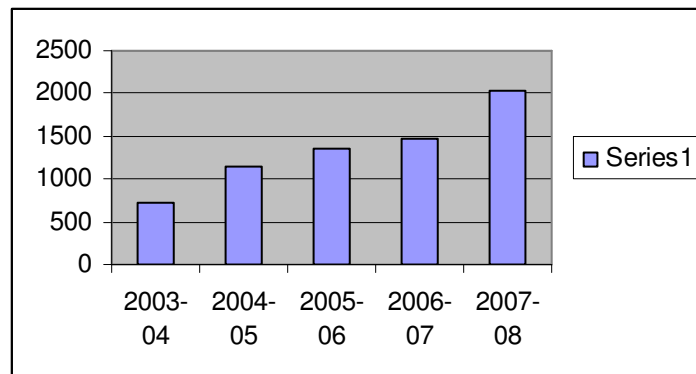
**8.3 Government policies:**

There are some policies which are the output of the government’s decisions. Ministry of Social Welfare and some other concern ministries have increased the allocation in an excellent manner up to 2008.

**Table 04: Government’s allocation in concern ministries**

2003-04	2004-05	2005-06	2006-07	2007-08
*713	1152	1353	1468	2028

Source: The Economic Review, 2008; \*the amount is in crore taka



**Table 5: Contribution to GDP by women entrepreneurs.**

Particulars	Total contribution to GDP (in million Tk.)	Percent of total contribution
Agriculture	4993.71	18
Fishing	94.28	3
Manufacturing	1397.36	50
Construction	75.38	0
Wholesale, retail trade	4227.38	15
Hotels, restaurants	2370.61	8
Transport, storage and communications	327.72	1
Real estate, renting and business activities, education	514.19	2
Health and social work	338.15	1
Other services	308.54	1
Total	14309.17	100

The bar chart displays the total contribution to GDP (in million Tk.) for 13 different sectors. The Y-axis ranges from 0 to 16000 in increments of 2000. The X-axis is labeled 1 through 13. The bars represent the total contribution to GDP for each sector. The highest contribution is from Manufacturing (Sector 6) at approximately 14000 million Tk. Other significant contributors include Wholesale, retail trade (Sector 10) at approximately 4200 million Tk., and Hotels, restaurants (Sector 7) at approximately 2400 million Tk. The remaining sectors have much lower contributions, mostly below 1000 million Tk.

Source: Daniels (2003) Figure 05: Government's allocation in concern ministries

### 9. Impact Women Entrepreneurs in Socio Economic Arena

The Industrial Policy stipulates several useful goals to broaden the participation of women entrepreneurs from different perspective. Some statements are given below as examples; Identifying women entrepreneurs capable of running independent and self-sufficient industries and businesses, Designing various incentive packages, Reserving plots in EPZs, Providing proper training in respect of starting and continuing enterprises, Establishing separate banks to have credits, capitals and collateral free loans, Offering advanced training opportunities to create women entrepreneurs of high standard, Improving the standard of goods produced, Creating new markets, local, national and international

Export Promotion Strategy Paper, 2006-2009 tells the necessity of reducing discrimination between men and women and to integrate more women in business.

Some statements from this paper are given below as examples- Encouraging female entrepreneurs in the export sector, Promoting labor-incentive export-oriented production, encouraging the aforementioned segment in innovation, Rewarding best female exporters

Millennium Development Goals, 2000-2015 covers the women development issue from the most general poverty eradication and basic human right protection standpoint. Some statements are given below as examples- Achieve primary education, Promote gender equity and empower women and Employment generation for women in non-agricultural sector

Poverty Reduction Strategy Paper, 2004, a follow up policy initiative in line with MGDs but comprehensive than that of previous ones. It states about the different entrepreneur-friendly setting ups for women. Some statements are given below as examples-Improving Business Support Services, Setting up Information bank on private investment, Ensuring women rights and advancement, Mainstreaming gender issues in agriculture, rural development and labor market, Ensuring female education starting from the primary level, Enhancing good quality employment and Emphasizing on female health, hygiene etc.

### **10. Support Services for Women Entrepreneurship Development**

Different types of organizations provide either direct or indirect supports to women entrepreneurs besides the government. Among various supporting organizations, the financial institutions are considered most important. A list of supporting organizations is given subsequently but only government policy supports and financial institution's supports are illustrated broadly. (a) Bangladesh Small and Cottage Industries Corporation (BSCIC) (b) Bangladesh Bank (c) State and private commercial banks (d) Financial institutions (e) Bangladesh Rural Development Board (BRDB) (f) Bangladesh Management Development Institute (BMDI) (g) Directorate of Women Affairs (DWA) (h) Development of Youth Development (DYD) (i) Bangladesh Manpower Training Bureau (BMTB) (j) Micro-industries Development and Assistance Services (MIDAS) (k) Job Opportunities and Business Support (JOBS) and (l) NGO-MFIs MSME program

### **11. Motivating Factors to be Women Entrepreneurs**

Factors that encourage women to be an entrepreneur; Inspiration factors are; i) To create self-dependency ii) Extra income for the family iii) Self inspiration Self employment iv) Inspiration by friends v) For economic freedom vi) To upgrade social status vii) Pass leisure time viii) Economic development ix) Inspiration from some organizations x) No alternative to have a job xi) Inspired by training xii) To establish women's rights xiii) Eradicate gender discrimination xiiii) Creating opportunity for others

### **12. Key Challenges for the Women Entrepreneurs:**

Existence challenges discussed in a recent report (Chowdhury, 2008) are as follows.

#### **12.1 From the aspect of demand side:**

(a) Fear of being rejected, unwillingness to have collaterals from partners, doubts about defending the project (b) Lack of knowledge on different available options of financing scheme (c) Lack of appropriate skills to evaluate the business especially those in the informal sectors (d) Complex procedure in the institutional level (e) Sometimes gender biasness of the male officers (f) Complicated arrangement in legalizing and formalization of business (g) Inadequate technical knowledge and managerial experience which make it difficult for them to sustain in the competitive market (i) High cost of credit (j) Weak and poorly enforced credit rights in the country and (k) Lack of effective policies and infrastructure to expedite their economic activities.

### 12.2 From the supply-side perspective:

(a) Financial institutions' reluctance to finance for start-ups (b) Insufficient assets to cover the debt-burden ratio (c) Low capitalization (d) Vulnerability to market fluctuations (e) High mortality rates (e) Lack of accounting records and inadequate financial statements (f) Lack of business plans (g) Less access of the male officers to the women entrepreneur and (h) Difficulties in identifying entrepreneurs involved in informal business sectors.

In spite of constraints, enterprise portfolio shows the following distribution (Chowdhury, 2008) of enterprises owned by male and female entrepreneurs.

Table 03: The number (in %) of men and women Entrepreneurs

Sector	Female (%)	Male (%)	Mixed (%)
Agriculture	18	25	29
Fishing	01	04	06
Manufacturing (Boutiques, handicrafts)	47	14	23
Construction	00	01	03
Wholesale and Retail, Trade and repairs	23	42	25
Hotels and Restaurants	07	05	11
Transport, storage and communication	01	01	00
Real estate, renting and business activities	01	03	04
Health and Social Work	00	01	00
Other Service Activities	01	03	--
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Total

Female (%)	18 1
	47 0 23 7 1 1 0 1
Male (%)	25 4 14 1
	42 5 1 3 1 3
Mixed (%)	29 6 23
	3 25 11 0 4 0 --

Source: Deniels, Lisa, October (2003) Figure 03: The number (in %) of men and women Entrepreneurs

### 12.3 Factors hindering marketing of the product

The women entrepreneurs interviewed were asked to describe their perception about the factors that were hindering proper marketing of their products. The major opinions were as (a) Lack of proper training (b) Lack of raw materials (c) Lack of capital (d) Social barriers (e) Unsecured communication system (f) Lack of efficient workers (g) Sexual harassment (h) Family restriction (i) Religious beliefs and traditional customs (j) Lack of linkage with national and international market (l) Failure to recover cost and (m) Lack of market information

#### **12.4 Factors hindering their product development**

Main issues discussed by them were as follows-(a) Lack of capital (b) Lack of good designers (c) Lack of skilled workers (d) High price of materials (e) Lack of modern machineries (f) Lack of raw materials (g) Lack of proper knowledge and training (h) Lack of information (i) Lack of family and social restriction to give more time to develop product and (j) Lack of development institutions.

#### **12.5 Financial Constraints**

All women entrepreneurs acknowledge that financing is a crucial problem for them, as they get very seldom support in this regard from their husbands. Because of lack of finance most robust idea of women entrepreneurs could not be realised. Most of the rural women have almost no possibility to expand their operations unless the burden of loan interest is reduced (Faraha Nawaz, *Pertanika J. Soc. Sci. & Hum* 2012), are as follows; i) Women Entrepreneurs doesn't get collateral free loan as they have no assets ii) Lack of interest free loan for encouraging women entrepreneurs iii) Long term loan not be available iii) Interest rate very high and long term interest free loan are not available iv) There are no investment Bank for Women entrepreneurs v) Access to finance not easier vi) Women entrepreneurs not freed from VAT at least in mid-term basis and vii) Women entrepreneurs have no direct access to finance and other infrastructure and institutional facilities; etc.

#### **12.6 Lack of Infrastructural Facilities**

Infrastructural Facilities such as transportation, communication and supply of electricity are not at optimum level. These pose a great barrier for entrepreneurship development in the rural area. Modern development is the development of technologies. Production cannot meet the demand unless its quality is up to the market requirement (Rahman, Hossain & Miah, 2000). The field survey revealed that 95% (38 female entrepreneurs) are practicing traditional technology, which ultimately results into increasing inefficiency. The opportunities for training and also the scope of introducing new technology are increasing. Nonetheless, such opportunities are most extended in the urban areas. It is observed that technical assistances are not easily available to the rural entrepreneurs.

#### **12.7 Other Challenges**

i) Lack of Technical Support ii) Poor Managerial and Technical Skills iii) The absence of proper sales centre or show room facility iv) Non availability of skilled labor or trained employees v) Besides, products are sometimes put up for sale on credit basis creating problems in the collection of the money vi) Lack of improved implements and machinery, existing competition faced due to expansion of production, difficulty in the procurement of raw materials, problems of sales collection, problems increased by middlemen vii) Constraints in transportation and marketing are existing problems for business viii) Lack of proper training on management and production skill up-gradation (ix) Lack of healthy workplace environment and especially lack of training facilities are some of the major constraints which should be overcome for steady functioning of the business and (x) Due to lack of market facilities women do not get the proper prices for their products, which are under priced by the customers or wholesalers who order their products.

### **13. Anticipations of Developing Women Entrepreneurs**

The constitution also includes the issue of the development of the women entrepreneurs

#### **13.1 Government's strategies for women's advancement**

For the overall well-being of the women folks of the country, the government of the People's Republic of Bangladesh has set the following strategies (a) Increase women's participation in the decision making process of all financial institutions and remove the existing differences between women and men (b) Ensure women's equal right in formulating and implementing economic policy (commercial policy, monetary policy and fiscal policy, etc.); (c) Keep women's needs and interest in consideration while formulating the macro-economic policies and taking programs for empowerment of women (d) Build safety-net in favor of women to prevent adverse effects of application of macro-economic policies (e) Provide equal opportunities and partnership to women in matters of access to property, employment, market and business (f) Take effective measures in all organizations including Bureau of Statistics for projecting women's contribution in national economy.

Government has set distinct strategies in its National Action Plan (NAP) for the development of the women entrepreneurship, which are (a) Adoption of a comprehensive sustainable industrial policy that will promote equity for women and men (b) Increase the number of women entrepreneurs (c) Ensure women's easy access to markets (d) Develop entrepreneurial skills of the women (f) Provide infrastructure facilities for women entrepreneurs (g) Upgrade technical "know-how" of women and develop technology suitable for women (h) Enable MOI and other related ministries, agencies to address and implement WID issues in comprehensive and coordinated way for effective implementation of the Industrial Policy and (i) Support research, evaluation and action-oriented programs of industry particularly for women engaged in the industrial sector.

**13.2 The Fifth-Five-Year Plan** of the country clearly reflects objectives of the development policies and National Action Plan (NAP), which commit- (a) Ensure equal rights of women in all spheres of development, including access to information, skills, resources and opportunities (b) Enhance the participation of women in political, civil, economic, social and cultural life (c) Promote economic self-reliance for women, and generate economic policies that have positive impact on employment and income of women workers in both formal and informal sectors (d) Create appropriate institutional arrangements with necessary financial and human resources and authorities at all levels to mainstream women's concerns in all aspects and sectors of development (e) Mainstream women's concern in agriculture and rural development, industry and commerce besides services (f) Ensure the visibility and recognition of women's work and contributions to the economy (g) Micro-Credit for women entrepreneurs (h) Institutional Credit for women entrepreneurs (i) Credit policy for Women Entrepreneurs which could be devoted for women entrepreneurship development (j) Tax Policy taxation can have profound influence on the women entrepreneurship development (k) The Tax Ordinance, 1984 The Tax Ordinance, 1984, has specified "deemed income" as income. The term "deemed income", however, has not been defined, which means that the tax collector can identify income as chargeable to tax and (l) Tax holiday means exemption from payment of tax on profits and gains from the problems and bottlenecks, which the women entrepreneurs, cited in the. Workshop could be grouped into following categories:

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### **13.3 Financial Policies and Strategies**

In respect of the policy, strategy and function of Bangladesh Bank and Commercial Banks following suggestions may be made-i) Identification of genuine women entrepreneur Establishing credit guarantee scheme for women entrepreneurs ii) sinking interest rate for loans for women entrepreneurs iii)Setting up special window for financing women entrepreneurs iv) Pre- and post investment counseling for women entrepreneurs for credit v) Monitoring of credit disbursement for women entrepreneurs vi) Maintaining gender-based data on credit disbursement and dissemination information on credit opportunities Establishing a exclusive bank for women Enabling credit for the women without collateral and vii)Establishing strong relation among different chambers and business organizations to ensure support for development of the women entrepreneurs

### **14. Recommendations and conclusion**

The study has reviewed the status of women entrepreneurs in Bangladesh. It has set the propositions regarding the role of women in Bangladesh society, and the opportunities open to them to operate their enterprises effectively and efficiently. A focus on the recommendations exhibits the following:

- Separate banks may be established for women entrepreneurs and for the other banks; an obligation may be imposed to maintain a minimum quota for the underprivileged women entrepreneurs.
- A comprehensive credit policy should be initiated under the direct supervision of the central bank in order to create access of women entrepreneurs to finance. The policy must keep a provision of collateral free loan, credit without interest or low rate of interest, loan for long time duration etc.
- Awareness of business opportunities and support services offered by various entities should be targeted towards women.
- Proper coordination, necessary fund and trained staff should be provided by the GOs and NGOs to improve service delivery mechanisms.
- Credit programs need to be linked with entrepreneurship development training programs.
- National Women Development Policy 2008 should be properly implemented.
- Concerned entities should provide special support to women entrepreneurs engaged in trade fair and export trade.
- Counseling on project ideas, techniques for selecting suitable projects, preparation of business plan, management, sustaining support etc. should be provided to create and maintain women entrepreneurship friendly environment.



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- The central bank should fix up a target for each bank to provide loan for women owned enterprises and form a monitoring team to monitor the implementation of its circular.
  - Increase research program on women entrepreneurship development and provide financial support by the government to the institutions that are currently involved in research activities on women entrepreneurship development
  - Provide counseling services and training to the women entrepreneur on a regular basis and extend such types of services to the rural areas
  - National Board of Revenue (NBR) in order to raise awareness on tax giving procedures
  - Introduce lesson on entrepreneurship development in educational curriculum
  - In addition to existing poverty eradication program, the Government should undertake a separate program for women entrepreneurship development
  - National Action Plan for the development of women entrepreneurship should make provision for undertaking necessary steps to feed women entrepreneurs with resources.
  - Ensuring timely implementation of the Policies of National Action Plan.
  - Ensuring Implementation are regular monitoring of the Beijing UN Convention Women Development

Women entrepreneurship is not only a source of income generation but also a way of achieving economic independence. Realizing the importance of women entrepreneurship, Bangladesh government has taken several initiatives to encourage women getting involved in various micros, small and medium enterprises. Women have now become aware of their socio-economic rights and have ventured to avail the opportunities initiated for them. It is impossible to achieve the target of a poverty-free society without incorporation of women in the mainstream economy. Considering the issue, a special emphasis has been given by the Government, donor agencies, NGOs, business community and all other relevant stakeholders through different interventions to ensure increased women's participation in formal economic sectors, especially in business and industry.



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